

**BYLAWS OF
PARK LAKE II TOWNHOMES ASSOCIATION, INC.**

ARTICLE I – NAME AND LOCATION

1.1 The name of the corporation is Park Lake II Townhomes Association, Inc., hereinafter referred to as the Association. The principal office of the Association shall be located at 7373 East Doubletree Ranch Road, No. 225, Scottsdale, Arizona 85258, but 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

2.1 “ASSOCIATION” shall mean and refer to Park Lake II Townhomes Association, Inc., a Texas nonprofit corporation, its successors and assigns.

2.2 “CODE” shall mean Chapter 22 of the Texas Business Organizations Code, which Chapter 22 is entitled Nonprofit Corporations.

2.3 “COMMON AREA” shall mean the Property in Fort Bend County, Texas SAVE AND EXCEPT each of the thirty-nine (39) Lots.

2.4 “DECLARANT” shall mean Houston Park Lake Associates Limited, a Texas Limited Partnership, its successors, legal representatives and assigns, if such successors, legal representatives or assigns should acquire the Declarant's rights hereunder by an assignment for such purpose.

2.5 “DECLARATION” shall mean the Declaration of Covenants, Conditions and Restrictions of Park Lake Townhomes, Phase II, recorded in the Office of the County Clerk of Fort Bend County, Texas.

2.6 “LOT” or “LOTS” shall mean and refer to one or more of the thirty-nine (39) Lots which are shown on the Plat.

2.7 “MEMBER” or “MEMBERS” shall mean any person(s), entity or entities which own a Lot subject to the provisions of the Declaration and these Bylaws. Each owner of a Lot, whether one or more persons or entities, shall, upon and by virtue of becoming an owner of a Lot, automatically become and remain a member of the Association until his ownership ceases for any reason, at which time his membership in the Association shall automatically cease. Membership in the Association shall be appurtenant to and shall automatically follow ownership of a Lot subject to these Restrictions and may not be separated from such ownership.

2.8 “OWNER” shall mean and refer to the record owner, whether one or more persons are entitled, of fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. However, the term "Owner" shall include any mortgagee or lienholder who acquires fee simple title

to any Lot which is part of the Property, through judicial or nonjudicial foreclosure.

2.9 "PLAT" shall mean and refer to the plat of the subdivision entitled "Park Lake Condominiums, Phase II" (although the real property described therein is owned in fee simple, and shall not be subject to a condominium regime), which was recorded on September 30, 2003 under Clerk's File No. 2003137415 of the Official Public Records in the Office of the County Clerk of Fort Bend County, Texas, and on Slide No. 2535A of the Map Records of Fort Bend County, Texas.

2.10 "PROPERTY" OR "PROPERTIES" shall mean and refer to the 4.0867 acre (178,017 square feet) tract of land being described on the Plat.

2.11 "TOWNHOME" shall mean a single family residence unit located on a single Lot. ATownhomes@ shall mean more than one Townhome.

ARTICLE III – MEETINGS OF MEMBERS

3.1 ANNUAL MEETINGS. The annual meeting of the Members shall be held on the fourth Tuesday in May in each year in the evening at an hour designated by the Directors, and each subsequent regular annual meeting of the Members shall be held on the fourth Tuesday in May thereafter, in the evening. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

3.2 SPECIAL MEETINGS. Special meetings of the Members may be called at any time by the president or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the Members.

3.3 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 ten (10) days but not more than sixty (60) days before such meeting, in accordance with the Code, to each Member entitled to vote thereat, 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.

3.4 QUORUM. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, twenty percent (20%) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

3.5 PROXIES. At all meetings of Members, 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 the earlier to occur of three months after execution of the proxy, or upon conveyance by the Member of his Lot.

ARTICLE IV – BOARD OF DIRECTORS: SELECTION; TERM OF OFFICE

4.1 NUMBER. The affairs of this Association shall be managed by a Board of three (3) directors. As long as there is Class B membership, the members of the Board need not be Members of the Association. At the first annual election of Directors after Class B membership ends, all Directors nominated and elected shall be members of the Association.

4.2 TERM OF OFFICE. The term of office for the three (3) initial directors of the Association shall be one year. At the first annual meeting of the Members of the Association, three (3) directors shall be elected as follows: the term commencing on their election at the first annual meeting shall be one (1) director for a term of one (1) year, one (1) director for a term of two (2) years and one (1) director for a term of three (3) years; and thereafter, the term of each of these positions, as each comes up for reelection, shall be three (3) years.

4.3 REMOVAL, RESIGNATION OR DEATH. Any director may be removed from the Board, with or without cause, by an affirmative vote of more than fifty percent (50%) 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 his predecessor.

4.4 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.

4.5 ACTION TAKEN WITHOUT A MEETING. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors, or as otherwise authorized by the Code. 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

5.1 NOMINATION. Nomination for election to the Board of Directors 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 Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors 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 Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Members or non-members may be nominated by the Nominating Committee as long as there is Class B membership. After Class B membership ends, all Directors nominated and elected to the Board shall be members of the Association.

5.2 ELECTION. Election to the Board of Directors shall be by secret written 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 Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI – MEETINGS OF DIRECTORS

6.1 REGULAR MEETINGS. Regular meetings of the Board of Directors shall be held at least quarterly, 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.

6.2 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 two (2) days written notice to each director.

6.3 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 VII – POWERS AND DUTIES OF THE BOARD OF DIRECTORS

7.1 POWERS. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

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

(c) if notice and an opportunity to be heard are given, collect reimbursement of actual attorneys' fees and other reasonable costs incurred by the Association relating to violations of the Declaration, these Bylaws and the rules and regulations of the Association;

(d) impose and receive payments, fees or charges for the use, rental or operation of the common area and for services provided to Members and their guests or tenants;

(e) impose interest, late charges and if applicable, returned check charges for late payments of regular maintenance assessments or special assessments;

(f) charge costs to a Member's assessment account and collect the costs in any manner provided in the Declaration for the collection of maintenance assessments;

(g) adopt and amend rules regulating the collection of delinquent assessments and the application of payments;

(h) 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 Bylaws, the Certificate of Formation, the Declaration or the Code;

(i) 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; and

(j) employ a manager, an independent contractor, an accountant, attorney or such other persons or employees as they deem necessary, and to prescribe their duties.

7.2 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;

(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, to:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period; and

(2) foreclose the lien against any property for which assessments are not paid within thirty (30) days after the due date or to bring an action at law against the owner personally obligated to pay the same.

(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 for the issuance of these certificates. 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 on the Common Area owned by the Association;

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

(g) cause the Common Area to be maintained.

ARTICLE VIII – OFFICERS AND THEIR DUTIES

8.1 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.

8.2 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.

8.3 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, or shall be removed, or otherwise disqualified to serve.

8.4 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.

8.5 RESIGNATION AND REMOVAL. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time after giving written notice to the Board, the president or the 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.

8.6 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.

8.7 MULTIPLE OFFICES. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

8.8 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, contracts and other written instruments.

(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 of Directors; 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 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 – BOOKS AND RECORDS

9.1 The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member after such Member has made written request to review the books and records for a proper purpose, in accordance with the Code. The files and records of an attorney who is representing or has represented the Association, and correspondence between the attorney and directors and officers of the Association, are not records of the Association and shall not be subject to inspection by unit owners unless ordered by a Court of competent jurisdiction. The Declaration, the Certificate of Formation, the Bylaws and the Rules and Regulations of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE X – ASSESSMENTS

10.1 As more fully provided in the Restrictions, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the Member=s Lot against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid as required within the Restrictions, the assessment shall bear interest as described in the Restrictions, and the Association may bring an action at law against the Member personally obligated to pay the same or foreclose the lien against the Lot of such Member, and interest, costs and reasonable attorney=s 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 nonuse of the Common Area or abandonment of his Lot.

ARTICLE XI – AMENDMENTS

11.1 These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of Members present in person or by proxy, or by the vote of a majority of the Directors of the Association.

11.2 In the case of any conflict between the Certificate of Formation and these Bylaws, the Certificate of Formation shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XII – MISCELLANEOUS

12.1 The fiscal year of the Association shall begin when the Association is incorporated and end on the 31st day of December of 2006, and thereafter shall begin on the 1st day of January and end on the 31st day of December of each year.

IN WITNESS WHEREOF, we, being all of the initial directors of Park Lake II Townhomes Association, Inc., have hereunto set our hands effective this the 29th day of September, 2006.

DALE HEIMANN, Initial Director

RAYMOND G. TIEDJE, Initial Director

REBECCA THOMAS, Initial Director