



**BY-LAWS
OF THE
CANYON VIEW HOMEOWNERS ASSOCIATION, INC.**

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BY-LAWS OF
CANYONVIEW SUBDIVISION HOMEOWNERS ASSOCIATION INC.,
A TEXAS NON-PROFIT CORPORATION

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ARTICLE I

DEFINITIONS

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, Vernons 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 CanyonView 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 receive by assignment from the said Ashley Homes Partnership LP all, or a portion, of its rights hereunder as Declarant, by an instrument expressly assigning such rights as Declarant to such assignee.

"Declaration" shall mean and refer to that certain Declaration of Covenants, Conditions and Restrictions applicable to the Properties and recorded in Volume _____, Page _____ 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 a residential dwelling.

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

"Owner" shall mean and refer to the record owner, whether one or more persons or entities, or the fee 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 recorded in Volume 318, Page 74 HCMR 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 shall be located at 6830 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 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

PROPERTY RIGHTS: RIGHTS OF ENJOYMENT

Section 1. Use of Properties. Each Member shall be entitled to the use and enjoyment of the properties and facilities owned by the Association from time to time as provided in the Declaration. Any Member may delegate his rights of enjoyment of properties and facilities to the members of his family, his tenants or contract purchasers, who reside on his Lot. Such Member shall notify the secretary in writing of the name of any such delegee. The rights and privileges of such delegee are subject to suspension to the same extent as those of the Member.

ARTICLE V

BOARD OF DIRECTORS: SELECTION AND TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by 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 never be less than three (3).

Section 2. Election. At the first annual meeting in 2007 and each annual meeting thereafter Members shall elect the directors for a term of one (1) year each.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a director, 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 all the directors. Any action so approved shall have the same effect as though 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 monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the board of directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days 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 a 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 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. Such nominations may be made from among Members or non-members.

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 provisions of the Declaration. The persons 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 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 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, and a Nominating Committee, as provided in these By-Laws. 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 books 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 hereof. The Treasurer shall be an ex officio member of the Committee.

Section 2. Complaints from Members. It shall be the duty of each committee to receive complaints from Members on any matter involving Association functions duties, and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or office of the Association as is further concerned with the matter

presented.

ARTICLE X

MEETINGS OF MEMBERS

Section 1. Place of Meetings. Meetings of the Members for the election of directors shall be held at the offices of the Association in the City of Houston, State of Texas, or at such other location within the City of Houston, 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 meetings of Members, commencing with the year 2007 shall be held on the second Tuesday of May if not a legal holiday, and if a legal holiday, then on the next secular day following at 7:30 p.m., 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 of 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, by or at the direction of the president, the secretary, or the officer or person 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 a 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 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 is entitled to exercise under the terms and provisions of the Articles, in person or by proxy, for as many persons as there are directors to be elected and for whose election he 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 a period or more than eleven (11) months from the date of its execution.

Section 10. List of Members. The officer or agent having charge of the corporate books shall make, at least ten (10) days before each meeting of Members, a complete list of the Members entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order, with the address of each, which list, for a period of ten (10) days prior to such meeting, shall be kept on file at the principal office of the Association and shall be subject to inspection by any Member at any time during the usual business hours. Such list shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Member during the whole time of the Meeting.

Section 11. Record Date. The board of directors may fix in advance a date, not exceeding fifty (50) days preceding the date of any meeting of Members, as a record date for the determination of the Member entitled to notice of, and to vote at, any such meeting, and any adjournment thereof, and in such case Members and only such Members as shall be Members of record on the date so fixed shall be entitled to such notice of, and to vote at, such meeting and any adjournment thereof, notwithstanding any change of membership on the books of the Association after any such record date fixed as aforesaid.

Section 12. 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 13. Conflict. Any 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 this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 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.

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 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 officers 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 absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) 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.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all moneys of the Association and shall disburse such funds as directed by resolution of the board of directors, shall sign all checks and promissory notes of the Association, keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare (1) an annual budget and (ii) a statement of income and expenditures, to be presented to the membership at its regular annual meeting, a copy of each of which shall be made available to each Member upon request.

ARTICLE XII

ASSESSMENTS

The rights of membership in the Association are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against the Owner of and becomes a lien upon each Lot against which such assessments are made as provided by Article V of the

Declaration, which is incorporated herein by reference and made a part hereof for all purposes.

ARTICLE XIII

BOOKS AND RECORDS

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

ARTICLE XIV

CORPORATE SEAL

The Board of Directors may decide to adopt a corporate seal for the Association. The corporate seal shall have inscribed thereon the name of the Association, the year of its organization and the words "Corporate Seal, State of Texas." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

ARTICLE XV

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy.

Section 2. In the case of any conflict between the Articles and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XVI

FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE XVII

INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Association may indemnify an officer or director who was, is, or is threatened to be made a named defendant or respondent in a proceeding because such person is or was a director or officer if it is determined, in accordance with the provisions of Article 1396-2.22A of the Act, as the same may be amended from time to time, that the person:

(a) conducted him or herself in good faith, and;

(b) reasonably believed that:

(i). In the case of conduct in his or her official capacity as a director or officer of the Association, that his or her conduct was in the Association's best interests; and

(ii). In all other cases, that his or her conduct was at least not opposed to the Association's best interests; and

(C) In the case of any criminal proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

Any indemnification made under the provisions of this Article XVII shall be made in accordance with the provisions of the Act.

IN WITNESS WHEREOF, we, being all of the directors of the CanyonView Subdivision Homeowners Association Inc., a Texas non-profit corporation, have hereunto set our hands this 10th day of January, 2007.

Michael N. Lesser, Director

Luis Salinas, Director

Diane Lesser, Director