

ARTICLE OF INCORPORATION

CANYON VIEW SUBDIVISION HOMEOWNERS ASSOCIATION INC.

ARTICLE I

DEFINTIONS

The following words when used in these By-Laws, unless a different meaning or intent clearly appears from the context, shall have the following meanings.

"Act" shall mean and refer to the Texas Non-Profit Corporation Act, Articles 1396-1.01 through 1396-11.01, Vernon's Tex. Ann. Civil Statutes, and all amendments and additions thereto.

"ARC" shall mean the Architectural Review Committee established pursuant to the provisions of Article VI of the DCCR.

"Association" shall mean and refer to the Canyon View Subdivision Homeowners Association Inc., a Texas non-profit corporation.

"Articles" shall mean and refer to the Articles of Incorporation of the Association.

"Common Facilities" shall mean and refer to the masonry screening wall, project signboards, landscaped and irrigated areas of the Properties.

"Declarant" shall mean and refer to Ashley Homes Partnership LP, a Texas limited partnership, its successors and any assignee, other than an Owner, who shall received by assignment from the said Ashley Homes Partnership LP all, or a assigning such rights as Declarant to such assignee.

"Declaration" shall mean and refer to that certain Declaration of Covenants, Conditions and Restrictions applicable to Properties and recorded in Volume 318, Page 74 of the Real Property Records of Harris County, Texas and as the same may be amended or supplemented from time to time as therein provided.

"Lot" shall mean and refer to any plot or tract of land shown upon any recorded subdivision map of the Properties which is shown as a lot thereon and which is or is to be improved with residential dwelling.

"Member" shall mean and refer to each Owner as provided herein in Article III.

"Owner" shall mean and refer to the record owner, whether one or more persons or entities, or the fees simple title to any Lot situated upon the Properties but notwithstanding any applicable theory or the mortgage or other security device,

Shall not mean or refer to any mortgagee or trustee under a deed or trust unless and until such mortgagee or trustee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

"Properties" shall mean and refer to the certain real property known as Canyon View Subdivision, a subdivision in Harris County, Texas, according to the map or plat thereof record in Volume 318, Page 74 HMCR 25 lots and two blocks on May 2005, a subdivision of 4.0145 acre tract of land being the replat of part of Unrestricted Reserve "B" Beechnut Crossing, Section One.

ARTICLE II

OFFICES

Section 1. The registered office of the Association is located at 6834 N. Eldridge Parkway, Suite 301, Houston, Texas 77041, County of Harris, State of Texas.

Section 2. The Association may also have offices at such other places, within and without the State of Texas, as the board of directors may from time to time determine or as the business of the Association may require.

ARTICLE III

MEMBERSHIP

Section 1. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record, to assessment by the Association, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership.

Section 2. Suspension of Membership. During any period in which a member shall be in default in the payment of any annual or special assessment levied by the Association, the voting rights and right to use of the recreational facilities of such a Member may be suspended by the board of directors until such assessment has been paid. Such rights of a Member may also be suspended, after notice and hearing for a period not to exceed thirty (30) days, for violation of any rules and regulations established by the board of directors governing the use of the Common Properties and facilities.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION AND TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a member of the Association, a Board of three (3) directors until the annual meeting in 2007, and thereafter the number of directors shall be established by the Board at each annual meeting, which number shall be less than three (3) and can not exceed five (5). At the first annual meeting 2007 and each annual meeting thereafter Members shall elect the directors for a term of one (1) year each.

Section 2. Election. Election to the Board of Directors shall e by secret written ballot. At such election the members or their proxies, may cast, in respect of the each vacancy, as many votes as they are entitled to cast under the provisions of the Declaration. The persons receiving the largest number of votes for each provision to be filled shall be elected. Cumulative voting shall be permitted.

Section 3. Removal. Any director maybe 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, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 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 a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effects as through taken at a meeting of the directors.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least every six (6) months without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the board of directors shall be held when called by the president of the Association, or by any three directors, after not less than three (3) days written notice delivered 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 the duly meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors may 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 Director, and two or more other person who are either officers or Members of the Association. The nominating Committee shall be appointed by the Board of Directors prior to each annual meeting. The Board of Directors as it shall in its discretion determine, but not less than the number of vacancies to be filled.

Section 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 as they are entitled to exercise under the provision of the Declaration. The person receiving the largest number of votes shall be elected Cumulative voting is not permitted.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The board of directors shall have power to:

- (a) Adopt and publish rules and regulations governing the use of the properties and facilities of the Association, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles, or the Declaration;
- (c) Declare the office of a Member of the board of directors to be vacant in the event such Member shall be absent for three (3) consecutive regular meetings of the board of directors; and
- (d) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the board of 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 or at any special meeting, when such statement is requested in writing by one-fourth (1/4) of the Class A 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 herein, and in the Declaration, to:
 - (i) Fix the amount of the annual assessment against each Lot in advance of each annual assessment period, and fix the amount of all special assessments and default assessments as provided in Article III of the Declaration, and;
 - (ii) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;
- (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 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 property owned by the Association;
- (f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and
- (g) Cause the Common Facilities to be maintained as provided in the Declaration.

ARTICLE IX

COMMITTEES

Section 1. The board of directors shall appoint the Architectural Review Committee (the ARC), as provided in the Declaration. In addition, the board of directors may appoint other committees as deemed appropriate in carrying out its purposes, such as:

- (a) A Recreation Committee which shall advise the board of directors on all matters pertaining to the recreational program and activities of the Association and shall perform such other functions as the Board, in its discretion, determines;
- (b) A Maintenance Committee which shall advise the board of directors on all matters pertaining to the maintenance, repair or improvement of the Properties, and shall perform such other functions as the Board, in its discretion, determines;
- (c) A Publicity Committee which shall inform the Members of all activities and functions of the Association, and shall, after consulting with the board of directors, make such public releases and announcements as are in the best interests of the Association; and
- (d) An Audit Committee which shall supervise the annual audit of the Association's book and approve the annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting, as provided in Article XI, Section 8 thereof. The Treasurer shall be an ex official member of the Committee.
- (e) A Nominating Committee shall be appointed by the Board of Directors deemed appropriate in carrying out the Association's purposes.

ARTICLE X

MEETING OF MEMBERS

Section 1. Place of Meetings. Meetings of the Members for the election of the directors shall be held at the offices of the Association in State of Texas, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof. Meetings of Members for any other purpose may be held as such place, within or without the State of Texas, and at such time as shall be stated in the notice of the meeting, or in a duly executed waiver of notice thereof.

Section 2. Annual Meetings. Annual meeting of Members, commencing with the year 2007 shall be held in the month of May if not a legal holiday, and if a legal holiday, then on the next secular day following day, at which they shall elect by a plurality vote a board of directors, and transact such other business as may properly be brought before the meeting.

Section 3. Special Meetings. Special meetings of the Members may be called by the president or the board of directors or by the secretary upon written request of Members entitled to cast one-fourth (1/4) of all of the votes the entire membership.

Section 4. Notice. Written or printed notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than fifty days before the day of the meeting, either personally or by mail, or at the direction of the president, the secretary, or the officer or persona calling the meeting, to each Member entitled to vote at such meeting.

Section 5. Purpose. Business transacted at any special meeting shall be confined to the purposes stated in the notice thereof.

Section 6. Quorum. The presence at any meeting of Members entitled to cast one-tenth (1/10) of the votes, represented in person or by proxy, shall constitute a quorum at meetings of Members except as otherwise provided in the Declaration or the Articles. If, however, a quorum shall not be present or represented at any meeting of the Members, the Members present in person or represented by proxy shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally notified.

Section 7. Majority Vote. The vote of Members entitled to cast a majority of the votes thus represented at the meeting at which a quorum is present shall be the act of the Members meeting, unless the vote of a greater number is required by law, the Declaration or the Articles.

Section 8. Voting Rights. Each Member may cast as many votes as he/she is entitled to exercise under the terms and provisions of the Articles on each matter submitted to a vote at a meeting of Members, except to the extent that the voting rights of any Member have been suspended in accordance with these By-Laws. At each election for directors every Member entitled to vote at such election shall have the right to cast as many votes as he/she is entitled to exercise under the terms and provisions of the Articles, in person, by proxy or secret ballot, for as many persons as there are directors to be elected and for whose election he/she has a right to vote, and Members of the Association are expressly prohibited from cumulating their votes in any election for directors of the Association.

Section 9. Proxies. A Member may vote in person or by proxy executed in writing by the Member or by his duly authorized attorney in fact. No proxy shall be valid after eleven (11) Months from the date of its execution unless otherwise provided in the proxy. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and in no event shall it remain irrevocable for period or more than eleven (11) months from the date of its execution.

Section 10. Action Without Meeting. Any action required by the statutes to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall signed by all of the Members whose vote is required for the approval of the subject-matter thereof, and such consent shall have the same force and effect as a vote of Members.

Section 11. Conflict between one or more provisions of these By-Laws and one or more provisions of the Articles shall be resolved in favor of the provision(s) set forth in the Articles.

ARTICLE XI

OFFICERS AND THEIR DUTIES

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

Section 2. 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.

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

Section 4. Special Appointments. The board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and performed 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 by 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.

Section 6. Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he/she replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other office except in the case of special offices created pursuant to Section 4 of this Article.

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

President

(a) The President shall preside at all meetings of the board of directors, shall see that orders and resolutions of the Board are carried out, shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice President

(b) The Vice President shall act in the place and stead of the President in the event of his/hers absence, inability or refusal to act, and shall exercise and discharge such other duties as may be requited of him/her by the Board.