

**ADDITIONAL DEDICATORY INSTRUMENT**

**for**

**CLEAR CREEK MEADOWS COMMUNITY ASSOCIATION, INC.**

THE STATE OF TEXAS           §  
  §  
COUNTY OF GALVESTON       §

BEFORE ME, the undersigned authority, on this day personally appeared Margaret R. Maddox who, being by me first duly sworn, states on oath the following:

My name is Margaret R. Maddox I am over twenty-one (21) years of age, of sound mind, capable of making this affidavit, authorized to make this affidavit, and personally acquainted with the facts herein stated:

I am the Attorney/Agent of CLEAR CREEK MEADOWS COMMUNITY ASSOCIATION, INC. Pursuant with Section 202.006 of the Texas Property Code, the following documents are copies of the original official documents from the Association's files:

1. BY-LAWS
2. ARTICLES OF INCORPORATION

OF

**CLEAR CREEK MEADOWS COMMUNITY ASSOCIATION, INC.**  
**A TEXAS NON-PROFIT CORPORATION**

DATED this 30<sup>th</sup> day of July, 2014.

**CLEAR CREEK MEADOWS COMMUNITY ASSOCIATION, INC.**

BY: Margaret R. Maddox

Margaret R. Maddox, Attorney/Agent

THE STATE OF TEXAS           §  
  §  
COUNTY OF GALVESTON       §

THIS INSTRUMENT was **acknowledged** before me on this the 30<sup>th</sup> day of July, 2014 by the said Margaret R. Maddox, Attorney/Agent for CLEAR CREEK MEADOWS COMMUNITY ASSOCIATION, INC., a Texas non-profit corporation, on behalf of said corporation.



*Laurraine Kotara*  
NOTARY PUBLIC IN AND FOR  
THE STATE OF TEXAS

After Recording Return To:  
Daughtry & Jordan, P.C.  
17044 El Camino Real  
Houston, Texas 77058  
ATTN: MRM

**BY-LAWS**  
**OF**  
**CLEAR CREEK MEADOWS COMMUNITY ASSOCIATION, INC.**

These By-laws of Clear Creek Meadows Community Association, Inc. ("By-laws") are hereby adopted as the by-laws of Clear Creek Meadows Community Association, Inc. ("Corporation") and shall hereafter govern the affairs of the Corporation pursuant to the provisions of the Texas Non-Profit Corporation Act (the "Act") and other laws applicable to a property owners' association.

**ARTICLE 1. NAME AND OFFICES**

1.01 Name. The affairs of the Corporation shall at all times be conducted in the name of Clear Creek Meadows Community Association, Inc.

1.02 Principal Office. The principal office of the Corporation shall be located at 17225 El Camino Real, Suite 347, Houston, Texas 77058. The Corporation may have such other offices, either in Texas or elsewhere, as the Board of Directors may from time to time deem necessary or advisable. The Board of Directors may change the location of any office of the Corporation, including its principal office, as the Board of Directors may from time to time deem necessary or adequate.

1.03 Registered Office and Registered Agent. The Corporation's initial registered office and registered agent are set forth in the Articles of Organization. The Board of Directors may change the registered office, the registered agent, or both as the Board of Directors may from time to time deem necessary or advisable.

**ARTICLE 2. MEMBERS**

2.01 Membership and Voting Rights. The membership of the Corporation consists of all owners of lots within the residential community known as Clear Creek Meadows, a subdivision in the City of League City, Galveston County, Texas, and any area created by the dedication or annexation of additional property to the subdivision (collectively, "Subdivision"). Lienholders shall not be considered members. When more than one person holds an ownership interest in any lot, all of such persons shall be members and the vote of such lot shall be exercised as the owners of such lot among themselves determine, but in no event shall more than one vote be cast with respect to any one lot.

2.02 Classes of Members. The membership of the Corporation shall consist of two classes as set forth in the Articles of Incorporation and the Declaration of Covenants, Conditions and Restrictions of Clear Creek Meadows for the Subdivision as filed in the Real Property Records of Galveston County, Texas, including as may be amended or supplemented, collectively, "Declaration".

2.03 Voting Rights. The voting rights of the two membership classes are set forth in the Articles of Incorporation and the Declaration.

2.04 Assessments. The annual assessment and any special assessments shall be assessed as provided in the Declaration. Each member shall pay such assessment in accordance with the schedule set by the Board of Directors therefor. Any assessment not paid when due shall be delinquent and shall bear interest at the maximum rate allowed by law from the due date until paid. If any such amounts are not paid when due, the Corporation may bring an action at law against the Owner obligated to pay such amounts, and, if it is the prevailing party, may recover interest as specified above, plus court costs and reasonable attorneys' fees. Any assessment not received by the Corporation in accordance with the schedule set by the Board of Directors, including interest, costs and reasonable attorneys' fees to collect such amounts, shall constitute and become a lien against the Lot upon which the assessment was assessed without further action or notice, including filing of any notice or other document in the Real Property Records. The Corporation shall have the right to foreclose such lien as provided in the Declaration.

2.05 Sanction of Members. The Board of Directors may impose reasonable sanctions on a member for good cause after a hearing. Good cause includes the default of an obligation to the Corporation to pay fees or dues for a period of fifteen days following delivery of notice of default, or a material and serious violation of the Corporation's articles of incorporation, by-laws, or rules or of any law. The Board of Directors may delegate such powers to a regular or ad hoc committee to conduct a hearing, make recommendations to the Board of Directors, or take action on behalf of the Board of Directors. The Board of Directors or a committee designated by the Board of Directors to handle a matter involving sanctioning may not take any action against a member without giving the member adequate notice and an opportunity to be heard. To be deemed adequate, notice shall be in writing and delivered at least fifteen days prior to the hearing. Shorter notice may be deemed adequate if the Board of Directors or a committee designated by the Board of Directors to handle a matter involving sanctioning determines that the need for a timely hearing outweighs the prejudice caused to the member and if a statement of the need for a timely hearing is included in the notice. If mailed, the notice shall be sent by certified mail, return receipt requested, and first class mail. A member shall have the right to be represented by counsel at and before the hearing. The Board of Directors or a committee designated by the Board of Directors to handle a matter involving sanctioning may impose sanctions by a vote of a majority of directors, or of members of a committee designated by the Board of Directors to handle a matter involving sanctioning, who are present and voting. Sanctioning of a member shall not relieve the member of any obligation to pay any assessment or other charge attributable to the lot(s) owned by such member.

2.06 Transfer of Membership. Membership in the Corporation is mandatory and appurtenant to, and may not be separated from, ownership of the lot in the Subdivision upon which such membership is based. Membership terminates on the earliest of: (1) sale of the lot owned by such member; (2) death of such member; or (3) dissolution of the Corporation.

2.07 Ownership of Corporation Property. All real and personal property, including all improvements located on the real property, acquired by the Corporation shall be owned by the Corporation and held in the name of the Corporation. A member shall have no right, title or interest in or to any property of the Corporation or the right to partition all or any part of the Corporation's property.

### ARTICLE 3. MEETINGS OF MEMBERS

3.01 Annual Meeting. Beginning in 2001, the Board of Directors shall hold an annual meeting of the members at 10:00 o'clock a.m. on the 30<sup>th</sup> day of June each year or at such other time that the Board of Directors designates. If the day fixed for the annual meeting is a Saturday, Sunday, or legal holiday in the State of Texas, the meeting shall be held on the next business day. At the annual meeting, the members shall elect directors and transact any other affairs of the Corporation that may come before the meeting. If, in any year, the election of directors is not held on the day designated for the annual meeting, or at any adjournment of the annual meeting, the Board of Directors shall call a special meeting of the members as soon thereafter as possible to conduct the election of directors.

3.02 Special Meetings. Special meetings of the members may be called by the president, the Board of Directors, or members holding not less than ten percent of the votes that may be cast at a meeting.

3.03 Place of Meeting. The Board of Directors may designate any place, either within or without the State of Texas, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. All meetings called by the president or the members holding not less than ten percent of the votes that may be cast at a meeting, and all meetings called by the Board of Directors if the Board of Directors does not designate the place of such meeting, shall be held at the office of the management company of the Corporation.

3.04 Notice of Meetings. Notice of the annual meeting of the members shall not be required. Written notice of any special meeting of the Members shall be given to each member entitled to vote, addressed to the member's address last appearing on the books of the Corporation, not less than ten and not more than sixty days before the date of the meeting, and may be given personally, by facsimile transmission or mail. If the Corporation has more than 1,000 members at the time the special meeting is scheduled, notice may be given by publication in any newspaper of general circulation in the community in which the principal office of the Corporation is located. The notice shall state the place, day and hour of the meeting, and the purpose or purposes for which the meeting is called. Notice shall be given by or at the direction of the president or secretary of the Corporation, or the other officers or persons calling the meeting. If all of the members meet and consent to the holding of a meeting, any corporate action may be taken at the meeting regardless of a lack of proper notice.

3.05 Quorum. The presence at a meeting of members holding one-tenth of the votes entitled to be cast, represented in person or by proxy, shall constitute a quorum at that meeting, and the majority of the votes entitled to be cast by the members present or represented by proxy at a meeting at which a quorum is present shall be the act of the members of the Corporation. Thereafter, if enough members leave the meeting so that less than a quorum remains, the remaining members may continue to transact the affairs of the Corporation. If a quorum is present at no time during a meeting, a majority of the members present may adjourn and reconvene the meeting as many times as may be necessary without further notice except announcement at the meeting, until a quorum as aforesaid shall be present or represented.

3.06 Actions of Membership. A member is entitled to vote only if all required assessments have been paid on the lot(s) owned by the member voting and the member has not been sanctioned in such manner that would prohibit such vote. Voting shall be by ballot. At no time shall any member be entitled to cumulate his/her/its votes by giving one candidate, position or matter as many votes as the number of candidates, positions or matters shall equal, or by distributing such votes on the same principal among any number of such candidates, positions or matters.

3.07 Proxies. A member entitled to vote may vote by proxy executed in writing by the member. No proxy shall be valid after eleven months from the date of its execution unless otherwise provided in the proxy.

3.08 Voting by Mail and by Facsimile. Members may vote by mail, facsimile transmission or by any combination of the two on the election of directors and, to the extent allowed by the Act or other applicable law, on any other matter that may be voted on by the members.

#### ARTICLE 4. BOARD OF DIRECTORS

4.01 Management of the Corporation. The affairs of the Corporation shall be managed by the Board of Directors.

4.02 Number, Qualifications and Tenure of Directors. The number of directors shall be three or such other number determined by the Board of Directors that is not less than three and not greater than five. Directors shall be residents of Texas. Directors shall be members, or if a member is not a natural person then a representative of a member, of the Corporation. Each director shall serve for a term of two years. The terms of the directors shall be staggered so that the terms of half of the directors, or the number closest to but not exceeding half if there is not an even number of directors, shall terminate in odd numbered years and the terms of the remaining directors shall terminate in even numbered years.

4.03 Nomination of Directors. At any meeting at which the election of a director occurs, a member entitled to vote may nominate a person with the second of any other member

entitled to vote. In addition to nominations made at meetings, a nominating committee shall consider possible nominees and make nominations for each election of directors. The secretary shall include the names nominated by the nominating committee, and any report of the committee, with the notice of the meeting at which the election occurs.

4.04 Election of Directors. A person who meets any qualification requirements to be a director and who has been duly nominated may be elected as a director. Directors shall be elected by the vote of the membership of the Corporation at the annual meeting of the members as set forth in paragraph 3.01 above or, in the instance of a vacancy as set forth in paragraph 4.05 below, by the Board of Directors at the annual meeting or a special meeting to be called by the Board of Directors. A directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting or at a special meeting of members called for that purpose.

4.05 Vacancies. Any vacancy occurring in the Board of Directors shall be filled by the Board of Directors. A vacancy is filled by the affirmative vote of a majority of the remaining directors, even if it is less than a quorum of the Board of Directors or there is a sole remaining director. A director elected to fill a vacancy shall be elected for the unexpired term of the predecessor in office.

4.06 Annual Meeting. The annual meeting of the Board of Directors may be held without notice other than these By-laws. The annual meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of members.

4.07 Regular Meetings. The Board of Directors may provide for regular meetings by resolution stating the time and place of such meetings. The meetings may be held either within or without the State of Texas and shall be held at the office of the management company for the Corporation if the resolution does not specify the location of the meetings. No notice of regular meetings of the Board is required other than a resolution of the Board of Directors stating the time and place of the meetings.

4.08 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of two directors. A person or persons authorized to call special meetings of the Board of Directors may fix any place within Texas as the place for holding a special meeting. The person or persons calling a special meeting shall notify the secretary of the information required to be included in the notice of the meeting. The secretary shall give notice to the directors as required in these By-laws.

4.09 Notice. Written or printed notice of any special meeting of the Board of Directors shall be delivered to each director not less than three nor more than thirty days before the date of a special meeting. The notice shall state the place, day and time of the meeting and the purpose or purposes for which the meeting is called.

4.10 Quorum. A majority of the number of directors then in office, but in no event less than three, shall constitute a quorum for the transaction of the affairs of the Corporation at any meeting of the Board of Directors. Directors present by proxy shall not be counted toward a quorum. The act of a majority of the directors present in person or by proxy at a duly called or held meeting at which a quorum is present shall be the act of the Board of Directors. Thereafter, if enough directors leave the meeting so that less than a quorum remains, the remaining directors may continue to transact the affairs of the Corporation. If a quorum is present at no time during a meeting, a majority of the directors present may adjourn and reconvene the meeting as many times as may be necessary without further notice except announcement at the meeting, until a quorum as aforesaid shall be present or represented. A director who is present at a meeting and abstains from a vote is not considered to be present and voting for the purpose of determining the decision of the Board of Directors. No proxy shall be valid after three months from the date of its execution.

4.11 Duties and Powers of Board of Directors. The Board of Directors shall have the power to:

- (a) adopt and publish rules and regulations governing the use of the Common Areas as defined in the Declaration;
- (b) exercise for the Corporation all powers, duties and authority vested in or delegated to the Corporation, and not reserved to the membership by other provisions of these By-laws, the Articles of Incorporation, the Declaration or applicable law;
- (c) declare the office of a director to be vacant in the event such director shall be absent from three consecutive regular meetings of the Board of Directors; and
- (d) employ managers, independent contractors or such other employees as the Board of Directors deems necessary, and to prescribe their duties.

The Board of Directors shall have the duty to:

- (a) keep 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 of the members when such statement is requested in writing by that number of members sufficient to call a special meeting as provided in paragraph 3.02 above;
- (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:



(1) fix the amount of the annual and any special assessment against each lot at least thirty days in advance of each annual assessment period or special assessment date;

(2) send written notice of each assessment to every member subject thereto in advance of each annual assessment period or special assessment date;

(3) collect all assessments owing on each lot, including bringing an action at law against each member personally obligated to pay such assessments and foreclosing the lien against the lot for which such assessments are not paid;

(d) issue, or cause to be issued, 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 for the issuance of such certificates. If a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Corporation as the Board of Directors deems appropriate;

(f) procure and maintain adequate liability insurance for directors and officers of the Corporation as the Board of Directors deems appropriate;

(g) cause all officers and employees having fiscal responsibilities to be bonded, as the Board of Directors deems appropriate;

(h) operate, maintain and otherwise manage the Common Areas and Common Facilities as defined in the Declaration, including landscaping thereon;

(i) cause lots to be maintained as called for in the Declaration; and

(j) enforce or cause to be enforced all provisions of the Declaration.

Each of the foregoing powers and duties may be exercised by the Board of Directors or any person authorized by the Board of Directors.

A director shall discharge the director's duties in good faith, with ordinary care, and in a manner the director reasonably believes to be in the best interest of the Corporation and not unlawful. A director shall not be liable to the Corporation, any member, or any other person for any action taken or not taken as a director if the director acted in good faith, with ordinary care and in a manner that the director reasonably believes to be in the best interest of the Corporation. A director may in good faith rely on information, opinions, reports or statements, including financial statements and other financial data, concerning the Corporation or another person or entity that were prepared or presented by (1) one or more of the officers or employees of the Corporation, (2) legal counsel, public accountants or other persons as to matters the director

reasonably believes are within the person's professional or expert competence, and (3) a committee of the board of directors of which the director is not a member.

4.12 Removal of Directors. The Board of Directors may vote to remove a director at any time with or without good cause. A meeting to consider the removal of a director may be called and noticed following the procedures provided in these By-laws.

## ARTICLE 5. OFFICERS

5.01 Officer Positions. The officers of the Corporation shall be a president, one or more vice presidents, a secretary, and a treasurer, and shall be selected from among the directors of the Corporation. The Board of Directors may create additional officer positions, define the authority and duties of each such position, and elect or appoint persons to fill the positions. Any two or more offices may be held by the same person, except the offices of president and secretary.

5.02 Election and Term of Office. The officers of the Corporation shall be elected annually by the Board of Directors at the regular meeting of the Board of Directors for a term of office of one year. If the election of officers is not held at this meeting, the election shall be held as soon thereafter as conveniently possible. Each officer shall hold office unless such officer shall sooner resign, be removed or otherwise be disqualified to serve. An officer may be elected to succeed himself or herself in the same office.

5.03 Removal. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors, with or without good cause, whenever in the Board of Directors' judgment the best interests of the Corporation will be served thereby. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer.

5.04 Vacancies. A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the officer's term.

5.05 President. The president shall be the chief executive officer of the Corporation. The president shall supervise and control all of the affairs of the Corporation. The president shall preside at all meetings of the members and of the Board of Directors. The president may execute any deeds, mortgages, bonds, contracts or other instruments that the Board of Directors have authorized to be executed. However, the president may not execute instruments on behalf of the Corporation if this power is expressly delegated to another officer or agent of the Corporation by the Board of Directors, these By-laws or statute. The president shall perform other duties prescribed by the Board of Directors and all duties incident to the office of president.

5.06 Vice President. When the president is absent, is unable to act, or refuses to act, a vice president shall perform the duties of the president. When a vice president acts in place of the president, the vice president shall have all the powers of and be subject to all the restrictions upon the president. If there is more than one vice president, the vice presidents shall act in place

of the president in the order of the votes received when elected. A vice president shall perform other duties as assigned by the president or the Board of Directors.

5.07 Treasurer. The treasurer shall:

- (a) Have charge and custody of and be responsible for all funds and securities of the Corporation.
- (b) Receive and give receipts for moneys due and payable to the Corporation from any source.
- (c) Deposit all moneys in the name of the Corporation in banks, trust companies or other depositories as provided in these By-laws or as directed by the Board of Directors or president.
- (d) Write checks and disburse funds to discharge obligations of the Corporation. Funds may not be drawn from the Corporation or its accounts for amounts greater than \$5,000.00 without the signature of the president or a vice president in addition to the signature of the treasurer.
- (e) Maintain the financial books and records of the Corporation.
- (f) Prepare financial reports at least annually.
- (g) Perform other duties as assigned by the president or by the Board of Directors.
- (h) If required by the Board of Directors, give a bond for the faithful discharge of his or her duties in a sum and with surety as determined by the Board of Directors.
- (i) Perform all of the duties incident to the office of treasurer.

5.08 Secretary. The secretary shall:

- (a) Give all notices as provided in these By-laws or as required by law.
- (b) Take minutes of the meetings of the members and of the Board of Directors and keep the minutes as part of the corporate records.
- (c) Maintain custody of the corporate records and the seal of the Corporation.
- (d) Affix the seal of the Corporation to all documents as authorized.

- (e) Keep a register of the mailing address of each member, director, officer and employee of the Corporation.
- (f) Perform duties as assigned by the president or by the Board of Directors.
- (g) Perform all duties incident to the office of secretary.

#### ARTICLE 6. COMMITTEES

6.01 Establishment of Committees. The Board of Directors may adopt a resolution establishing one or more committees delegating specified authority to a committee, and appointing or removing members of a committee. A committee may consist of any one or more persons, including persons who are not directors. If the Board of Directors delegates any of its authority to a committee, the majority of the committee shall consist of directors. The Board of Directors may establish qualifications for membership on a committee. The Board of Directors may delegate to the president its power to appoint and remove members of a committee that has not been delegated any authority of the Board of Directors. The establishment of a committee or the delegation of authority to it shall not relieve the Board of Directors, or any individual director, of any responsibility imposed upon the Board of Directors or the individual director by these By-laws or other law. No committee shall have the authority of the Board of Directors to:

- (a) Amend the Articles of Incorporation.
- (b) Adopt a plan of merger or a plan of consolidation with another corporation.
- (c) Authorize the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Corporation.
- (d) Authorize the voluntary dissolution of the Corporation.
- (e) Revoke proceedings for the voluntary dissolution of the Corporation.
- (f) Adopt a plan for the distribution of the assets of the Corporation.
- (g) Amend, alter or repeal these By-laws.
- (h) Elect, appoint or remove a member of a committee or a director or officer of the Corporation.
- (i) Approve any transaction to which the Corporation is a party and that involves a potential conflict of interest as defined in Paragraph 7.04 below.

- (j) Take any action outside the scope of authority delegated to it by the Board of Directors.
- (k) Take final action on a matter that requires approval of the members.

6.02 Authorization of Specific Committees. There is hereby created an Architectural Control Committee with the rights, powers, duties and responsibilities as stated in the Declaration. There is also hereby created a Nominating Committee with the rights, powers, duties and responsibilities as set forth in Paragraph 4.03 above. The Board of Directors may further define the activities and scope of authority of the Nominating Committee by resolution.

## ARTICLE 7. ACTIONS OF THE CORPORATION

7.01 Purposes and Powers. The Corporation shall have any and all powers which are necessary or desirable to carry out the purposes and affairs of the Company as set forth in the Articles of Incorporation or as otherwise granted by applicable law, and to the extent the same are granted to and may be exercised by non-profit corporations under the Act or other law for the purpose of operating as a property owners' association.

7.02 Contracts. The Board of Directors may authorize any officer or agent of the Corporation to enter into a contract or execute and deliver any instrument in the name of and on behalf of the Corporation. This authority may be limited to a specific contract or instrument or it may extend to any number and type of possible contracts and instruments.

7.03 Deposits. All funds of the Corporation shall be deposited to the credit of the Corporation in banks, trust companies or other depositories that the Board of Directors selects.

7.04 Potential Conflicts of Interest. The Corporation shall not make any loan to a director or officer of the Corporation. A member, director, officer or committee member of the Corporation may lend money to and otherwise transact business with the Corporation except as otherwise provided by these By-laws, the Articles of Incorporation, and all applicable laws. Such a person transacting business with the Corporation has the same rights and obligations relating to those matters as other persons transaction business with the Corporation. The Corporation shall not borrow money from or otherwise transact business with a member, director, officer or committee member of the Corporation unless the transaction is described fully in a legally binding instrument and is in the best interests of the Corporation. The Corporation shall not borrow money from or otherwise transact business with a director, officer or committee member of the Corporation without full disclosure of all material facts and without the approval of the Board of Directors, not including the vote of any person having a personal interest in the transaction.

7.05 Prohibited Acts. As long as the Corporation is in existence, except with the prior approval of the Board of Directors, no member, director, officer or committee member of the Corporation shall:

- (a) Do any act in violation of these By-laws or a binding obligation of the Corporation.
- (b) Do any act with the intention of harming the Corporation or any of its operations.
- (c) Do any act that would make it impossible or unnecessarily difficult to carry on the intended or ordinary affairs of the Corporation.
- (d) Receive an improper personal benefit from the operation of the Corporation.
- (e) Use the assets of the Corporation, indirectly or indirectly, for any purposes other than carrying on the affairs of the Corporation.
- (f) Wrongfully transfer or dispose of Corporation property, including intangible property such as good will.
- (g) Use the name of the Corporation or any trademark or trade name adopted by the Corporation, except on behalf of the Corporation in the ordinary course of the Corporation's affairs.

#### ARTICLE 8. BOOKS AND RECORDS

8.01 Required Books and Records. The Corporation shall keep correct and complete books and records of account. The Corporation's books and records shall include:

- (a) A file-endorsed copy of all documents filed with the Texas Secretary of State relating to the Corporation, including but not limited to, the Articles of Incorporation, and any articles of amendment, restated articles, articles of merger, articles of consolidation, and statement of change of registered office or registered agent.
- (b) A copy of these By-laws and any prior version thereof.
- (c) Minutes of the proceedings of the members, Board of Directors and committees having any of the authority of the Board of Directors.
- (d) A list of the names and addresses of the members, directors, officers and any committee members of the Corporation.
- (e) A financial statement showing the assets, liabilities and net worth of the Corporation at the end of the three most recent fiscal years.
- (f) A financial statement showing the income and expenses of the Corporation for the three most recent fiscal years.

- (g) All rulings, letters and other documents relating to the Corporation's federal, state and local tax status.
- (h) The Corporation's federal, state and local information or income tax returns for each of the Corporation's three most recent tax years.

8.02 Inspection and Copying. Any member, director or officer of the Corporation may, on written demand, examine and copy, in person or by agent, accountant or attorney, at any reasonable time, for any proper purposes, the books and records of the Corporation relevant to that purpose, at the expense of the member, director or officer. The Board of Directors may establish reasonable fees for copying the Corporation's books and records, not to exceed fifteen cents per page or actual cost, whichever is greater. The Corporation shall provide requested copies of books and records no later than five working days after the Corporation's receipt of a proper written request.

8.03 Audits. Any member shall have the right to have an audit conducted of the Corporation's books. The member requesting the audit shall bear the expense of the audit unless the members vote to authorize payment of audit expenses. The member requesting the audit may select the firm to conduct the audit. A member may not exercise these rights to compel audits so as to subject the Corporation to an audit more than once in any fiscal year.

## ARTICLE 9. FISCAL YEAR

9.01 The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December in each year.

## ARTICLE 10. INDEMNIFICATION

10.01 (a) When Indemnification is Required, Permitted and Prohibited. The Corporation shall indemnify a director, officer, committee member, employee or agent of the Corporation who was, is or may be named defendant or respondent in any proceeding as a result of his or her actions or omissions within the scope of his or her official capacity in the Corporation. For the purpose of this article, an agent includes one who is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise. However, the Corporation shall indemnify a person only if he or she conducted himself or herself in good faith and reasonably believed that the conduct was in the Corporation's best interests. In the case of a criminal proceeding, the person may be indemnified only if he or she also had no reasonable cause to believe that the conduct was unlawful. The Corporation shall not indemnify a person who is found liable to the Corporation or is found liable to another on the basis of improperly receiving a personal benefit. A person is conclusively considered to have been found liable in relation to any claim, issue or matter if the person has been adjudged liable by a court of competent jurisdiction and all appeals have been exhausted.

(b) The termination of a proceeding by judgment, order, settlement, conviction or on a plea of nolo contendere or its equivalent does not necessarily preclude indemnification by the Corporation.

(c) The Corporation shall pay or reimburse expenses incurred by a director, officer, committee member, employee or agent of the Corporation in connection with the person's appearance as a witness or other participation in a proceeding involving or affecting the Corporation when the person is not a named defendant or respondent in the proceeding.

(d) In addition to the situations otherwise described in this paragraph, the Corporation may indemnify a director, officer, committee member, employee or agent of the Corporation to the extent permitted by law. However, the Corporation shall not indemnify any person in any situation in which indemnification is prohibited by the terms of paragraph 10.01(a) above.

(e) Before the final disposition of a proceeding, the Corporation may pay indemnification expenses permitted by these By-laws and authorized by the Corporation. However, the Corporation shall not pay indemnification expenses to a person before the final disposition of a proceeding if: the person is a named defendant or respondent in a proceeding brought by the Corporation; or the person is alleged to have improperly received a personal benefit or committed other wilful or intentional misconduct.

(f) If the Corporation may indemnify a person under these By-laws, the person may be indemnified against judgments, penalties, including excise and similar taxes, fines, settlements and reasonable expenses (including attorneys' fees) actually incurred in connection with the proceeding. However, if the proceeding was brought by or on behalf of the Corporation, the indemnification is limited to reasonable expenses actually incurred by the person in connection with the proceeding.

10.02 (a) Procedures Relating to Indemnification Payments. Before the Corporation may pay any indemnification expenses (including attorneys' fees), the Corporation shall specifically determine that indemnification is permissible, authorize indemnification, and determine that expenses to be reimbursed are reasonable, except as provided in paragraph 10.02(c) below. The Corporation may make these determinations and decisions by any one of the following procedures:

- (i) Majority vote of a quorum consisting of directors who, at the time of the vote, are not named defendants or respondents in the proceeding;
- (ii) If such a quorum cannot be obtained, by a majority vote of a committee of the Board of Directors designated to act in the matter by a majority vote of all directors, consisting solely of two or more directors who at the time of the vote are not named defendants or respondents in the proceeding;



- (iii) Determination by a special legal counsel selected by the Board of Directors by vote as provided in paragraphs 10.02(a)(i) or 10.02(a)(ii) or, if such quorum cannot be obtained and such a committee cannot be established, by a majority vote of all directors; or
- (iv) Majority vote of members, excluding directors who are named defendants or respondents in the proceeding.

(b) The Corporation shall authorize indemnification and determine that expenses to be reimbursed are reasonable in the same manner that it determined whether indemnification is permissible. If the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification and determination of reasonableness of expenses shall be made in the manner specified by paragraph 10.02(a)(iii) above governing the selection of special legal counsel. A provision contained in the articles of incorporation, these By-laws or a resolution of members or the Board of Directors that requires the indemnification permitted by paragraph 10.01 above constitutes sufficient authorization of indemnification even though the provision may not have been adopted or authorized in the same manner as the determination that indemnification is permissible.

(c) The Corporation shall pay indemnification expenses before final disposition of a proceeding only after the Corporation determines that the facts then known would not preclude indemnification and the Corporation receives a written affirmation and undertaking from the person to be indemnified. The determination that the facts then known to those making the determination would not preclude indemnification and authorization of payment shall be made in the same manner as a determination that indemnification is permissible under paragraph 10.02(a) above. The person's written affirmation shall state that he or she has met the standard of conduct necessary for indemnification under these By-laws. The written undertaking shall provide for repayment of the amount paid or reimbursed by the Corporation if it is ultimately determined that the person has not met the requirements for indemnification. The undertaking shall be an unlimited general obligation of the person, but it need not be secured and it may be accepted without reference to financial ability to make repayment.

(d) Any indemnification or advance of expenses shall be reported in writing to the members of the Corporation. The report shall be made with or before the notice or waiver of notice of the next membership meeting, or with or before the next submission to members of a consent to action without a meeting. In any case, the report shall be sent within the twelve months immediately following the date of the indemnification or advance.

## ARTICLE 11. NOTICES

11.01 Notice by Mail or Telegram. Any notice required or permitted by these By-laws to be given to a member, director, officer or member of a committee of the Corporation may be given by mail or telegram. If mailed, a notice shall be deemed to be delivered when deposited in

the United States mail addressed to the person at his or her address as it appears on the records of the Corporation, with first class postage prepaid. If given by telegram, a notice shall be deemed to be delivered when accepted by the telegraph company and addressed to the person at his or her address as it appears on the records of the Corporation. A person may change his or her address by giving written notice to the secretary of the Corporation.

11.02 Signed Waiver of Notice. Whenever any notice is required to be given under the Act, the Articles of Incorporation or these By-laws, a waiver in writing signed by a person entitled to receive such notice shall be deemed equivalent to the giving of the notice. A waiver of notice shall be effective whether signed before or after the time stated in the notice being waived.

11.03 Waiver of Notice by Attendance. The attendance of a person at a meeting shall constitute a waiver of notice of the meeting unless the person attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

## ARTICLE 12. SPECIAL PROCEDURES CONCERNING MEETINGS

12.01 Meeting by Telephone or Other Technology. The Board of Directors, members and any committee of the Corporation may participate in and hold a meeting (1) by conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other; and (2) by another suitable electronic communications system, including videoconferencing technology or the Internet if each member entitled to participate in the meeting consents to the meeting being held by means of that system and the system provides access to the meeting in a manner or using a method by which each member participating in the meeting can communicate concurrently with each other participant. Any notice of a meeting to be held by conference telephone or such other electronic communications system must state the fact that the meeting will be held by such system as well as any other matters required to be included in the notice. Participation of a person in a meeting pursuant to this paragraph shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called or convened.

12.02 Decision Without Meeting. Any action required or permitted to be taken at a meeting of the Board of Directors, members or any committee of the Corporation may be taken without a meeting if a written consent setting forth the action to be taken is signed by all of the persons entitled to vote on the matter. The original signed consents shall be placed in the Corporation minute book and kept with the Corporation's records.

12.03 Voting by Proxy. A person who is authorized to exercise a proxy may not exercise the proxy unless the proxy is delivered to the officer presiding at the meeting before the business of the meeting begins. The secretary or other person taking the minutes of the meeting shall record in the minutes the name of the person who executed the proxy and the name of the person authorized to exercise the proxy. If a person who has duly executed a proxy personally attends

a meeting, the proxy shall not be effective for that meeting. A proxy filed with the secretary or other designated officer shall remain in force and effect until the first of the following occurs:

- (a) An instrument revoking the proxy is delivered to the secretary or other designated officer;
- (b) The proxy authority expires under the terms of the proxy; or
- (c) The proxy authority expires under the terms of these By-Laws.

#### ARTICLE 13. AMENDMENTS TO BY-LAWS

13.01 These By-laws may be altered, amended or repealed, and new by-laws may be adopted, either by the membership or the Board of Directors. The notice of any meeting at which these By-laws are altered, amended or repealed, or at which new by-laws are adopted, shall include the text of the proposed by-law provisions as well as the text of any existing provisions proposed to be altered, amended or repealed. Alternatively, the notice may include a fair summary of those provisions.

#### ARTICLE 14. RESOLUTION OF DISPUTES

14.01 **IN ANY DISPUTE, CONTROVERSY OR CLAIM BY, AMONG OR BETWEEN MEMBERS OR DIRECTORS INVOLVING, CONCERNING, ARISING OUT OF OR RELATING TO THE CORPORATION OR THESE BY-LAWS, BUT EXCEPTING CLAIMS BROUGHT TO ENFORCE THESE BY-LAWS, THE DECLARATION OR ANY PROVISION OF EITHER OR BOTH, ALL PARTIES INVOLVED SHALL COOPERATE IN GOOD FAITH TO RESOLVE THE DISPUTE. IF THE PARTIES CANNOT RESOLVE THE DISPUTE BETWEEN THEMSELVES, THEY SHALL COOPERATE TO SELECT ONE OR MORE MEDIATORS TO HELP RESOLVE THE DISPUTE. IF NO TIMELY RESOLUTION OF THE DISPUTE OCCURS THROUGH MEDIATION (INCLUDING, BUT NOT LIMITED TO A MEMBER'S REFUSAL TO APPEAR OR PARTICIPATE AT MEDIATION), SUCH DISPUTE SHALL BE RESOLVED BY BINDING ARBITRATION AS DESCRIBED IN TEXAS CIVIL PRACTICES AND REMEDIES CODE CH. 173 IN ACCORDANCE WITH THE RULES THEN IN EFFECT OF THE AMERICAN ARBITRATION ASSOCIATION, AND JUDGMENT UPON THE AWARD ENTERED MAY BE ENFORCED IN ANY COURT HAVING JURISDICTION THEREOF. THE ARBITRATOR SHALL BE APPOINTED BY THE AMERICAN ARBITRATION ASSOCIATION'S OFFICE IN HOUSTON, TEXAS IF AN ARBITRATOR CANNOT OTHERWISE BE AGREED UPON. THE FEES FOR SUCH ARBITRATION SHALL BE DIVIDED EQUALLY AMONG THE REAL PARTIES IN INTEREST TO THE DISPUTE.**

ARTICLE 15. MISCELLANEOUS PROVISIONS

15.01 Legal Authorities Governing Construction of By-Laws. These By-laws shall be construed in accordance with the laws of the State of Texas. All references in these By-laws to statutes, regulations or other sources of legal authority shall refer to the authorities cited as they may hereafter be amended from time to time.

15.02 Legal Construction. If any By-law provision is held to be invalid, illegal or unenforceable in any respect, the invalidity, illegality or unenforceability shall not affect any other provision and these By-laws shall be construed as if the invalid, illegal or unenforceable provision had not been included in these By-laws.

15.03 Headings. The headings used in these By-laws are used for convenience and shall not be considered in construing the terms of these By-laws.

15.04 Gender. Whenever the context requires, all words in these By-laws in one gender shall be deemed to include every other gender, all singular words shall include the plural, and all plural words shall include the singular.

15.05 Seal. The Board of Directors may provide for a corporate seal. Such a seal shall contain the words "Clear Creek Meadows Community Association, Inc."

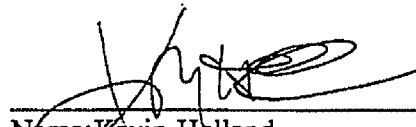
15.06 Power of Attorney. A person may execute any instrument related to the Corporation by means of a power of attorney if an original executed copy of the power of attorney is provided to the secretary of the Corporation to be kept with the Corporation records.

15.07 Parties Bound. These By-laws shall be binding upon and inure to the benefit of the members, directors, officers, committee members, employees and agents of the Corporation and their respective heirs, executors, administrators, legal representatives, successors and assigns, except as otherwise provided in these By-laws.

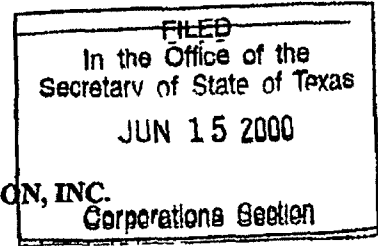
CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting secretary of Clear Creek Meadows Community Association, Inc., and that the foregoing By-laws constitute the by-laws of the Corporation. These By-laws were duly adopted by the Board of Directors by written consent pursuant to the provisions of Tex. Civ. Stat. Ann. art. 1396-9.10 effective January 2, 2001.

DATED: January 2, 2001.

  
Name: Kevin Holland  
Secretary of the Corporation

ARTICLES OF INCORPORATION  
OF  
CLEAR CREEK MEADOWS COMMUNITY ASSOCIATION, INC.



I, the undersigned natural person over the age of twenty-one (21) years, citizens of the State of Texas, acting as an incorporator, do hereby adopt the following Articles of Incorporation of Clear Creek Meadows Community Association, Inc. (referred to as the "Corporation") under the Texas Non-Profit Corporation Act (referred to as the "Act").

ARTICLE 1

The name of the Corporation is Clear Creek Meadows Community Association, Inc., hereinafter called the "Association".

ARTICLE 2

*The Association is a non-profit association.*

ARTICLE 3

The period of its duration is perpetual.

ARTICLE 4

The purposes for which the Association is organized are to provide for maintenance, preservation and architectural control of the community known as Clear Creek Meadows, a subdivision in the City of League City, in Galveston County, Texas, and any other areas created by the dedication of additional property to the subdivision by the developer, and to promote the health, safety and welfare of the residents within the above described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose to:

RECORDED  
# 571010000

- (a) exercise the powers and privileges and to perform all of the duties and obligations as set forth in those restrictions applicable to the above described property to be recorded in the Official Real Property Records of Galveston County, Texas;
- (b) fix, levy, collect and enforce payment by any lawful means all charges or assessments pursuant to the terms of the Restrictions, to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association including all licenses, taxes, or governmental charges levied or imposed against the property of the Association;
- (c) acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease transfer, dedicate for the public use or otherwise dispose of real or personal property in connection with the affairs of the Association;
- (d) borrow money, mortgage, pledge, deed in trust or hypothecate any or all of its real or personal property as security for borrowed money or debts incurred;
- (e) dedicate, sell or transfer all or any part of the Common Area to any public agency, authority or utility company,
- (f) participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property or Common Area,
- (g) have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Act of the State of Texas by law may now have or hereafter have to exercise.

ARTICLE 5

The street address of the initial registered office of the corporation is 17225 El Camino Real, Suite 347, Houston, Texas 77058, and the name of the initial registered agent at such address is Tracy F. Goza.

ARTICLE 6

The name and address of the incorporator is:

Tracy F. Goza  
17225 El Camino Real, Suite 347  
Houston, Texas 77058

ARTICLE 7

The affairs of this Association shall be managed by a board of three (3) directors. The number of

directors may be changed by amendment of the by-laws of the Association, but in no event shall the Board of Directors number less than three (3). The names and addresses of the persons who are to act in the capacity of initial directors are:

Tracy F. Goza 17225 El Camino Real Suite 347 Houston, TX 77058	L F Goza 17225 El Camino Real Suite 347 Houston, TX 77058	Kevin Holland 207 E. Edgewood Friendswood, TX 77546
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The Directors shall continue to serve until their successors are selected and qualified in the manner provided by the by-laws of the Association

To the fullest extent allowed by law, no Director or Directors of the corporation shall be liable to the corporation or its shareholders for monetary damages for an act or omission in the director's capacity as a director, except that this Article does not eliminate or limit the liability of a director for.

- (a) a breach of a director's duty of loyalty to the corporation or its shareholders,
- (b) an act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law;
- (c) a transaction from which a director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office,
- (d) an act or omission for which the liability of a director is expressly provided for by statute;  
or
- (e) an act related to an unlawful stock repurchase or payment of a dividend.

Any repeal or modification of this Article 7 shall be prospective only and shall not adversely affect any right or protection of a director of the Association existing at the time of such repeal or modification for any breach covered by this Article which occurred prior to such repeal or modification.

#### ARTICLE 8

No part of the revenues of this Association shall ever inure, directly or indirectly, to the benefit of any private person or entity, and no director, officer or any other persons, at any time, either upon dissolution of this Association or in any other event, shall be considered the owner of or entitled to any extent, to any of the assets, funds, properties or profits of this Association, all of which shall be used exclusively for the purposes for which this Association is formed.

#### ARTICLE 9

All of the property of this Association shall be held and administered to effectuate its purposes. In the event of liquidation, dissolution or winding up this Association, whether voluntary or involuntary, all assets not otherwise required to be distributed or applied pursuant to the Texas Non-Profit Corporation Act shall be dedicated to the public or conveyed to Galveston County, Texas in trust for the public.

#### ARTICLE 10

The Association shall have one class of membership:

Class A. Class A members shall be the Developer and Builders and each shall be entitled to three (3) votes for each lot in Clear Creek Meadows Subdivision (or other duly annexed areas) owned. When more than one person holds an interest in any lot, all of such persons shall be members. The vote of such lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any lot.

Class B. Class B members shall be individual lot/home owners who shall be entitled to one (1) vote for each lot owned. The 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 the total votes outstanding in Class A membership equal the total votes outstanding in Class B membership, including duly annexed areas, or
- (b) on the first day of January, 2030.

#### ARTICLE 11

Additional properties may, from time to time, be annexed to and included in the jurisdiction of the Association. The owners of such properties shall be entitled to all rights and privileges and be responsible





**FILED AND RECORDED**

OFFICIAL PUBLIC RECORDS

*Dwight D. Sullivan*

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DWIGHT D. SULLIVAN, COUNTY CLERK  
GALVESTON COUNTY TEXAS