

BY-LAWS
OF
THE RESERVE AT KINGS POINT COMMUNITY ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the corporation is THE RESERVE AT KINGS POINT Community Association. The principal office of the corporation shall be located in Kingwood, Texas, but meetings of members and directors may be held at such places within the State of Texas, Counties of Harris and Montgomery, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

The following words shall have meanings as assigned to them:

Section 1. Apartment: residential living unit in an apartment building on land situated within the Property and subject to residential apartment use by deed or other instrument of record in the office of the County Clerk of Harris County, Texas.

Section 2. Association: THE RESERVE AT KINGS POINT Community Association, a non-profit corporation incorporated under the laws of the State of Texas, and its successors and assigns.

Section 3. Board: the duly elected board of directors of the Association.

Section 4. Commercial Land: any plot of land situated within the Property restricted to commercial use by plat or by deed or other instrument of record in the office of the County Clerk of Harris County, Texas.

Section 5. Common Area: all real property owned in fee or held by easement by the Association for exclusive common use and enjoyment of the Owners, including areas designated by Declarant to be conveyed by deed or easement to the Association.

Section 6. Declarant: Friendswood Development Company and King Ranch, Inc. and their successors and assigns.

Section 7. Declaration: the Declaration of Covenants, Conditions, and Restrictions applicable to the Property recorded in the Official Public Records of Real Property of Harris County, Texas.

Section 8. Lot: any plot of land shown upon any recorded subdivision map or plat of land situated within the Property upon which there has been or will be constructed a single-family residence.

Section 9. Member: those persons entitled to membership in the Association as provided in the articles of incorporation of the Association.

Section 10. Owner: the record owner, whether one or more persons or entities, of fee simple title to any property subject to assessment by the Association, but excluding those having an interest in such property merely as security for the performance of an obligation.

Section 11. Parcel: any plot of land shown upon any recorded subdivision map or plat of land situated within the Property upon which there has been or will be constructed a townhouse or patio home.

Section 12. Property: a portion of Kings Point Village, Section Three, together with additional land which may hereafter be made subject to the Declaration and the jurisdiction of the Association.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within three years from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held on a day within sixty (60) days of the anniversary date of the last annual meeting, on a day and at a time and place to be selected by the Board.

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 executed on behalf of one-fourth (1/4) of the votes in the Association.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each Member entitled to vote, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the vote of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If the required quorum is not present or represented at any meeting, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half of the required quorum at the previous meeting. This procedure may be repeated until a quorum is present at a meeting. No subsequent meeting shall be held more than sixty (60) days following the preceeding meeting.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing, filed with the secretary, revocable, and automatically expire upon conveyance by the Member of the property subject to assessment by the Association.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of five (5) directors, who need not be Members of the Association. This Board may be expanded by an amendment to these By-Laws.

Section 2. Term of Office. At the first annual meeting, the Members shall elect two (2) directors for a term of one (1) year, two (2) directors for a term of two (2) years, and one (1) director for a term of three (3) years; each term to end on the date the annual meeting of the Association is actually held and not before; and at each such annual meeting thereafter the Members shall elect directors for a term of three (3) years for whom terms of office have expired.

Should the Board be expanded from the minimum number of five (5) members, the added director shall serve a term of three (3) years. If more than one (1) member is added at a given time, one shall serve a term of three (3) years, the second shall serve a term of two (2) years, and the third shall serve a term of one (1) year.

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, the successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of the 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 actual expenses incurred in the performance of duties as a director.

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 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

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. The Nominating Committee shall consist of a Chairman, who shall be a director, and two other persons. The Nominating Committee shall be appointed by the President prior to each annual meeting of 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 determine, but not less than the number of vacancies that are to be filled. Nominations may be made from among Members or non-members.

Section 2. Election. Election to the Board shall be by secret written ballot or voice vote, as determined by the presiding officer. At the election, the Members or their proxies may cast, with respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles of Incorporation and the Declaration. The persons receiving the largest number of votes shall be elected.

ARTICLE VI

MEETINGS OF DIRECTORS

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

Section 2. Special Meetings. Special meetings of the Board shall be held when called by the president of the Association, or by any two directors, upon not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD

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 while using the facilities and establish penalties for the infraction of the rules and regulations;

b. suspend a member's voting rights and right to use the Association's facilities during any period in which such Member shall be in default in the payment of any assessment levied by the Declaration or the Association. These rights may also be suspended, after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

c. exercise on behalf of the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;

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

e. employ a manager, an independent contractor, or other employees as deemed necessary, and prescribe their duties.

Section 2. Duties. It shall be the duty of the Board to:

a. cause to be kept a complete record of all its acts and corporate affairs and present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of members 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 Declaration;

(1) fix the amount of the annual assessment against each Lot, Parcel, Apartment and tract of Commercial Land at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject to the assessment at least thirty (30) days in advance of each annual assessment period; and

(3) enforce payment, by all lawful means available, of all assessments which are not paid within thirty (30) days after due date.

d. issue, or to cause an appropriate officer or authorized agent 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 this 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, including error and omissions coverage, for the Association;

f. cause all officers or employees having fiscal responsibilities to be bonded, as deemed appropriate;

g. cause all streets within and adjacent to the Properties to be lighted and all of the esplanades within such streets and all the Common Area and recreational facilities owned by the Association to be maintained from the funds received through the annual assessment, and which assessments funds that are made available for such street lighting and esplanade and Common Area and recreational facility maintenance shall be apportioned and expended in an equitable manner over the entire applicable street and esplanade area and all of the Common Area and recreational facilities owned by the Association;

h. contract for garbage and refuse pick up for each Lot; and

i. indemnify its directors, officers, employees, and agents to the full extent permitted by the laws of the State of Texas.

ARTICLE VIII

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, a secretary, and a treasurer, and such other officers as the Board shall determine.

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 term of each office shall be one (1) year and officers shall hold office until their successors have been duly elected and qualified, unless unable to do so by resignation, removal, or disqualification.

Section 4. Special Officers. The Board may elect or appoint 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. The resignation shall take effect on the date of receipt of such notice or any later time specified in the notice, and, unless otherwise specified, 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 the vacancy shall serve for the remainder of the term of the officer replaced.

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.

Section 8. Duties. The duties of the officers are as follows:

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

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 Members; keep appropriate current records showing the Members of the Association 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; shall sign promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a competent accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE IX

COMMITTEES

The Association shall appoint a Nominating Committee, as provided in these By-Laws. In addition, the Board may appoint other committees as it deems appropriate in carrying out its purposes and responsibilities.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours and upon adequate 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 at the principal office of the Association, where copies may be purchased at a 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 and contractual lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. Any assessment not paid within thirty (30) days after the due date, the assessment shall bear a late charge calculated from the due date at the highest maximum rate of interest permitted by applicable law, and the Association may either bring an action at law against the Owner or Owners personally obligated to pay any assessment or it may 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 any assessment by reason of non-use of the Common Area or abandonment.

ARTICLE XII

APPEALS

Section 1. Right of Appeal. Any decision of any committee appointed by the Board may be appealed 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 the Board amends or reverses the committee's decision.

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

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

Section 4. Decision. Following the hearing, the Board, by majority vote of a quorum, may 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 provided in these by-laws before such Member may resort to a court of law for relief with respect to any committee decision. This limitation shall not apply to the Board or any Member where the complaint alleges non-payment of assessments.

ARTICLE XIII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words "THE RESERVE AT KINGS POINT COMMUNITY ASSOCIATION".

ARTICLE XIV

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.

ARTICLE XV

PRINCIPAL OFFICE

The principal office of the Association shall be designated by the Board and shall remain as such until changed by further resolution of the Board.

ARTICLE XVI

MISCELLANEOUS

Section 1. 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 Declaration and these By-Laws, the Declaration shall control.

Section 2. The fiscal year of the Association shall begin on the first day of April and end on the 31st day of March of every year except that the first fiscal year shall begin on the date of incorporation.

ARTICLE XVII

INDEMNIFICATION

The Association shall indemnify any Director, former Director, officer, or former officer of the Association to the full extent permitted by the laws of the State of Texas.

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of THE RESERVE AT KINGS POINT Community Association, a Texas corporation, and,

THAT the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board thereof, held on the 27th day of April, 1988.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 27th day of April, 1988.

G. B. Mitchell, Jr.
G. B. Mitchell, Jr., Secretary