

BY-LAWS OF PINEHOLLOW HOMEOWNERS' ASSOCIATION

ARTICLE I: NAME AND LOCATION

The name of the corporation is **PINE HOLLOW HOMEOWNERS' ASSOCIATION**, hereinafter referred to as the "Association." The principle office of this corporation shall be located at 2510 Westminister, Pearland, Texas 77581, but meetings of members and trustees may be held at such places as may be designated by the Board of Trustees.

ARTICLE II: DEFINITIONS

Section 1. "Association" shall mean and refer to PINE HOLLOW HOMEOWNERS' ASSOCIATION, a Texas Non-profit Corporation, its successors and assigns.

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

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

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map or the properties with the exception of the Common Area and commercial reserves excluded from the scope of the Declaration.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee title to any lot which is part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of any obligation.

Section 6. "Restrictive Covenants" shall mean and refer to the Declaration of Covenants and Restrictions, Pine Hollow, Sections One and Two (a single family residential subdivision applicable to the Properties recorded or to be recorded in the Deed Records of Brazoria County, Texas, and any amendments thereafter or such other Restrictive Covenants created by additional properties dedicated to the subdivision by the Developer.

Section 7. "Member" shall mean and refer to those persons entitled to membership as provided in the Restrictive Covenants and Articles of Incorporation

ARTICLE III: MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within two (2) years from date of incorporation of the Association, and subsequent meetings shall be held within sixty (60) day of the anniversary dates at 7:00 pm, if a legal holiday, then on the succeeding business day.

Section 2. Special Meetings. Special Meetings of the members may be called at any time by the President of the Board of Trustees, or upon written request of the members who are entitled to vote one-fourth (1/4th) of the entire membership.

Section 3. Notice of Meetings. No written notice will be required for the Annual Meetings of the members. Written notices of each Special Meeting of the members shall be given by the Secretary or person authorized to call the meeting. Notice shall be mailed, postage prepaid, at least fifteen (15) days but not more than forty (40) days before such meeting to each member entitled to vote. Notice shall be 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, date, hour, and purpose of the meeting.

Section 4. Quorum. The presence at the meeting of the members entitled to vote, or of proxies to cast, one-tenth (1/10th) of the votes of the entire membership shall constitute a quorum for any action, except as otherwise provided in the Articles of Incorporation, Restrictive Covenants or these By Laws. If, however, a quorum shall not be present or represented at any meeting, the member entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than an announcement at the meeting until a quorum shall be represented.

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

ARTICLE IV: BOARD OF TRUSTEES; SELECTION AND TERM OF OFFICE

Section 1. General Powers. The business, property and affairs of this Association shall be managed by its Board of Trustees.

Section 2. Number; Term of Office. The number of Trustees of the Corporation shall be such number, not less than three (3), as may be determined from time to time by the Board of Trustees. At the first annual meeting the members shall elect one (1) trustee for a term of one (1) year; one (1) trustee for a term of two (2) years; and one (1) trustee for a term of three (3) years; and at each annual meeting thereafter, the members shall elect one (1) trustee for a term of three (3) years, as needed.

Section 3. Removal. Any Trustee may be removed from the Board, with or without cause, by a majority vote of the entire membership of the Association. In the event of death, resignation or removal of a trustee, 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 trustee shall receive compensation for any service he may render to the Association.

Section 5. Action Taken Without A Meeting. The Trustees 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 and consent of all the Trustees. Any action so approved shall have the effect as though taken at a meeting of the Trustees.

Section 6. Meeting by Telephone. The Board of Trustees may participate in and hold a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.

ARTICLE V: NOMINATION AND ELECTION OF TRUSTEES

Section 1. Nomination. Nomination for election to the Board of Trustees shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The nominating Committee shall consist of a Chairman, who shall be a member of the Board of Trustees, and two (2) or more members of the Association. The Nominating Committee shall be appointed by the Board of Trustees 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 of Trustees as it shall in its discretion determine, but not the less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Elections. Election to the Board of Trustees shall be by secret ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles of Incorporation and Restrictive Covenants. The persons receiving the largest number of votes shall be elected.

ARTICLE VI: MEETINGS OF TRUSTEES

Section 1. Regular Meetings. Regular meetings of the Board of Trustees shall be held quarterly without notice, at such place and hour as may be fixed from time to time by the Board. Should said meeting fall upon a legal holiday, then the meeting shall be held at the same time on the next day which is not a legal holiday.

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

Section 3. Quorum. A majority of the number of trustees shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the trustees present at a duly held 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 TRUSTEES

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

- a) Adopt and publish rules and regulations governing the use of Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for infractions thereof;
- b) Suspend the voting rights and right to use the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of the published rules and regulations;
- c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By Laws or in the Articles of Incorporation or the Restrictive Covenants;
- d) Declare the office of a member of the Board of Trustees to be vacant in the event each member shall be absent from three (3) consecutive regular meetings of the Board of Trustees; and,
- e) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Trustees 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 entire membership who are entitled to vote;

- b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- c) As more fully provided in the Restrictive Covenants, to:
 - 1) fix the amount of the semi-annual assessment against each lot at least thirty (30) days in advance of said assessment period;
 - 2) send written notices of each assessment to every owner subject thereto at least thirty (30) days in advance of each semi-annual assessment period;
 - 3) foreclose the lien against any property for which assessment are not paid within thirty (30) days after the due date or to bring an action by law against the owner personally obligated to pay the same, if the judgment of the Association it is necessary;
- 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 before the issuance of these certificates. If a certificate states an assessment has been paid, such certificates shall be conclusive evidence of such payment;
- e) Procure and maintain adequate liability and hazard insurance on the property owned by the Association;
- f) Cause all officers or employees having fiscal responsibilities to be bonded, as the Board may deem appropriate; and
- g) Cause the Common Area to be maintained.

ARTICLE VIII: OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be President and Vice President, who shall at all times be members of the Board of Trustees, a Secretary, a Treasurer, and such other officers as the Board, from time to time, by resolution, create.

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

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

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

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

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

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of the other offices, except in the case of Special Offices created pursuant to Section 4 of this Article.

Section 8. President. The President shall preside at all meetings of the Board of Trustees; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Section 9. Vice-President. The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Section 10. Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board 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.

Section 11. Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Trustees; shall sign all checks and promissory notes of the Association; keep proper books of account; cause a report of the Association's books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget, and a statement of income and expenditures to be represented to membership at its regular annual meeting. Copies of these documents shall be available to members for purchase at a reasonable cost.

ARTICLE IX: INDEMNIFICATION OF OFFICERS AND TRUSTEES

Section 1. Indemnification. This Corporation shall indemnify any Trustee or Officer or former Trustee or Officer of the Corporation against expenses actually and necessarily incurred by such Officer or Trustee in connection with the defense of any action, suit, or other proceeding in which such Officer or Trustee is made a party by reason of being or having been such Officer or Trustee, except in relation to matter as to which he or she shall be adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of his or her duties. This right of indemnification is cumulative of any other rights of indemnification to which such Officers or Trustees may be entitled under any provision of these By Laws, any agreement, or vote of the Trustees of the Corporation.

ARTICLE X: COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Restrictive Covenants, and a Nominating Committee as provided in these By Laws. In addition, the Board of Trustees shall appoint other committees as deemed appropriate in carrying out its purposes.

ARTICLE XI: REMEDIES FOR NON-PAYMENT OF ASSESSMENT

As more fully provided in the Restrictive Covenant, each member is obligated to by the same or foreclose the lien against the property and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his lot.

ARTICLE XII: AMENDMENTS

Section 1. 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.

Section 2. Conflict with Other Documents. In the case of any conflict between the Articles of Incorporation and these By Laws, the Articles shall control; and in the case of any conflict between the Restrictive Covenants and these By Laws, the Restrictive Covenants shall control.

ARTICLE XIII: FISCAL YEAR

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.

Executed this 13th day of October, 1995.