

BY-LAWS

CRIGHTON RIDGE HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is CRIGHTON RIDGE HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association." The principal office of the corporation shall be located at 333 Cypress Run, Suite 300, Houston, Texas 77094, but meetings of Owners and directors may be held at such places within the State of Texas, County of Montgomery, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. Definitions. Wherever used in these By-Laws, the following terms shall have the following meanings:

"**Architectural Committees**" shall mean and refer to the New Construction Committee and/or the Modifications Committee, and "**relevant Architectural Committee**" means the New Construction Committee or the Modifications Committee, whichever has jurisdiction over the matter in question.

The term "**assessments**" shall mean and refer to annual assessments, special assessments and Neighborhood Assessments assessable by the Association as provided in these Bylaws, the Declaration and/or any Supplemental Declaration.

"**Association**" shall mean and refer to CRIGHTON RIDGE HOMEOWNERS ASSOCIATION, INC., a Texas non-profit corporation, its successors and assigns.

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

"**Common Area**" shall mean all real property conveyed by the Declarant to the Association from time to time within the boundaries of the Property for use for the common use or benefit of all or some of the Owners of Lots within the Property, together with any and all

improvements thereon. The Common Areas may include, without limitation, land used for drainage purposes, utility services, community signage monuments, community fencing or walls, natural reserves, landscaping reserves, private streets, parks, recreational facilities, and similar uses.

"Declarant" shall mean and refer to CENTENNIAL HOMES, INC., a Texas corporation, its successors and its assignee designated and created as a successor Declarant as provided herein.

"Declaration" shall mean and refer the Declaration of Covenants, Conditions and Restrictions for Crighton Ridge, filed for record under Montgomery County Clerk's No. 9856067, as supplemented and/or amended from time to time.

"Living Unit" shall mean and refer to any improvements on a Lot which are designed and intended for occupancy and use as a residence by one person, by a single family, or by persons maintaining a common household, excluding mobile homes or other non-permanent structures.

"Lot" or **"Lots"** shall mean and refer to any of the single-family residential lots from time to time reflected on any recorded Plat of any portion of the Property; provided, however, the term "Lot" shall not include streets, easements, nor the property designated on the plat as landscape, drainage, scenic or other types of non-residential reserves, subject to the restrictions on platting and replatting as herein set forth. "Lot" shall also include building sites for the construction of one Living Unit structures resulting from consolidation of separately Platted Lots pursuant hereto.

"Member" shall mean and refer to every person or entity who holds membership in the Association.

"Modifications Committee" shall mean and refer to the committee by that name created by the Board of Directors of the Association to exercise exclusive jurisdiction over the modifications, additions, or alterations made on or to existing Living Units or other improvements on Lots.

"Neighborhood" shall mean and refer to any separately designated development area of the Properties comprised of various types of housing, initially or by supplement or amendment made subject to the Declaration and designated as a Neighborhood in accordance with the terms of the Declaration. If separate Neighborhood status is desired, the Declarant shall designate in a Supplemental Declaration that the particular portion of the Property shall constitute a separate Neighborhood for purposes of the Declaration. In the absence of specific designation by Declarant of separate Neighborhood status for particular Property indicating a different Neighborhood status or identity, all Property subject to or made subject to the Declaration shall be considered a part of the same Neighborhood to be called "Crighton Ridge Section One."

"Neighborhood Assessments" shall mean and refer to assessments levied by the Association as provided for in Article 7.8 of the Declaration, or required by the terms of a Supplemental Declaration, being those incurred for purposes of promoting the recreation, health, safety, common benefit and enjoyment of only the Owners and Occupants of the Neighborhood against which the specific Neighborhood Assessment is levied, and/or of maintaining the properties within a given Neighborhood, and shall include Special Neighborhood Assessments and General Neighborhood Assessments as defined in the Declaration.

"New Construction Committee" shall mean and refer to the committee by that name created by the Declarant pursuant to Section 3.1 of the Declaration to exercise exclusive jurisdiction over all original construction of Living Units and related improvements on Lots.

"Owner" shall mean and refer to the record owner of a fee simple title to any Lot which is a part of the Property, including owners that have entered into contracts of sale to sell their lots (but which sale has not been consummated), but excluding those having such interest merely as security for the performance of any obligation.

"Plats" shall mean and refer to all Property plats from time to time filed of record by Declarant (or with Declarant's or the Association's approval as and when herein required) in the Map or Plat Records of Montgomery County, Texas, with respect to Properties covered by the Declaration, as the same may be amended.

"Property" or the **"Properties"** shall mean and refer to the Property described in the Declaration, together with such additional lands as and when they are from time to time (if ever) made subject to the Declaration pursuant to the annexation provisions hereof, less any land deleted from the Property pursuant to the deannexation provisions of the Declaration. All of the Property may sometimes be commonly known and referred to as "Crighton Ridge."

"Supplemental Declaration" shall mean and refer to (i) any declaration of supplemental restrictions filed of record by Declarant, its successors or assigns, imposing more stringent or detailed restrictions or additional restrictions on or with respect to one or more Neighborhoods within the Property, (ii) any supplemental declaration of annexation executed and filed of record by Declarant, its successors or assigns, bringing additional property within the scheme of the Declaration under the authority provided in the Declaration, and (iii) any supplemental declaration executed and filed of record by Declarant, its successors or assigns, to accomplish both of the foregoing. References herein (whether specific or general) to provisions set forth in "all (any) Supplemental Declarations" shall be deemed to relate to the Supplemental Declaration(s) which is or are applicable to the portions of the Property being referenced.

Section 2 Incorporation of Other Definitions. Wherever a capitalized term used in these Bylaws is not otherwise defined herein, such term shall have the meaning ascribed to it in the Declaration.

ARTICLE III

MEMBERS

Every person or entity who is an Owner of any of the Properties which are subject to assessments by the Association (including Declarant, whether or not it is obligated to pay assessments thereon) shall be a Member of the Association. The foregoing description is not intended to include persons or entities who hold an interest in a Lot merely as security for the performance of an obligation. No Owner shall have more than one Membership in the Association, but an Owner may have multiple votes depending on its ownership of multiple Lots in accordance with the voting provisions hereof. Membership (and Member voting rights, except for proxies granted under terms permitted by the Texas Non-Profit Corporation Act, as from time to time amended) shall be appurtenant to and may not be separated from ownership of the related Lot which is part of the Property. Owners may not assign Membership rights (including voting rights) associated with the Lot they own even to another Lot within the Property; provided, however, that this provision will not be construed to prevent granting of proxies pursuant to the Texas Non-Profit Corporation Act, but an additional restriction on proxies is that no proxy may survive the conveyance of the Lot as to which the related Member vote(s) is or are appurtenant unless the Lot conveyance occurs between the time when the record Owner of the Lot is conclusively determined for voting purposes for a particular Member meeting and the time when such meeting occurs.

ARTICLE IV

CLASSES OF MEMBERSHIP, VOTING RIGHTS, MEETINGS AND QUORUMS

Section 1. Classes of Membership. The Association shall have two classes of voting membership as follows:

Class A. Class A Members shall be all Owners, with the exception of the Declarant (unless and until its Class B Membership converts to Class A Membership as contemplated below), and each such Class A Member shall be entitled to one vote for each Lot owned by such person or entity. When more than one person holds an interest in a single Lot, all such persons shall be Members. The vote of such Lot shall be exercised as such co-owners among themselves determine, but in no event shall more than one vote be cast with respect to any one Lot. If the co-owners of a single Lot do not vote unanimously and in unison, no vote for that Lot shall be counted. Holders of future interests in a Lot, not entitled to present possession, shall not be considered as Owners for the purposes of voting hereunder.

Class B. Class B Members shall be the Declarant, its successors or assigns, and shall be entitled to ten (10) votes in the Association for each Lot owned and for each one-quarter acre of Property owned by it that has not yet been subdivided into residential Lots. Class B Membership shall cease and be converted to Class A Membership on the happening of either of the following events, whichever occurs earlier:

- (A) When total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (B) January 1, 2025;

and Declarant may thereafter cast votes as Class A Member (regardless of whether Declarant pays any or its full share of assessments).

At such time that additional property is annexed into the Association, the Class B Membership of the Declarant, shall, if it had previously ceased due to one of the conditions listed above, be automatically deemed reinstated and shall apply to all Lots and property owned by

Declarant in the newly annexed portion of such property as well as to all Lots owned by Declarant in all other areas of the Property. Such reinstatement is subject to further cessation in accordance with the limitations set forth in the preceding paragraphs (A) and (B) of this Article, whichever occurs first. However, upon reinstatement due to annexation of additional property, the period of time set forth in paragraph (B) of this Article shall be extended to the extent necessary such that in all circumstances it extends for a period no shorter than ten (10) years from the date of each such recorded annexation.

Section 2. Annual Member Meetings.

(a) The first (1st) annual meeting of the Members shall be held one (1) year from the date of the sale of the first Lot by Declarant.

(b) Thereafter, the annual meeting of the Members shall be on the first (1st) Tuesday following the anniversary date of first annual meeting of the Members, at seven o'clock (7:00) P.M., if not a legal holiday, and if such Tuesday is a legal holiday, then on the next succeeding business day, for the purpose of electing directors, if necessary, and for the transaction of any and all such other business which may be brought before or submitted to the Members for consideration. All annual meetings of the Members shall be held at the office of the Association in Montgomery County, Texas, unless otherwise determined by the Board of Directors. No notice of the annual meetings shall be necessary.

Section 3. Special Member Meetings. Special meetings of the Members shall be held at the office of the Association in Montgomery County, Texas, or at such other place as may be designated in the notice of waiver or waivers of notice of the respective meetings. Special

meetings of the Members may be called by the President or by a Vice President or by a majority of the directors or by request of Members holding at least one-fourth (1/4) of the voting power of the membership. Written notice of each special meeting shall state the time and place thereof and indicate briefly the purpose or purposes thereof. Notice may be sent by mail, facsimile or telegram or may be delivered by the Secretary, the President or Vice President, directly to the Members of the Association (and to any of the holders of first liens on the Property with respect to whom a written request for notice and a notice address has been delivered to the Association), at least ten (10) and not more than fifty (50) days prior to the date set for the holding of the meeting. With respect to any meeting called to address the matters referred to in Article IV, Section 4(b), below, such notice shall be given at least thirty (30) and not more than sixty (60) days prior to the proposed meeting date. Unless otherwise indicated in the notice of waiver or waivers of notice thereof, any and all business may be transacted at any annual meeting or special meeting of the Members.

Section 4. Member Quorums.

(a) Except as provided in Article 4, Section 4(b), below, the presence of Members either in person or by proxy, holding an aggregate of twenty-five percent (25%) of the voting power of the membership shall constitute a quorum for all purposes at any annual meeting or special meeting of the Members. If the Members necessary to constitute a quorum at any annual meeting or special meeting are not present in person or by proxy, such meeting shall be adjourned until the number of Members requisite to constitute a quorum shall be present in person or by proxy. Those Members holding a majority of all of the votes of the Members present in person or by proxy, may also

adjourn any annual meeting or special meeting from time to time, without notice other than by announcement at the meeting, and provide for such meeting to be reconvened at a specified date and time not more than five (5) business days thereafter, so that the transaction of any and all business submitted or proposed to be submitted to such meeting may be completed. At any such reconvened meeting at which a quorum is present, either in person or by proxy, any business may be transacted which might have been transacted at the meeting as originally noticed or called.

(b) Written notice of any meeting called for the purpose of taking any action as to which a Member vote is required under Article 7.7 of the Declaration to increase the rate of assessments shall be mailed by first-class U.S. Mail to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or proxies of all classes of membership entitled to cast sixty percent (60%) of all the votes of the membership shall constitute a quorum. If the required quorum is not present at any such meeting, the meeting may either continue without addressing such assessment issue, or be adjourned but another meeting may be called subject to the same notice requirement; however, the required quorum at such subsequent meeting shall be one-half (1/2) of the required quorum applicable in the case of the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 5. Presiding Officer. The President of the Association, or in the President's absence, a Vice President of the Association, shall call the Member meetings to order and in addition shall act as Chairman. In the absence of the President and all Vice Presidents of the

Association, the Members present may appoint a Chairman by majority vote. The Secretary of the Association, or in the Secretary's absence an Assistant Secretary, shall keep records of all meetings of the Members, but in the absence of the Secretary and all Assistant Secretaries, if any, the presiding officer may appoint any person (whether or not a Member) to act as Secretary of the meeting.

Section 6. Voting. At all meetings of Members, all questions, unless otherwise expressly required by statute, the Articles of Incorporation, or the Declaration, shall be decided by a simple majority of the votes of the Members present in person or by proxy at a meeting duly called with a quorum present. All voting shall be by voice, except that, upon the determination of the presiding officer of any meeting or upon the demand of any Member or a Member's proxy, voting shall be by secret written ballot. Each ballot shall be signed by the Member voting or by a validly appointed proxy. There shall be no cumulative voting by the Members. All voting shall be by Members in person or by proxy as allowed by the Act.

Section 7. Informal Action. The Association may act without a meeting on any issue on which a vote of the Members is required, by obtaining the written consent of the Members holding the same percentage of the votes of all Members as the percentage that would be required in a vote of the Members at a meeting considering such issue disregarding that only a quorum of Members would be required at a meeting.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number; Term. The affairs of this Association shall be managed by a Board of three (3) directors, who need not be Owners. The directors shall serve two (2) year staggered terms

so that a minimum of one-third of the Board members' terms will expire each year; provided, however, the initial Board shall be comprised of three (3) individuals appointed by Declarant and such Board members shall serve until the earlier of the first meeting of Members or their removal and replacement as provided in Article IV, Section 2, below. The number of directors may be changed by amendment of the By-Laws of the Association. Their successors are selected as hereinbelow provided.

Section 2. Death, Resignation or Removal; Replacement. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Board or by the Declarant. In the event of death, resignation or removal of a director, his successor shall be selected by a majority vote of the remaining members of the Board present and voting at a special meeting of the Board duly called and held (even though a quorum may not be present at the meeting), or by unanimous written consent of the remaining Board members. Notwithstanding the foregoing, however, if the remaining members of the Board fail to fill any such vacant director position within sixty (60) days of the vacancy (the "Director Replacement Period"), the Declarant may fill such vacant board position by designating the successor director in writing. Should the rights of the Declarant under the Declaration ever lapse or should the holder of the Declarant's rights fail to act to appoint the requisite number of directors to fill vacancies (i) for a period of sixty (60) days after the date on which the Board no longer has any members, or (ii) for a period of sixty (60) days after the expiration of the Director Replacement Period, then the vacant position(s) on the Board may be filled by a written vote or approval of fifty-one percent (51%) or more of the votes of the Owners; provided, however, that for so long as Centennial Homes, Inc., or its successor or assigns, owns any of the property subject to the Declaration, the vote or approval of Centennial Homes, Inc., shall be

required in order for such election of any director(s) by the Owners.

Section 3. 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 4. 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 directors.

ARTICLE V

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarter-annually 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, then that 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 Directors shall be held when called by the President of the Association, or by any two 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.

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. Among its other express and implied powers under the Declaration, the Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the use of the property and facilities subject to the Declaration, and the personal conduct of the Owners and their employees, lessees, tenants and guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and right to use of any facilities owned or operated by the Association by an Owner during any period in which such Owner 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 for the Association all powers, duties and authority vested in or delegated to this Association in the Declaration or these By-Laws, and not reserved to the Owners by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;
- (e) employ a manager, independent contractors, or such other employees as they deem necessary, and to prescribe their duties; and

- (f) oversee the operations of the Architectural Committees as contemplated in the Declaration, including, without limitation, the New Construction Committee and the Modifications Committee, and when and as required by the Declaration appoint members or replacement members thereto.

Section 2. Duties. It shall be the duty of the Board of Directors to carry out its responsibilities under the Declaration, including specifically, but without limitation, to:

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Owners at any special meeting in which such statement is requested in writing by the Owners representing two-thirds (2/3) of the total votes possible;
- (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 Declaration, determine the amount to be levied as the assessments against each Owner for each calendar year;
- (d) as more fully provided in the Declaration, to foreclose the lien against any Lot for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same;
- (e) 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 (reasonable charge may be made by the Board for the issuance of these certificates), and if a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

- (f) procure and maintain adequate liability and hazard insurance on the Common Area;
- (g) cause the Common Area to be maintained; and
- (h) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

ARTICLE VII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. 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, or shall be removed, or otherwise disqualified to serve.

Section 3. Special Appointments. The Board may elect such other officers as the officers 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 4. Resignation and Removal. Any officer may be removed from office without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or secretary. 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 5. 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 6. 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 3 of this Article.

Section 7. Duties. The duties of the officers are as follows:

- (a) **President.** The president shall preside at all meetings of the Board of Directors; 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, except as may be otherwise approved by the Board of Directors.
- (b) **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.
- (c) **Secretary.** The secretary 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 Owners; keep appropriate current records showing the names of the Owners together with their addresses, and shall perform such other duties as required by the Board.
- (d) **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 Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association

books to be made by a public accountant at the completion of each fiscal year; and shall prepare or cause to be prepared an annual budget and a statement of income and expenditures to be presented to the Owners annually, and deliver a copy of each to the Owners.

ARTICLE VIII

COMMITTEES

The Board of Directors shall appoint such committees as deemed appropriate in carrying out its purposes.

ARTICLE IX

RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Owner. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any Owner at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE X

ASSESSMENTS

As more fully provided in the Declaration, each Owner is obligated to pay to the Association 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 maximum rate permitted by Texas law, and if there is no maximum lawful rate applicable to such transaction, then at the rate of eighteen percent (18%) per

annum. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Owner's Property, and interest, costs, and reasonable attorney 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 non-use of the Common Area or by non-use and/or abandonment of his Lot.

ARTICLE XI

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: CRIGHTON RIDGE HOMEOWNERS ASSOCIATION, INC. Use of the seal shall not be required in order to render an act of the Association binding on it.

ARTICLE XII

AMENDMENTS

The By-Laws of this Association are hereby adopted by the initial Board of Directors and shall be amended or altered by a majority of the members of the Board of Directors, or their successors. In the event of a conflict between these By-Laws and the Declaration, the Declaration shall be deemed controlling.


ARTICLE XIII

MISCELLANEOUS

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.

IN WITNESS WHEREOF, we, being all of the Directors of CRIGHTON RIDGE HOMEOWNERS ASSOCIATION, INC., have hereunto set our hands the 29TH day of SEPTEMBER, 1998, to reflect the adoption of the foregoing By-Laws to be effective to the fullest extent allowed by law as of April 21, 1998.


BOARD OF DIRECTORS:



JOEL MARSHALL



ROBERT J. BAMFORD, III



JACQUE RICHTER

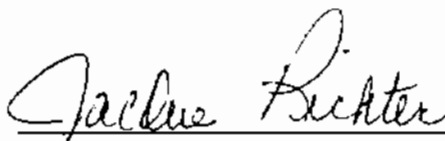
CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of the CRIGHTON RIDGE HOMEOWNERS ASSOCIATION, INC., a non-profit corporation; and,

THAT the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof (or pursuant to a consent action in lieu thereof), with the intention that they be effective to the fullest extent allowed by applicable law as of April 21, 1998.

IN WITNESS WHEREOF, I have hereunto subscribed by name and affixed the seal of said Association this 29th day of September, 1998.



Jacque Richter, Secretary