

2005-043792

**S U P P L E M E N T A L
M E M O R A N D U M O F D E D I C A T O R Y D O C U M E N T S**

WHEREAS, the Board of Trustees of WALDEN ON LAKE CONROE COMMUNITY IMPROVEMENT ASSOCIATION, INC., a Texas non-profit corporation, (the "Corporation") has previously filed various Memoranda of Dedicatory Documents.

WHEREAS, the Memoranda are recorded at **Montgomery County Clerk's File No. 2000-010504 and Montgomery County Clerk's File No. 2000-086359;**

WHEREAS, the Corporation has deemed it necessary to file this Supplemental Memorandum Dedicatory Documents regarding the Corporation as well as various specific Section Associations incorporated in and a part of the Walden On Lake Conroe Community;

WHEREAS, the Corporation and/or the various specific Section Associations have adopted and approved various policies, rules, regulations, elements, standards and statements related to their operation and governance within the Walden on Lake Conroe subdivision;

KNOW ALL MEN BY THESE PRESENTS, that the Corporation, for itself and as agent for the specific Section Associations herein named, hereby files for record as Dedicatory Instruments the following written rules, regulations, policies, by-laws and guidelines related to the operation of the Corporation and/or the various Section Associations within Walden On Lake Conroe:

1. By-Laws of Walden's Section Eleven Association;
2. By-Laws of Walden's Section Fourteen Association;
3. By-Laws of Walden's Section Sixteen Association;
4. The Estates of Walden - General Notes;
5. By-Laws of The Estates Association;
6. Articles of Incorporation of Walden's Section Ten Association;
7. Bylaws of Walden's Town House Association;
8. Indemnification By-Law Amendment;
9. Conflict of Interest Policy; and
10. August 2004 By-Laws;

This Memorandum is NOTICE TO THE PUBLIC of the existence and establishment of these policies, rules, guidelines and by-laws. Pursuant to the Texas Property Code, each such document herein named and previously filed for record is intended to be Dedicatory Documents affecting the specific community defined within Walden on Lake Conroe. This is a Supplemental filing and does not replace or alter the filings previously made by the Corporation except as specifically stated in said attachments hereto.

WITNESS MY HAND, to this Certificate this 27th day of April 2005.

**WALDEN ON LAKE CONROE COMMUNITY
IMPROVEMENT ASSOCIATION, INC.
a Texas non-profit corporation**

By: 
JAMES KNEZ, as Agent and Attorney-In-Fact

811-10-1292

THE STATE OF TEXAS

COUNTY OF MONTGOMERY

BEFORE ME, the undersigned authority, on this day personally appeared **JAMES KNEZ** as Agent and Attorney-In-Fact for WALDEN ON LAKE CONROE COMMUNITY IMPROVEMENT ASSOCIATION, INC., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said Corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 27th day of April 2005.



Emily S. Knez

Notary Public - STATE OF TEXAS

My Commission Expires: _____

AFTER RECORDING, RETURN TO:

Walden on Lake Conroe C.I.A.
13301 Walden Road
Montgomery, Texas 77356

OF

WALDEN'S SECTION ELEVEN ASSOCIATION

ARTICLE INAME AND LOCATION

Section 1. The name of the Corporation is Walden's Section Eleven Association, hereinafter referred to as the "Association".

Section 2. Meetings of members and trustees may be held at such places either within or without the State of Texas, as may be designated and directed by the Board of Trustees.

ARTICLE IIDEFINITIONS

Section 1. "Association" shall mean and refer to Walden's Section Eleven Association, a Texas Non-Profit Corporation, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain property described in the Declarations of Restrictions for Walden on Lake Conroe, Section Eleven, a subdivision in Montgomery County, Texas.

Section 3. "Lot" shall mean and refer to a plot of land subject to the jurisdiction of the Association as is more fully specified in the said Declarations of Restrictions.

Section 4. "Owner" shall mean and refer to the owner of a fee, undivided fee interest or a purchaser thereof under a contract of sale whether one or more persons or entities of any Lot which is a part of the Properties subject to a maintenance charge capable of being assessed by the Association, but excluding those having such interest merely as security for the performance of any obligation and those having only an interest in the mineral estate.

811-10-1294

Section 5. "Declarants" shall mean and refer to Jerry H. Deutser, Trustee, and S. Conrad Weil, Jr., Trustee, the Declarants in the Declarations of Restrictions.

Section 6. "Declarations" shall mean and refer to the Declarations of Restrictions for Walden, Section Eleven.

Section 7. "Member" shall mean and refer to those persons who are the Owners as such term is defined above of a Lot or Lots which are a part of the Properties and are thus entitled to membership in the Association. The Association shall have two classes of voting membership:

Class A. Class A members shall be all those Owners as defined in Section Four hereinabove with the exception of those Owners designated below as Class B members. Class A members shall be entitled to one vote for each lot in which they hold the interest required for membership by Section Eleven. When more than one person holds such interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot.

Class B. Class B members shall be Jerry H. Deutser, Trustee, and S. Conrad Weil, Jr., Trustee, or any other entity which at the time of the platting thereof is the record owner of the fee title of Walden on Lake Conroe, Section Eleven, or any successors or assigns of the entirety of the interest of such party or parties in said Section Eleven. The Class B members shall be entitled to three (3) votes for each lot in which they hold the interest required for membership by Section Eleven; provided, however, that 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 the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) on January 1, 1993.

The Association shall act through a three (3) member Board of Trustees elected annually in the month of January on the third Wednesday thereof. The initial Board of Trustees, which shall serve through January 31, 1979, shall be composed of William Schmuck, Jerry H. Deutser and S. Conrad Weil, Jr. Any vacancy on the Board of Trustees from whatever cause may be filled by the remaining member or members of the Board.

ARTICLE III

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The regular annual meeting of the members of the Association shall be held on the third Wednesday in January of each year beginning in 1979, at 10:00 a.m., at the principal office of the corporation. If such date for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called upon the written request of the members who are entitled to vote one-fourth (¼) of all of the votes of the membership.

Section 3. Notice of Meetings. Written notice of each special meeting of the members shall be given by, or at the direction of, the secretary or any person or persons authorized to call a meeting, by mailing a copy of such notice, postage paid, at least fifteen (15) days, but not more than fifty (50) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of the notice. Such notice shall specify the place, day and hour of the meeting, and the purpose of the meeting. Notice of annual meetings shall not be required, but may be given in a like manner.

811-10-1296

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the total votes of all members shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

ARTICLE IV

BOARD OF TRUSTEES

Section 1. Board of Trustees. The affairs of this Association shall be managed by a Board of three (3) Trustees, who need not be members of the Association.

Section 2. Term of Office. The initial Board of Trustees of the Association set forth in the Articles of Incorporation, being William Schmuck, Jerry H. Deutser and S. Conrad Weil, Jr., shall serve as the initial trustees of the Association and shall hold office until the 1979 annual meeting. At the annual meeting in 1979, the members shall elect one trustee for a term of one year, one trustee for a term of two years and one trustee for a term of three years; at each annual meeting thereafter, the members shall elect that number of trustees whose terms expire at such time.

Section 3. Nomination. Nomination for election to the Board of Trustees 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 Trustees, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Trustees prior to each annual meeting of the members, to serve from the

close of such annual meeting until the close of the next meeting. The Nominating Committee shall make as many nominations for election to the Board of Trustees 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 4. Election. Election to the Board of Trustees shall be by secret written ballot. At such election the members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to cast under the provisions of the Declarations. The persons receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

Section 5. Removal. Any trustee 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 trustee, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 6. Compensation. No trustee shall receive compensation for any service he may render to the Association; provided, however, any trustee may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 7. Action Taken Without a Meeting. The trustees 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 of the trustees. Any action so approved shall have the same effect as though taken at a meeting of the trustees.

ARTICLE V

MEETING OF TRUSTEES

Section 1. Regular Meetings. Regular meetings of the Board of Trustees shall be held annually 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 Trustees shall be held when called by the President of the Association or by any trustee after not less than three (3) days notice to each trustee, which such notice may be waived at or prior to such meeting.

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

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF TRUSTEES

Section 1. Powers. The Board of Trustees shall have power to:

- (a) Suspend the voting rights and right to the use of any facilities or services provided by the Association of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;
- (b) Exercise for the Association all powers, duties and authority vested in or designated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation or the Declarations.
- (c) Declare the office of a member of Trustees to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Trustees; and
- (d) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties and the terms of employment or services.

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

811-10-1298

- (a) Cause to be kept a complete record of all 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 required in writing by one-fourth (¼) of the Class A members who are entitled to vote;
- (b) Supervise all officers, agent and employees of this Association, and to see that their duties are properly performed;
- (c) To fix the amount of the annual assessment against properties subject to the jurisdiction of the Association and to take such actions as it deems appropriate to collect such assessments and to enforce tie liens given to secure payment thereof.
- (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 such liability and hazard insurance as it may deem appropriate on any property or facilities owned by the Association; and,
- (f) Cause any officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

ARTICLE VII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president, who shall be at all times a member of the Board of Trustees; a vice president; 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 Trustees 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 by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Officers. No person shall simultaneously hold more than one office except the office of Vice President, Secretary, Treasurer and/or special offices created pursuant to Section Four of this Article.

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

President

- (a) The President shall preside at all meetings of the Board of Trustees and of the Association; 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 account all monies of the Association and shall disburse such funds as directed by resolution of the Board of Trustees; shall sign all checks and promissory notes of the Association; keep proper books of account; and keep accurate books and records of the fiscal affairs of the Association and to make the same available for inspection by members of the Association during normal business hours.

ARTICLE VIIICOMMITTEES

The Association shall appoint a Nominating Committee, as provided in these By-Laws. The Board of Trustees shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE IXBOOKS 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 Declarations, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XASSESSMENTS

As more fully provided in the Declarations, each member is obligated to pay the Association certain annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum, and the Association may bring an action at law against the Owners personally obligated to pay the same or foreclose the line against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of any of the facilities or services provided by the Association or by abandonment of his Lot.

ARTICLE XICORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the name of the Association and the word "Texas".

ARTICLE XII

AMENDMENTS

Section 1. Amendments. These ByLaws 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 or by the Board of Trustees.


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

ARTICLE XIII


MISCELLANEOUS

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 fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we being all of the Trustees of the Walden's Section Eleven Association, have hereunto set our hands this the 12th day of July, 1978.



JERRY H. DEUTSER



WILLIAM SCHMUCK



S. CONRAD WEIL, JR.

BY-LAWS
OF
WALDEN'S SECTION FOURTEEN ASSOCIATION

ARTICLE I

NAME AND LOCATION

Section 1. The name of the Corporation is Walden's Section Fourteen Association, hereinafter referred to as the "Association".

Section 2. Meetings of members and trustees may be held at such places either within or without the State of Texas, as may be designated and directed by the Board of Trustees.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Walden's Section Fourteen Association, a Texas Non-Profit Corporation, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain property described in the Declarations of Restrictions for Walden on Lake Conroe, Section Fourteen, a subdivision in Montgomery County, Texas.

Section 3. "Lot" shall mean and refer to a plot of land subject to the jurisdiction of the Association as is more fully specified in the said Declarations of Restrictions.

Section 4. "Owner" shall mean and refer to the owner of a fee, undivided fee interest or a purchaser thereof under a contract of sale whether one or more persons or entities of any Lot which is a part of the Properties subject to a maintenance charge capable of being assessed by the Association, but excluding those having such interest merely as security for the performance of any obligation and those having only an interest in the mineral estate.

Section 5. "Declarants" shall mean and refer to Jerry H. Deutser, Trustee, and S. Conrad Weil, Jr., Trustee, the Declarants in the Declarations of Restrictions.

Section 6. "Declarations" shall mean and refer to the Declarations of Restrictions for Walden, Section Fourteen.

Section 7. "Member" shall mean and refer to the Owners as such term is defined above of a Lot or Lots which are a part of the Properties and are thus entitled to membership in the Association. The Association shall have two classes of voting membership:

Class A. Class A members shall be all those Owners as defined in Section Four hereinabove with the exception of those Owners designated below as Class B members. Class A members shall be entitled to one vote for each lot in which they hold the interest required for membership by Section Fourteen. When more than one person holds such interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot.

Class B. Class B members shall be Jerry H. Deutser, Trustee, and S. Conrad Weil, Jr., Trustee, or any other entity which at the time of the platting thereof is the record owner of the fee title of Walden on Lake Conroe, Section Fourteen, or any successors or assigns of the entirety of the interest of such party or parties in said Section Fourteen. The Class B members shall be entitled to three (3) votes for each lot in which they hold the interest required for membership by Section Fourteen; provided, however, that 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 the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) on January 1, 1993.

The Association shall act through a three (3) member Board of Trustees elected annually in the month of January on the third Wednesday thereof. The initial Board of Trustees, which shall serve through January 31, 1979, shall be composed of William Schmuck, Jerry H. Deutser and S. Conrad Weil, Jr. Any vacancy on the Board of Trustees from whatever cause may be filled by the remaining member or members of the Board.

ARTICLE III

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The regular annual meeting of the members of the Association shall be held on the third Wednesday in January of each year beginning in 1979, at 10:00 a.m., at the principal office of the corporation. If such date for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called upon the written request of the members who are entitled to vote one-fourth (¼) of all of the votes of the membership.

Section 3. Notice of Meetings. Written notice of each special meeting of the members shall be given by, or at the direction of, the secretary or any person or persons authorized to call a meeting, by mailing a copy of such notice, postage paid, at least fifteen (15) days, but not more than fifty (50) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of the notice. Such notice shall specify the place, day and hour of the meeting, and the purpose of the meeting. Notice of annual meetings shall not be required, but may be given in a like manner.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the total votes of all members shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

ARTICLE IV

BOARD OF TRUSTEES

Section 1. Board of Trustees. The affairs of this Association shall be managed by a Board of three (3) Trustees, who need not be members of the Association.

Section 2. Term of Office. The initial Board of Trustees of the Association set forth in the Articles of Incorporation, being William Schmuck, Jerry H. Deutser and S. Conrad Weil, Jr., shall serve as the initial trustees of the Association and shall hold office until the 1979 annual meeting. At the annual meeting in 1979, the members shall elect one trustee for a term of one year, one trustee for a term of two years and one trustee for a term of three years; at each annual meeting thereafter, the members shall elect that number of trustees whose terms expire at such time.

Section 3. Nomination. Nomination for election to the Board of Trustees 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 Trustees, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Trustees prior to each annual meeting of the members, to serve from the

close of such annual meeting until the close of the next meeting. The Nominating Committee shall make as many nominations for election to the Board of Trustees 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 4. Election. Election to the Board of Trustees shall be by secret written ballot. At such election the members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to cast under the provisions of the Declarations. The persons receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

Section 5. Removal. Any trustee 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 trustee, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 6. Compensation. No trustee shall receive compensation for any service he may render to the Association; provided, however, any trustee may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 7. Action Taken Without a Meeting. The trustees 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 of the trustees. Any action so approved shall have the same effect as though taken at a meeting of the trustees.

ARTICLE V

MEETING OF TRUSTEES

Section 1. Regular Meetings. Regular meetings of the Board of Trustees shall be held annually 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 Trustees shall be held when called by the President of the Association or by any trustee after not less than three (3) days notice to each trustee, which such notice may be waived at or prior to such meeting.

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

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF TRUSTEES

Section 1. Powers. The Board of Trustees shall have power to:

- (a) Suspend the voting rights and right to the use of any facilities or services provided by the Association of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;
- (b) Exercise for the Association all powers, duties and authority vested in or designated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation or the Declarations.
- (c) Declare the office of a member of Trustees to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Trustees; and
- (d) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties and the terms of employment or services.

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

- (a) Cause to be kept a complete record of all 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 required in writing by one-fourth (¼) of the Class A members who are entitled to vote;
- (b) Supervise all officers, agent and employees of this Association, and to see that their duties are properly performed;
- (c) To fix the amount of the annual assessment against properties subject to the jurisdiction of the Association and to take such actions as it deems appropriate to collect such assessments and to enforce tie liens given to secure payment thereof.
- (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 such liability and hazard insurance as it may deem appropriate on any property or facilities owned by the Association; and,
- (f) Cause any officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

ARTICLE VII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president, who shall be at all times a member of the Board of Trustees; a vice president; 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 Trustees 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 by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Officers. No person shall simultaneously hold more than one office except the office of Vice President, Secretary, Treasurer and/or special offices created pursuant to Section Four of this Article.

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

President

- (a) The President shall preside at all meetings of the Board of Trustees and of the Association; 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 account all monies of the Association and shall disburse such funds as directed by resolution of the Board of Trustees; shall sign all checks and promissory notes of the Association; keep proper books of account; and keep accurate books and records of the fiscal affairs of the Association and to make the same available for inspection by members of the Association during normal business hours.

ARTICLE VIII

COMMITTEES

The Association shall appoint a Nominating Committee, as provided in these By-Laws. The Board of Trustees shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE IXBOOKS 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 Declarations, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XASSESSMENTS

As more fully provided in the Declarations, each member is obligated to pay the Association certain annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum, and the Association may bring an action at law against the Owners personally obligated to pay the same or foreclose the line against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of any of the facilities or services provided by the Association or by abandonment of his Lot.

ARTICLE XICORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the name of the Association and the word "Texas".

ARTICLE XII

AMENDMENTS

Section 1. Amendments. These ByLaws 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 or by the Board of Trustees.


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

ARTICLE XIII


MISCELLANEOUS

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 fiscal year shall begin on the date of incorporation.


IN WITNESS WHEREOF, we being all of the Trustees of the Walden's Section Fourteen Association, have hereunto set our hands this the 15th day of December 1978.



JERRY H. DEUTSER



WILLIAM SCHMUCK



S. CONRAD WEIL, JR.

BY-LAWS
OF
WALDEN'S SECTION SIXTEEN ASSOCIATION

ARTICLE I

NAME AND LOCATION

Section 1. The name of the Corporation is Walden's Section Sixteen Association, hereinafter referred to as the "Association".

Section 2. Meetings of members and trustees may be held at such places either within or without the State of Texas, as may be designated and directed by the Board of Trustees.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Walden's Section Sixteen Association, a Texas Non-Profit Corporation, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain property described in the Declarations of Restrictions for Walden on Lake Conroe, Section Sixteen, a subdivision in Montgomery County, Texas.

Section 3. "Lot" shall mean and refer to a plot of land subject to the jurisdiction of the Association as is more fully specified in the said Declarations of Restrictions.

Section 4. "Owner" shall mean and refer to the owner of a fee, undivided fee interest or a purchaser thereof under a contract of sale whether one or more persons or entities of any Lot which is a part of the Properties subject to a maintenance charge capable of being assessed by the Association, but excluding those having such interest merely as security for the performance of any obligation and those having only an interest in the mineral estate.

Section 5. "Declarants" shall mean and refer to Jerry H. Deutser, Trustee, and S. Conrad Weil, Jr., Trustee, the Declarants in the Declarations of Restrictions.

Section 6. "Declarations" shall mean and refer to the Declarations of Restrictions for Walden, Section Sixteen.

Section 7. "Member" shall mean and refer to the Owners as such term is defined above of a Lot or Lots which are a part of the Properties and are thus entitled to membership in the Association. The Association shall have two classes of voting membership:

Class A. Class A members shall be all those Owners as defined in Section Four hereinabove with the exception of those Owners designated below as Class B members. Class A members shall be entitled to one vote for each lot in which they hold the interest required for membership by Section Sixteen. When more than one person holds such interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot.

Class B. Class B members shall be Jerry H. Deutser, Trustee, and S. Conrad Weil, Jr., Trustee, or any other entity which at the time of the platting thereof is the record owner of the fee title of Walden on Lake Conroe, Section Sixteen, or any successors or assigns of the entirety of the interest of such party or parties in said Section Sixteen. The Class B members shall be entitled to three (3) votes for each lot in which they hold the interest required for membership by Section Sixteen; provided, however, that 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 the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) on January 1, 1993.

The Association shall act through a three (3) member Board of Trustees elected annually in the month of January on the third Wednesday thereof. The initial Board of Trustees, which shall serve through January 31, 1980, shall be composed of William Schmuck, Jerry H. Deutser and S. Conrad Weil, Jr. Any vacancy on the Board of Trustees from whatever cause may be filled by the remaining member or members of the Board.

ARTICLE III

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The regular annual meeting of the members of the Association shall be held on the third Wednesday in January of each year beginning in 1980, at 10:00 a.m., at the principal office of the corporation. If such date for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called upon the written request of the members who are entitled to vote one-fourth ($\frac{1}{4}$) of all of the votes of the membership.

Section 3. Notice of Meetings. Written notice of each special meeting of the members shall be given by, or at the direction of, the secretary or any person or persons authorized to call a meeting, by mailing a copy of such notice, postage paid, at least fifteen (15) days, but not more than fifty (50) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of the notice. Such notice shall specify the place, day and hour of the meeting, and the purpose of the meeting. Notice of annual meetings shall not be required, but may be given in a like manner.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the total votes of all members shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

ARTICLE IV

BOARD OF TRUSTEES

Section 1. Board of Trustees. The affairs of this Association shall be managed by a Board of three (3) Trustees, who need not be members of the Association.

Section 2. Term of Office. The initial Board of Trustees of the Association set forth in the Articles of Incorporation, being William Schmuck, Jerry H. Deutser and S. Conrad Weil, Jr., shall serve as the initial trustees of the Association and shall hold office until the 1980 annual meeting. At the annual meeting in 1980, the members shall elect one trustee for a term of one year, one trustee for a term of two years and one trustee for a term of three years; at each annual meeting thereafter, the members shall elect that number of trustees whose terms expire at such time.

Section 3. Nomination. Nomination for election to the Board of Trustees 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 Trustees, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Trustees prior to each annual meeting of the members, to serve from the

close of such annual meeting until the close of the next meeting. The Nominating Committee shall make as many nominations for election to the Board of Trustees 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 4. Election. Election to the Board of Trustees shall be by secret written ballot. At such election the members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to cast under the provisions of the Declarations. The persons receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

Section 5. Removal. Any trustee 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 trustee, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 6. Compensation. No trustee shall receive compensation for any service he may render to the Association; provided, however, any trustee may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 7. Action Taken Without a Meeting. The trustees 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 of the trustees. Any action so approved shall have the same effect as though taken at a meeting of the trustees.

ARTICLE V

MEETING OF TRUSTEES

Section 1. Regular Meetings. Regular meetings of the Board of Trustees shall be held annually 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 Trustees shall be held when called by the President of the Association or by any trustee after not less than three (3) days notice to each trustee, which such notice may be waived at or prior to such meeting.

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

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF TRUSTEES

Section 1. Powers. The Board of Trustees shall have power to:

- (a) Suspend the voting rights and right to the use of any facilities or services provided by the Association of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;
- (b) Exercise for the Association all powers, duties and authority vested in or designated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation or the Declarations.
- (c) Declare the office of a member of Trustees to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Trustees; and
- (d) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties and the terms of employment or services.

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

- (a) Cause to be kept a complete record of all 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 required in writing by one-fourth (¼) of the Class A members who are entitled to vote;
- (b) Supervise all officers, agent and employees of this Association, and to see that their duties are properly performed;
- (c) To fix the amount of the annual assessment against properties subject to the jurisdiction of the Association and to take such actions as it deems appropriate to collect such assessments and to enforce tie liens given to secure payment thereof.
- (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 such liability and hazard insurance as it may deem appropriate on any property or facilities owned by the Association; and,
- (f) Cause any officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

ARTICLE VII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president, who shall be at all times a member of the Board of Trustees; a vice president; 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 Trustees 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 by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Officers. No person shall simultaneously hold more than one office except the office of Vice President, Secretary, Treasurer and/or special offices created pursuant to Section Four of this Article.

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

President

- (a) The President shall preside at all meetings of the Board of Trustees and of the Association; 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 account all monies of the Association and shall disburse such funds as directed by resolution of the Board of Trustees; shall sign all checks and promissory notes of the Association; keep proper books of account; and keep accurate books and records of the fiscal affairs of the Association and to make the same available for inspection by members of the Association during normal business hours.

ARTICLE VIII

COMMITTEES

The Association shall appoint a Nominating Committee, as provided in these By-Laws. The Board of Trustees shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE IXBOOKS 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 Declarations, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XASSESSMENTS

As more fully provided in the Declarations, each member is obligated to pay the Association certain annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum, and the Association may bring an action at law against the Owners personally obligated to pay the same or foreclose the line against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of any of the facilities or services provided by the Association or by abandonment of his Lot.

ARTICLE XICORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the name of the Association and the word "Texas".

ARTICLE XII
AMENDMENTS

Section 1. Amendments. These ByLaws 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 or by the Board of Trustees.


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

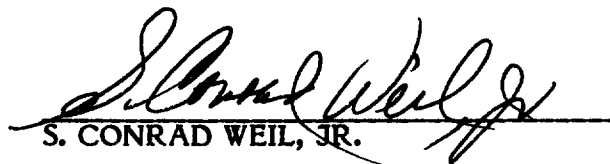
ARTICLE XIII
MISCELLANEOUS

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 fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we being all of the Trustees of the Walden's Section Sixteen Association, have hereunto set our hands this the 6th day of February, 1979.


JERRY H. DEUTSER


WILLIAM SCHMUCK


S. CONRAD WEIL, JR.

The Estates of Walden

General Notes

811-10-1326

1. PROPOSED DRIVEWAY, SIDEWALK, CURB, GUTTER LINE AND GRADE SHALL MATCH EXISTING STREET.
2. PROPOSED SIDEWALK SHALL BE CONSTRUCTED WITH PORTLAND CEMENT 4½ SACK CEMENT PER CUBIC YARD, 4 INCHES THICK AND 4 FEET MINIMUM WIDTH.
3. PROPOSED DRIVEWAY SHALL BE BUILT WITH PORTLAND CEMENT CONCRETE, 4½ SACK CEMENT PER CUBIC YARD, 6 INCHES THICK, FROM PROPOSED SAW CUT AT EXISTING PAVEMENT TO RIGHT-OF-WAY LINE AND TO BE REINFORCED WITH 3/8 INCHES Ø DEFORMED REINFORCING BARS (MINIMUM, ASTM A615 GRADE 60, UNLESS NOTED) SPACED AT 24 INCHES C.C., EACH WAY, WITH 6 INCHES MINIMUM LAP (12" x 12" W4 x W4 AS ALTERNATE).
4. PROPOSED DRIVEWAY REINFORCING STEEL IS TO BE TIED TO EXISTING ROADWAY REINFORCING STEEL WITH A MINIMUM 8 INCHES LAP.
5. PROPOSED CURB AND GUTTER LINE SHALL BE BUILT WITH PORTLAND CEMENT CONCRETE, 4½ SACK CEMENT PER CUBIC YARD, AS SHOWN ON DRAWING
6. PROPOSED GUTTER LINE IS TO BE MAINTAINED AT FACE OF EXISTING CURB.
7. SAW CUT EXISTING CURB AT EACH END OF PROPOSED DRIVEWAY AND KNOCK OUT EXISTING CURB.
8. SAW CUT EXISTING PAVEMENT AND BREAK OUT TO EXPOSE EXISTING REINFORCEMENT STEEL AT LEAST 6 INCHES AT PROPOSED DRIVEWAY INTERSECTION.
9. COMPACT SUBGRADE FOR PROPOSED DRIVEWAY CONNECTION FROM PROPOSED SAW CUT AT EXISTING PAVEMENT TO RIGHT-OF-WAY LINE, COMPACT TO 95% OF STANDARD PROCTOR DENSITY (+ 2% OPT. MOISTURE). THE COUNTY ENGINEER RESERVES THE RIGHT TO REQUIRE LABORATORY TESTS IF HE DEEMS THEM NECESSARY.
10. PROPOSED AREA BETWEEN DRIVEWAYS, FROM BACK OF CURB TO SIDEWALK AND FROM SIDEWALK TO RIGHT-OF-WAY LINE MAY BE CONCRETE OR DIRT (ROADWAYS WITH CURBS AND SIDEWALKS).
11. IF MORE THAN ONE PROPOSED DRIVEWAY IS BUILT ON THE SAME PROPERTY, SAID DRIVEWAYS SHALL BE SEPARATED BY A MINIMUM DISTANCE OF AT LEAST 20 FEET (ROADWAYS WITH CURBS AND SIDEWALKS).
12. PROPOSED SIDEWALKS SHALL HAVE ONE-INCH BOARD EXPANSION JOINTS OR HALF-INCH (½") NON-EXTRUDING PREFORMED JOINTS EVERY 20 FEET (MINIMUM) OR 36 FEET (MAXIMUM) THROUGHOUT ENTIRE LENGTH OF PROPOSED SIDEWALK OR WHERE NEW WALK MEETS OLD (EXISTING) WALK AND/OR NEW PROPOSED DRIVEWAY.
13. PROPOSED ONE-INCH BOARD EXPANSION JOINT OR HALF-INCH (½") NON-EXTRUDING PREFORMED JOINT WILL BE BETWEEN SIDEWALK AND CURB, AROUND FIRE HYDRANTS AND UTILITY POLES.

CONSTRUCTION NOTES FOR SIDEWALKS &
DRIVEWAYS ON CURBED TYPE STREETS,

RESIDENTIAL AREA

Approved By:

Drawn By:

Date:

Drawing No:

2

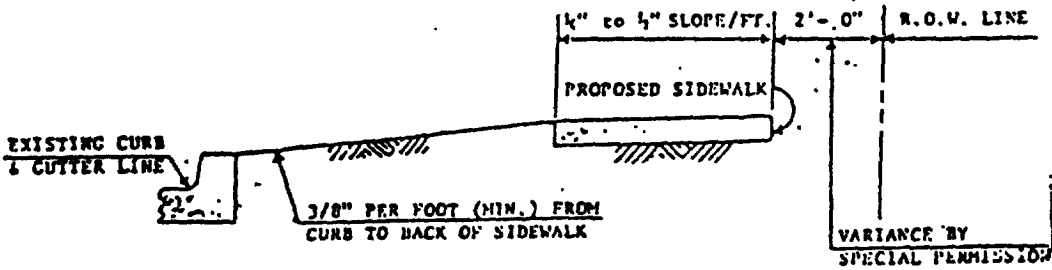
MINIMUM CONSTRUCTION STANDARDS

1. All wood siding shall be of a No. 1 grade, tongue & groove material.
2. All composition roofing materials shall be a minimum of 320 lbs. per square and shall be Weathered Wood or similar in color as may be approved.
3. All concrete driveway connections shall be constructed in accordance with the attached specifications for residential driveways. Concrete driveways shall be 6" in thickness from the proposed saw cut at the existing pavement to the right-of-way.
4. All ornamental iron fences shall be constructed in accordance with the attached fence detail. Pilasters which are in harmony with the main residential structure must be constructed in conjunction with said fence and must be located at all angle points in said fence and spaced no more than thirty feet apart.

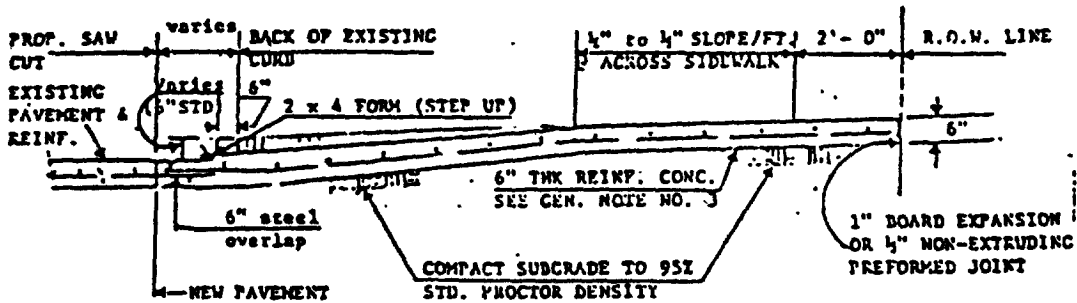
When a sidewalk, driveway, or curb & gutter is constructed, reconstructed, repaired or regraded on County Right of Way.

For use with Concrete or Asphalt Curbed Type Streets, use Sections Applicable:

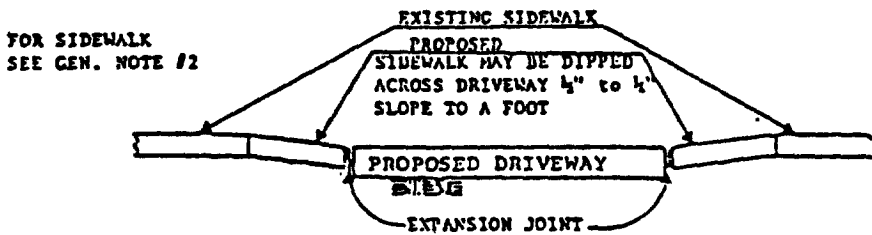
A - Use when sidewalk to be built other than driveway



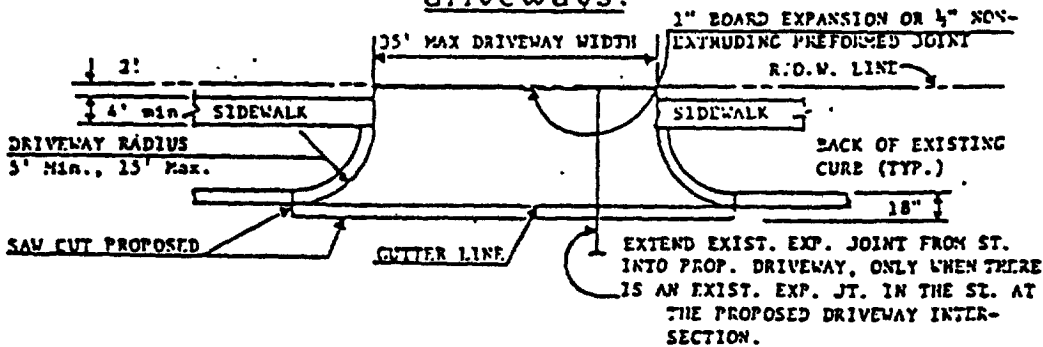
B - Use for all proposed drives on curbed type streets



C - Use when proposed driveway is to be built with existing sidewalks with excessive grade:



D - Use for all proposed existing curb removal for driveways:



SIDEWALKS & DRIVEWAYS ON CURB TYPE STREETS
RESIDENTIAL AREA

Approved By:

Drawn By:

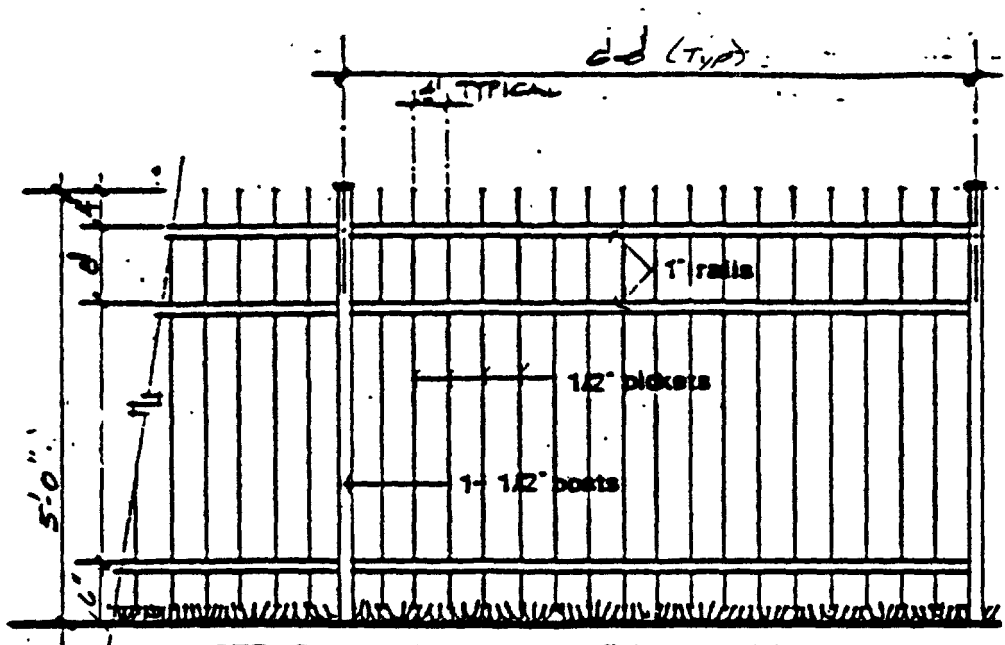
Date:

Drawing No:

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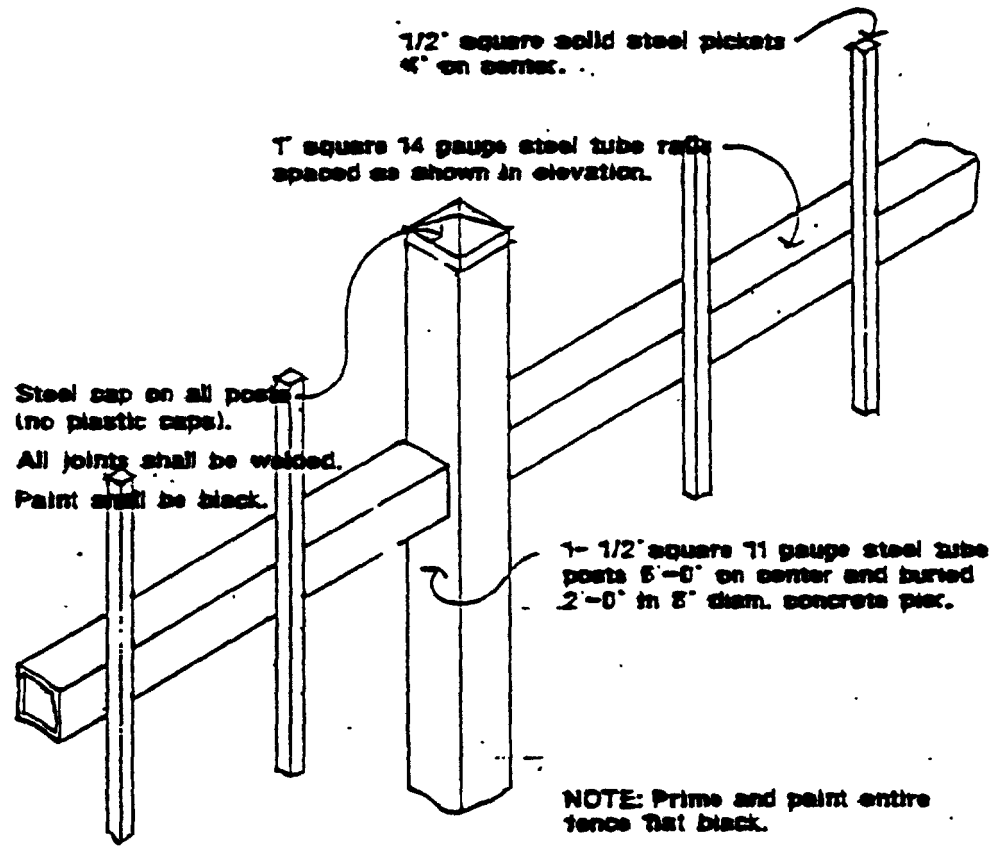
811-10-1328

811-10-1329



NOTE: Refer to isometric detail for material specifications.

ELEVATION OF REQUIRED FENCE DESIGN



NOTE: Prime and paint entire fence flat black.

Walden on Lake Conroe
The Estates of Walden
Typical Ornamental Iron Fence Detail

THE ESTATES OF WALDEN

BOAT SLIP CONSTRUCTION STANDARDS

The following is a recommended minimum specifications for construction of boat slips within The Estates of Walden:

1. 6"X 6" piling, .60 CCA treated
2. 2"X 10" center match sheeting, .60 CCA treated
3. 3"x 8" whalers, .60 CCA treated
4. 2"x 12" cap board and rub rail, .40 CCA treated
5. 8" round X 8' deadman, .40 CCA treated
6. Filter fabric equal to or better than Phillip 4NP behind all walls.
7. Tie-back rods to be 5/8" solid rod and not braided cable.
8. All hardware should be hot dipped galvanized.
9. Location: Unless otherwise approved, all boat slips should be constructed no closer than 17' to the adjacent property. This is required so that deadmen can be set 12' from the wall leaving a minimum of 5' between the deadman and the adjacent property.
10. Elevation: A part of the bulkhead within The Estates is at elevation 203' and a part is at elevation 204'. We recommend that a boat slip that steps down to the water approximately one foot (1') be constructed on all bulkheads at elevation 204'. This is to make boarding the boat at normal lake elevation easier.

THE ESTATES OF WALDEN TREE POLICY

Existing vegetation shall include trees which have a four (4) inch or greater caliper trunk, measured one (1) foot above normal grade. Existing vegetation shall be preserved and protected to the greatest reasonable extent possible. Unless otherwise approved by the Architectural Control Committee (Committee), no trees shall be cut or removed except to provide room for construction of improvements, those presenting a hazard to the structural integrity of the slab or to remove dead or unsightly trees.

The Owner of any lot who constructs a new home shall be required to have a minimum of five (5) viable trees, each a minimum of three inches in diameter measured twelve (12) inches above natural grade, on the lot after home construction is complete. Provided further, a minimum of two (2) of the above required five (5) trees shall be planted or growing in the front yard area, that is in front of the principle residential building constructed on the lot. All corner lots shall have a minimum of two (2) three-inch diameter trees planted within their side yard area, that is, that yard adjacent to the street with the longest dimension. It is the intent of this requirement that, for example, if the otherwise qualifying five (5) trees are native trees growing on the lot in areas which are not in front of the principle residential structure, that two (2) additional three (3) inch trees be planted in the front or side area described. It is accordingly the intent that each newly constructed home have a minimum of five (5) trees, at least two (2) of which are in the front yard and in the case of corner lots two additional trees on the side yard area as stated.

In order to maintain the view from each waterfront lot, the Committee has determined that no tree may be planted at a point that is greater than twenty-five (25) feet beyond the rear building line as shown on the recorded plat of the subdivision and that only three trees may be planted in this 25 foot strip previously mentioned. However, the Committee may allow the planting of additional trees at other locations beyond the rear building line if in the sole opinion of the Committee the location of the trees does not unnecessarily effect the views or aesthetics within The Estates. The Committee has also determined that trees with similar characteristics of willow trees will not be allowed to be planted within the subdivision.

All trees shall be maintained in such a manner so as not to block the view of the adjacent property owners.

BY-LAWS
OF
THE ESTATES ASSOCIATION

ARTICLE I

NAME AND LOCATION

Section 1. The name of the Corporation is The Estates Association, hereinafter referred to as the "Association".

Section 2. Meetings of members and trustees may be held at such places either within or without the State of Texas, as may be designated and directed by the Board of Trustees.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to The Estates Association, a Texas Non-Profit Corporation, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain property described in the Declarations of Restrictions for Walden on Lake Conroe, The Estates of Walden a subdivision in Montgomery County, Texas.

Section 3. "Lot" shall mean and refer to a plot of land subject to the jurisdiction of the Association as is more fully specified in the said Declarations of Restrictions.

Section 4. "Owner" shall mean and refer to the owner of a fee, undivided fee interest or a purchaser thereof under a contract of sale whether one or more persons or entities of any Lot which is a part of the Properties subject to a maintenance charge capable of being assessed by the Association, but excluding those having such interest merely as security for the performance of any obligation and those having only an interest in the mineral estate.

The Association shall act through a three (3) member Board of Trustees elected annually in the month of January on the third Wednesday thereof. The initial Board of Trustees, which shall serve through January 31, 2005, shall be composed of Jerry H. Deutser, S. Conrad Weil, Jr and Michael A. Hunt. Any vacancy on the Board of Trustees from whatever cause may be filled by the remaining member or members of the Board.

ARTICLE III

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The regular annual meeting of the members of the Association shall be held on the third Wednesday in January of each year beginning 1991 at 10:00 a.m. at the principal office of the corporation. If such date for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called upon the written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the membership.

Section 3. Notice of Meetings. Written notice of each special meeting of the members shall be given by, or at the direction of, the secretary or any person or persons authorized to call a meeting, by mailing a copy of such notice, postage paid, at least fifteen (15) days, but not more than fifty (50) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of the notice. Such notice shall specify the place, day and hour of the meeting, and the purpose of the meeting. Notice of annual meetings shall not be required, but may be given in a like manner.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the total votes of all members shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

ARTICLE IV

BOARD OF TRUSTEES

Section 1. Board of Trustees. The affairs of this Association shall be managed by a Board of three (3) Trustees, who need not be members of the Association.

Section 2. Term of Office. The initial Board of Trustees of the Association set forth in the Articles of Incorporation, being Jerry H. Deutser, S. Conrad Weil, Jr. and Michael A. Hunt shall serve as the initial trustees of the Association and shall hold office until the 1991 annual meeting. At the annual meeting in 1991, the members shall elect one trustee for a term of one year, one trustee for a term of two years and one trustee for a term of three years; at each annual meeting thereafter, the members shall elect that number of trustees whose terms expire at such time.

Section 3. Nomination. Nomination for election to the Board of Trustees 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 Trustees, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Trustees prior to each annual

meeting until the close of the next meeting. The Nominating Committee shall make as many nominations for election to the Board of Trustees 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 4. Election. Election to the Board of Trustees shall be by secret written ballot. At such election the members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to cast under the provisions of the Declarations. The persons receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

Section 5. Removal. Any trustee 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 trustee, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 6. Compensation. No trustee shall receive compensation for any service he may render to the Association; provided, however, any trustee may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 7. Action Taken Without a Meeting. The trustees 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 of the trustees. Any action so approved shall have the same effect as though taken at a meeting of the trustees.

ARTICLE V

MEETING OF TRUSTEES

Section 1. Regular Meetings. Regular meetings of the Board of Trustees shall be held annually 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 Trustees shall be held when called by the President of the Association or by any trustee after not less than three (3) days notice to each trustee, which such notice may be waived at or prior to such meeting.

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

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF TRUSTEES

Section 1. Powers. The Board of Trustees shall have power to:

- (a) Suspend the voting rights and right to the use of any facilities or services provided by the Association of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;
- (b) Exercise for the Association all powers, duties and authority vested in or designated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation or the Declarations.
- (c) Declare the office of a member of Trustees to be vacant in the event such member shall be absent from three (3) consecutive

regular meetings of the Board of Trustees; and

- (d) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties and the terms of employment or services.

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

- (a) Cause to be kept a complete record of all 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 required in writing by one-fourth (1/4) of the Class A members who are entitled to vote;
- (b) Supervise all officers, agent and employees to this Association, and to see that their duties are properly performed;
- (c) To fix the amount of the annual assessment against properties subject to the jurisdiction of the Association and to take such actions as it deems appropriate to collect such assessments and to enforce tie liens given to secure payment thereof.
- (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 such liability and hazard insurance as it may deem appropriate on any property or facilities owned by the Association; and,
- (f) Cause any officers or employees having fiscal responsibilities to be

bonded, as it may deem appropriate.

ARTICLE VII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president, who shall be at all times a member of the Board of Trustees; a vice president; 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 Trustees 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 by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Officers. No person shall simultaneously hold more than one office except the office of Vice President, Secretary, Treasurer and/or special offices created pursuant to Section Four of this Article.

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

President

- (a) The President shall preside at all meetings of the Board of Trustees and of the Association; 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 account all monies of the Association and shall disburse such funds as directed by resolution of the Board of Trustees; shall sign all checks and promissory notes of the Association; keep proper books of account; and keep

accurate books and records of the fiscal affairs of the Association and to make the same available for inspection by members of the Association during normal business hours.

ARTICLE VIII

COMMITTEES

The Association shall appoint a Nominating Committee, as provided in these By-Laws. The Board of Trustees shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE IX

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 at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE X

ASSESSMENTS

As more fully provided in the Declarations, each member is obligated to pay the Association certain annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum, and the Association may bring an action at law against the Owners personally obligated to pay the same or foreclose the line against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such

assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of any of the facilities or services provided by the Association or by abandonment of his Lot.

ARTICLE XI

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the name of the Association and the word "Texas".

ARTICLE XII

AMENDMENTS

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


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

ARTICLE XIII

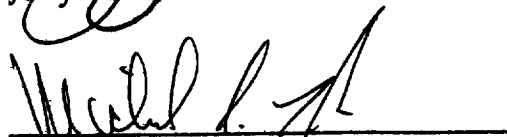
MISCELLANEOUS

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 fiscal year shall begin on the date of incorporation.

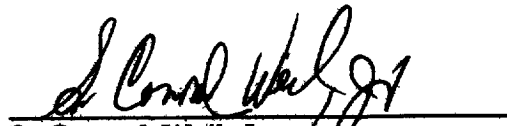
IN WITNESS WHEREOF, we being all of the Trustees of the Walden's The Estates of Walden, have hereunto set our hands this the 17 day of July, 1990.



Jerry H. Deutser



Michael A. Hunt



S. Conrad Weil, Jr.

BY-LAWS
OF
THE ESTATES ASSOCIATION

ARTICLE I

NAME AND LOCATION

Section 1. The name of the Corporation is The Estates Association, hereinafter referred to as the "Association".

Section 2. Meetings of members and trustees may be held at such places either within or without the State of Texas, as may be designated and directed by the Board of Trustees.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to The Estates Association, a Texas Non-Profit Corporation, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain property described in the Declarations of Restrictions for Walden on Lake Conroe, The Estates of Walden a subdivision in Montgomery County, Texas.

Section 3. "Lot" shall mean and refer to a plot of land subject to the jurisdiction of the Association as is more fully specified in the said Declarations of Restrictions.

Section 4. "Owner" shall mean and refer to the owner of a fee, undivided fee interest or a purchaser thereof under a contract of sale whether one or more persons or entities of any Lot which is a part of the Properties subject to a maintenance charge capable of being assessed by the Association, but excluding those having such interest merely as security for the performance of any obligation and those having only an interest in the mineral estate.

The Association shall act through a three (3) member Board of Trustees elected annually in the month of January on the third Wednesday thereof. The initial Board of Trustees, which shall serve through January 31, 2005, shall be composed of Jerry H. Deutser, S. Conrad Weil, Jr and Michael A. Hunt. Any vacancy on the Board of Trustees from whatever cause may be filled by the remaining member or members of the Board.

ARTICLE III

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The regular annual meeting of the members of the Association shall be held on the third Wednesday in January of each year beginning 1991 at 10:00 a.m. at the principal office of the corporation. If such date for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called upon the written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the membership.

Section 3. Notice of Meetings. Written notice of each special meeting of the members shall be given by, or at the direction of, the secretary or any person or persons authorized to call a meeting, by mailing a copy of such notice, postage paid, at least fifteen (15) days, but not more than fifty (50) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of the notice. Such notice shall specify the place, day and hour of the meeting, and the purpose of the meeting. Notice of annual meetings shall not be required, but may be given in a like manner.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the total votes of all members shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

ARTICLE IV

BOARD OF TRUSTEES

Section 1. Board of Trustees. The affairs of this Association shall be managed by a Board of three (3) Trustees, who need not be members of the Association.

Section 2. Term of Office. The initial Board of Trustees of the Association set forth in the Articles of Incorporation, being Jerry H. Deutser, S. Conrad Weil, Jr. and Michael A. Hunt shall serve as the initial trustees of the Association and shall hold office until the 1991 annual meeting. At the annual meeting in 1991, the members shall elect one trustee for a term of one year, one trustee for a term of two years and one trustee for a term of three years; at each annual meeting thereafter, the members shall elect that number of trustees whose terms expire at such time.

Section 3. Nomination. Nomination for election to the Board of Trustees 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 Trustees, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Trustees prior to each annual

meeting until the close of the next meeting. The Nominating Committee shall make as many nominations for election to the Board of Trustees 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 4. Election. Election to the Board of Trustees shall be by secret written ballot. At such election the members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to cast under the provisions of the Declarations. The persons receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

Section 5. Removal. Any trustee 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 trustee, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 6. Compensation. No trustee shall receive compensation for any service he may render to the Association; provided, however, any trustee may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 7. Action Taken Without a Meeting. The trustees 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 of the trustees. Any action so approved shall have the same effect as though taken at a meeting of the trustees.

ARTICLE V

MEETING OF TRUSTEES

Section 1. Regular Meetings. Regular meetings of the Board of Trustees shall be held annually 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 Trustees shall be held when called by the President of the Association or by any trustee after not less than three (3) days notice to each trustee, which such notice may be waived at or prior to such meeting.

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

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF TRUSTEES

Section 1. Powers. The Board of Trustees shall have power to:

- (a) Suspend the voting rights and right to the use of any facilities or services provided by the Association of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;
- (b) Exercise for the Association all powers, duties and authority vested in or designated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation or the Declarations.
- (c) Declare the office of a member of Trustees to be vacant in the event such member shall be absent from three (3) consecutive

regular meetings of the Board of Trustees; and

- (d) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties and the terms of employment or services.

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

- (a) Cause to be kept a complete record of all 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 required in writing by one-fourth (1/4) of the Class A members who are entitled to vote;
- (b) Supervise all officers, agent and employees to this Association, and to see that their duties are properly performed;
- (c) To fix the amount of the annual assessment against properties subject to the jurisdiction of the Association and to take such actions as it deems appropriate to collect such assessments and to enforce tie liens given to secure payment thereof.
- (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 such liability and hazard insurance as it may deem appropriate on any property or facilities owned by the Association; and,
- (f) Cause any officers or employees having fiscal responsibilities to be

bonded, as it may deem appropriate.

ARTICLE VII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president, who shall be at all times a member of the Board of Trustees; a vice president; 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 Trustees 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.

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Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

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

President

- (a) The President shall preside at all meetings of the Board of Trustees and of the Association; 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 account all monies of the Association and shall disburse such funds as directed by resolution of the Board of Trustees; shall sign all checks and promissory notes of the Association; keep proper books of account; and keep

accurate books and records of the fiscal affairs of the Association and to make the same available for inspection by members of the Association during normal business hours.

ARTICLE VIII

COMMITTEES

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BOOKS AND RECORDS

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ARTICLE X

ASSESSMENTS

As more fully provided in the Declarations, each member is obligated to pay the Association certain annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum, and the Association may bring an action at law against the Owners personally obligated to pay the same or foreclose the line against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such

assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of any of the facilities or services provided by the Association or by abandonment of his Lot.

ARTICLE XI

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the name of the Association and the word "Texas".

ARTICLE XII

AMENDMENTS

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


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ARTICLE XIII

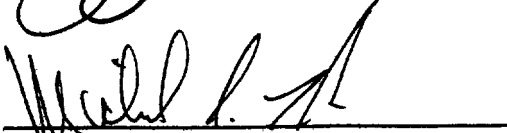
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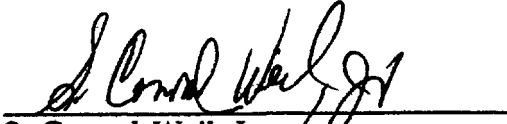
IN WITNESS WHEREOF, we being all of the Trustees of the Walden's The Estates of Walden, have hereunto set our hands this the 17 day of July, 1990.



Jerry H. Deutser



Michael A. Hunt



S. Conrad Weil, Jr.

BY-LAWS
OF
THE ESTATES ASSOCIATION

ARTICLE I

NAME AND LOCATION

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Section 5. Removal. Any trustee 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 trustee, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 6. Compensation. No trustee shall receive compensation for any service he may render to the Association; provided, however, any trustee may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 7. Action Taken Without a Meeting. The trustees 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 of the trustees. Any action so approved shall have the same effect as though taken at a meeting of the trustees.

ARTICLE V

MEETING OF TRUSTEES

Section 1. Regular Meetings. Regular meetings of the Board of Trustees shall be held annually 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 Trustees shall be held when called by the President of the Association or by any trustee after not less than three (3) days notice to each trustee, which such notice may be waived at or prior to such meeting.

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

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF TRUSTEES

Section 1. Powers. The Board of Trustees shall have power to:

- (a) Suspend the voting rights and right to the use of any facilities or services provided by the Association of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;
- (b) Exercise for the Association all powers, duties and authority vested in or designated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation or the Declarations.
- (c) Declare the office of a member of Trustees to be vacant in the event such member shall be absent from three (3) consecutive

regular meetings of the Board of Trustees; and

- (d) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties and the terms of employment or services.

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

- (a) Cause to be kept a complete record of all 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 required in writing by one-fourth (1/4) of the Class A members who are entitled to vote;
- (b) Supervise all officers, agent and employees to this Association, and to see that their duties are properly performed;
- (c) To fix the amount of the annual assessment against properties subject to the jurisdiction of the Association and to take such actions as it deems appropriate to collect such assessments and to enforce tie liens given to secure payment thereof.
- (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 such liability and hazard insurance as it may deem appropriate on any property or facilities owned by the Association; and,
- (f) Cause any officers or employees having fiscal responsibilities to be

bonded, as it may deem appropriate.

ARTICLE VII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president, who shall be at all times a member of the Board of Trustees; a vice president; 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 Trustees 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 by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Officers. No person shall simultaneously hold more than one office except the office of Vice President, Secretary, Treasurer and/or special offices created pursuant to Section Four of this Article.

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

President

- (a) The President shall preside at all meetings of the Board of Trustees and of the Association; 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 account all monies of the Association and shall disburse such funds as directed by resolution of the Board of Trustees; shall sign all checks and promissory notes of the Association; keep proper books of account; and keep

accurate books and records of the fiscal affairs of the Association and to make the same available for inspection by members of the Association during normal business hours.

ARTICLE VIII

COMMITTEES

The Association shall appoint a Nominating Committee, as provided in these By-Laws. The Board of Trustees shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE IX

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 at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE X

ASSESSMENTS

As more fully provided in the Declarations, each member is obligated to pay the Association certain annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum, and the Association may bring an action at law against the Owners personally obligated to pay the same or foreclose the line against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such

assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of any of the facilities or services provided by the Association or by abandonment of his Lot.

ARTICLE XI

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the name of the Association and the word "Texas".

ARTICLE XII

AMENDMENTS

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

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

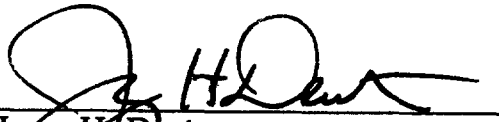
ARTICLE XIII

MISCELLANEOUS

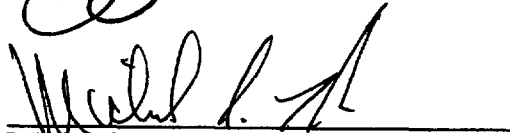
The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we being all of the Trustees of the Walden's The Estates of Walden, have hereunto set our hands this the 17 day of

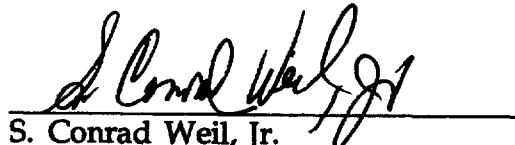
July, 1990.



Jerry H. Deutser



Michael A. Hunt



S. Conrad Weil, Jr.

ARTICLES OF INCORPORATION OF
WALDEN'S SECTION TEN ASSOCIATION

FILED
In the Office of the
Secretary of State of Texas

SEP 12 1975

WE, the undersigned and natural persons of the age ^{of} ~~the~~ *Bill K. [unclear]* one (21) years or more, all of whom are citizens of the ^{State} ~~the~~ *Secretary of State* of Texas, acting as incorporators of a corporations under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE I

CORPORATION NAME

The name of the corporation is WALDEN'S SECTION TEN ASSOCIATION.

ARTICLE II

CORPORATE STATUS

The corporation is a non-profit corporation.

ARTICLE III

DURATION

The period of its duration is perpetual.

ARTICLE IV

PURPOSES

The corporation is formed for the following purposes:

1. To provide for maintenance and preservation of the properties subject to the Covenants, Conditions and Restrictions applicable to WALDEN ON LAKE CONROE SECTION TEN, a subdivision in Montgomery County, Texas, and to promote the health, safety, welfare, civic pride and aesthetic values of the residents within the above described property.

2. To exercise all of the powers and privileges and to perform all of the duties and obligations of the WALDEN'S SECTION TEN ASSOCIATION as set forth in those certain Declaration of Restrictions for Walden on Lake Conroe, Section Ten, hereinafter called the "Declaration of Restrictions" applicable to the property and recorded or to be recorded in the Deed Records of Montgomery County, Texas, and as the same may be amended from time to time as therein provided, said Declaration of Restrictions being incorporated herein as if set forth at length.

3. To fix, levy, collect and enforce payment by any lawful means all charges or assessments pursuant to the terms of the Declaration of Restirctions; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the said Association.

4. To have and exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Act of the State of Texas may by law now or hereafter have or exercise; provided that none of the objects or purposes herein set out shall be construed to authorize the corporation to do any act in violation of said Non-Profit Corporation Act or Part Four of the Texas Miscellaneous Corporaiton Laws Act, and all such objects or purposes are subject to said Acts.

5. The corporation is prohibited from engaging in any activity which would constitute a regular business of a kind ordinarily carried on for profit.

6. No part of the net earnings of the corporation shall inure to the benefit of any private shareholder or individual.

ARTICLE VREGISTERED AGENT

The street address of the initial registered office of the corporation is 4600 Post Oak Place Drive, Suite 150, Houston, Texas 77027, and the name of its initial registered agent at such address is Jerry H. Deutser.

ARTICLE IVTRUSTEES

The affairs of the corporation shall be managed by a Board of three (3) Trustees, who need not be members (as such term is hereinafter defined) of the corporation. The number of Trustees may be changed by amendment of the Bylaws of the corporation. The names and addresses of the persons who are to act in the capacity of initial Trustees until January 31, 1976, or until the selection of their successors are:

Jerry H. Deutser	4600 Post Oak Place Drive Suite 150 Houston, Texas 77027
William Schmuck	4600 Post Oak Place Drive Suite 150 Houston, Texas 77027
S. Conrad Weil, Jr.	4600 Post Oak Place Drive Suite 150 Houston, Texas 77027

At the first annual meeting beginning in 1976, the members shall elect one Trustee for a term of one year, one Trustee for a term of two years, and one Trustee for a term of three years; and at each annual meeting thereafter the members shall elect that number of Trustees equal to the number of Trustees whose terms expire at such time.

ARTICLE VIIIMEMBERSHIP

Every person or entity who is an owner of a fee, undivided fee interest or a purchaser thereof under a contract of sale of any property which is subject to a maintenance charge assessment by the corporation acting for the WALDEN'S SECTION TEN ASSOCIATION, such persons or entities being hereinafter referred to as "Owner", shall be a member of the corporation. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation or hold only a mineral interest in the lots. No Owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of the property which is subject to assessment by the said Association. Ownership of such property shall be the sole qualification for membership.

ARTICLE IXVOTING RIGHTS

The corporation shall have two classes of membership:

Class A. Class A members shall be all those Owners as defined in Article VIII hereinabove with the exception of those owners designated below as Class B members. Class A members shall be entitled to one vote for each lot in which they hold the interest required for membership by Article VIII. When more than one person holds such interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot.

Class B. Class B members shall be Jerry H. Deutser, Trustee, and S. Conrad Weil, Jr., Trustee, or any other entity which at the time of the platting thereof is the record owner of the fee title of Walden on Lake Conroe, Section Ten, or any successors or assigns of the entirety of the interest of such party or parties in said Section Ten. The Class B members shall be entitled to three (3) votes for each lot in which they hold the interest required for membership by Article VIII; provided, however, that 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 the Class A membership equal the total votes outstanding in the Class B membership, or
- (b) on January 1, 1990.

The Class A and Class B members shall have no rights as such to vote as a class, except as required by the Texas Non-Profit Corporation Act, and both classes shall vote together upon all matters as one group.

ARTICLE X

DISSOLUTION

Upon dissolution of the corporation, other than incident to a merger or consolidation, the assets of the corporation shall be dedicated and transferred to an appropriate public agency to be used for purposes similar to those for which this corporation was created or shall be conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

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In event of liquidation or dissolution of the corporation, whether voluntary or involuntary, no member thereof shall be entitled to any distribution if division of its remainder property or its proceeds, and the balance of all money and other proeprty received by the corporation from any source, after the payment of all debts and obligations of the corporation, shall be used or distributed subject to the order of the Supreme Court of the State of Texas as provided by law, exclusively for purposes within those set forth in Article I and within the intendment of Section 501(c) of the Internal Revenue Code of 1954 and its regulations as the same now exists or as they may be hereafter amended.

IN WITNESS WHEREOF, we the undersigned, have hereunto set our hands this the 28th day of August, 1975.

Jerry H. Deutser
JERRY H. DEUTSER

William Schmuck
WILLIAM SCHMUCK

S. Conrad Weil, Jr.
S. CONRAD WEIL, JR.

THE STATE OF TEXAS X
COUNTY OF HARRIS X

I, Cheryl Goldberg, a Notary Public, do hereby certify that on this 28th day of August, 1975, personally appeared before me, JERRY H. DEUTSER, WILLIAM SCHMUCK AND S. CONRAD WEIL, JR., who each being by me first duly sworn, severally declared that they are the persons who signed the foregoing document as incorporators and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year above written.

Cheryl Goldberg
Notary Public in and for
Harris County, Texas

CHERYL GOLDBERG
Notary Public in and for Harris County, Texas
My Commission Expires June 1, 1976

**RESOLUTION
TO
AMEND THE BY-LAWS OF
WALDEN'S SECTION TEN ASSOCIATION**

This Amendment to the By-Laws of WALDEN'S SECTION TEN ASSOCIATION, a Texas non-profit corporation, is made on this 7th day of August 1993 by the Board of Trustees of Walden's Section Ten Association (hereinafter referred to as the "Corporation") and such Amendment will be presented to the membership of the Corporation at the specially scheduled members meeting held on the 14th day of August 1993.

W I T N E S S E T H

WHEREAS, Walden's Section Ten Association was officially incorporated on 12 September 1975, by the filing of the Articles of Incorporation of Walden's Section Ten Association in the office of the Secretary of State of Texas; and

WHEREAS, in accordance with Article XII, Section 1, of the By-Laws of the Corporation, as amended, the said 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 or by the Board of Trustees; and

WHEREAS, the Board has adopted the said Resolutions and have voted to present same to the membership at its specially scheduled member's meeting to be held on 14 August 1993;

NOW THEREFORE, BE IT RESOLVED that the By-Laws of the Walden's Section Ten Association are AMENDED EFFECTIVE the 14th day of August 1993 to read as follows:

A. Article III, Section 1 shall now read as follows:

Section 1. Annual Meetings. The regular annual meeting of the members of the Association shall be held on the third Saturday in May of each year beginning in 1994, at 10:00 a.m., at the principal office of the corporation. If such date for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

B. Article IV, Section 1 shall now read as follows:

Section 1. Board of Trustees. The affairs of this Association shall be managed by a Board of Five (5) Trustees, who shall be members of the corporation at the time of their election.

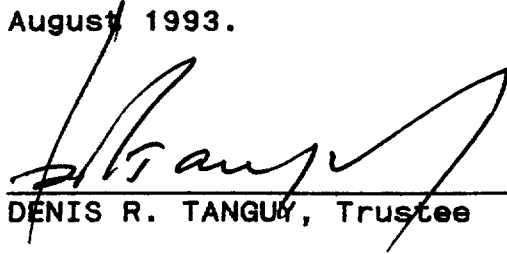
C. Article IV, Section 2 shall now read as follows:

Section 2. Term of Office. At the special member's meeting on 14 August 1993, the members shall elect One trustee for a term to expire 21 May 1994, Two trustees for a term to expire 20 May 1995 and Two trustees for a term to expire 18 May 1996; at each annual meeting thereafter, the members shall elect that number of trustees whose terms expire at such time. Thereafter, the term of office for each trustee shall be three years.

BE IT FURTHER RESOLVED, that the Board of Trustees shall AMEND Article IV of the Articles of Incorporation of the Corporation to require that a Trustee shall be a member of the Corporation at the time of their election and such Amendment shall be in the following attached hereto as Exhibit "A".

IN WITNESS WHEREOF, these Resolutions are hereby certified by the Board of Trustees of Walden's Section Ten Association on this 14th day of August 1993; said Resolutions having been approved by the Board of Trustees at its regularly scheduled meeting on the 7th day of August 1993 and also having been approved by two-thirds (2/3) of the votes of members present or represented by proxy were entitled to cast.

EXECUTED the 14th day of August 1993.


DENIS R. TANGUY, Trustee


FRANK A. McLANE, Trustee


RODNEY C. BROWN, Trustee

BYLAWS OF
WALDEN'S TOWN HOUSE ASSOCIATION

ARTICLE I

NAME AND LOCATION

Section 1. The name of the Corporation is Walden's Town House Association, hereinafter referred to as "the Association."

Section 2. Meetings of members and trustees may be held at such places either within or without the State of Texas, as may be designated and directed by the Board of Trustees.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Walden's Town House Association, a Texas Non-Profit Corporation, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain property described in the Declarations of Restrictions for Walden on Lake Conroe, Section Seven, a subdivision in Montgomery County, Texas.

Section 3. "Lot" shall mean and refer to a plot of land subject to the jurisdiction of the Association as is more fully specified in the said Declarations of Restrictions.

Section 4. "Owner" shall mean and refer to the owner of a fee, undivided fee interest or a purchaser thereof under a contract of sale whether one or more persons or entities of any Lot which is a part of the Properties subject to a maintenance charge capable of being assessed by the Association, but excluding those having such interest merely as security for the performance of any obligation and those having only an interest in the mineral estate.

Section 5. "Declarants" shall mean and refer to Jerry H. Deutser, Trustee, and S. Conrad Weil, Jr., Trustee, the Declarants in the Declarations of Restrictions.

Section 6. "Declarations" shall mean and refer to the Declarations of Restrictions for Walden, Section Seven.

Section 7. "Member" shall mean and refer to those persons who are the Owners as such term is defined above of a Lot or Lots which are a part of the Properties and

are thus entitled to membership in the Association. The Association shall have two classes of voting membership:

Class A. Class A members shall be all those Owners as defined in Section 4 hereinabove with the exception of those Owners designated below as Class B members. Class A members shall be entitled to one vote for each lot in which they hold the interest required for membership by Section 4. When more than one person holds such interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot.

Class B. The Class B members shall be Jerry H. Deutser, Trustee; S. Conrad Weil, Jr., Trustee; any corporation owned or controlled by either Jerry H. Deutser or S. Conrad Weil, Jr., which at the time of platting thereof is the record owner of the fee title to an entire section of Walden on Lake Conroe; any individual who at the time of platting thereof is the record owner of the fee title to an entire section of Walden on Lake Conroe. The Class B members shall be entitled to three (3) votes for each lot in which they hold the interest required for membership by Section 4; provided, however, that 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 the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) on January 1, 1987.

The Association shall act through a five (5) member Board of Trustees elected annually in the month of January on the third Wednesday thereof. The initial Board of Trustees, which shall serve through December 31, 1973, shall be composed of William Schmuck, Jerry H. Deutser, S. Conrad Weil, Jr., Glenn Loggins and Richard Therrien. Any vacancy on the Board of Trustees from whatever cause may be filled by the remaining member or members of the Board.

ARTICLE III

MEETINGS OF MEMBERS

Section 1. Annual meetings. The regular annual meeting of the members of the Association shall be held on the third Wednesday in January of each year beginning

in 1974, at 10:00 a.m., at the principal office of the corporation. If such date for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called upon the written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the membership.

Section 3. Notice of Meetings. Written notice of each special meeting of the members shall be given by, or at the direction of, the secretary or any person or persons authorized to call a meeting, by mailing a copy of such notice, postage paid, at least fifteen (15) days, but not more than fifty (50) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of the notice. Such notice shall specify the place, day and hour of the meeting, and the purpose of the meeting. Notice of annual meetings shall not be required, but may be given in a like manner.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the total votes of all members shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or by these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

ARTICLE IV

BOARD OF TRUSTEES

Section 1. Board of Trustees. The affairs of this Association shall be managed by a Board of five (5) Trustees, who need not be members of the Association.

Section 2. Term of Office. The initial Board of Trustees of the Association set forth in the Articles of Incorporation, being William Schmuck, Jerry H. Deutser, S. Conrad Weil, Jr., Glenn Loggins and Richard Therrien, shall serve as the initial

trustees of the Association and shall hold office until the 1974 annual meeting. At the annual meeting in 1974, the members shall elect one trustee for a term of one year, two trustees for a term of two years and two trustees for a term of three years; at each annual meeting thereafter, the members shall elect that number of trustees whose terms expire at such time.

Section 3. Nomination. Nomination for election to the Board of Trustees 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 Trustees, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Trustees prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next meeting. The Nominating Committee shall make as many nominations for election to the Board of Trustees 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 nonmembers.

Section 4. Election. Election to the Board of Trustees shall be by secret written ballot. At such election the members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to cast under the provisions of the Declarations. The persons receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

Section 5. Removal. Any trustee 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 trustee, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 6. Compensation. No trustee shall receive compensation for any service he may render to the Association; provided, however, any trustee may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 7. Action Taken Without a Meeting. The trustees 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 of the trustees. Any action so approved shall have the same effect as though taken at a meeting of the trustees.

ARTICLE VMEETING OF TRUSTEES

Section 1. Regular Meetings. Regular meetings of the Board of Trustees shall be held annually 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 Trustees shall be held when called by the President of the Association or by any trustee after not less than three (3) days' notice to each trustee, which such notice may be waived at or prior to such meeting.

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

ARTICLE VIPOWERS AND DUTIES OF THE BOARD OF TRUSTEES

Section 1. Powers. The Board of Trustees shall have power to:

- (a) Suspend the voting rights and right to the use of any facilities or services provided by the Association of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;
- (b) Exercise for the Association all powers, duties and authority vested in or designated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Declarations.
- (c) Declare the office of a member of Trustees to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Trustees; and

- (d) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties and the terms of employment or services.

Section 2. Duties. It shall be the duty of the Board of Trustees 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, agent and employees of this Association, and to see that their duties are properly performed;
- (c) To fix the amount of the annual assessment against properties subject to the jurisdiction of the Association and to take such actions as it deems appropriate to collect such assessments and to enforce the liens given to secure payment thereof.
- (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 such liability and hazard insurance as it may deem appropriate on any property or facilities owned by the Association; and,
- (f) Cause any officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

ARTICLE VII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president, who shall be at all times a member of the Board of Trustees; a vice president; 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 Trustees 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 by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Officers. No person shall simultaneously hold more than one office except the office of Vice President, Secretary, Treasurer and/or special offices created pursuant to Section 4 of this Article.

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

President

- (a) The President shall preside at all meetings of the Board of Trustees and of the Association; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall cosign 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 account all monies of the Association and shall disburse such funds as directed by resolution of the Board of Trustees; shall sign all checks and promissory notes of the Association; keep proper books of account; and keep accurate books and records of the fiscal affairs of the Association and to make the same available for inspection by members of the Association during normal business hours.

ARTICLE VIII

COMMITTEES

The Association shall appoint a Nominating Committee, as provided in these Bylaws. The Board of Trustees shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE IX

BOOKS AND RECORDS

The books, and records and papers of the Association shall at all times during reasonable business hours be subject to inspection by any member. The Declarations, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE X

ASSESSMENTS

As more fully provided in the Declarations, each member is obligated to pay the Association certain annual and special assessments which are secured by a continuing

lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum, and the Association may bring an action at law against the Owners personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of any of the facilities or services provided by the Association or by abandonment of his Lot.

ARTICLE XI

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the name of the Association and the word "Texas."

ARTICLE XII

AMENDMENTS

Section 1. Amendments. These Bylaws 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 or by the Board of Trustees.

Section 2. Conflict. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declarations and these Bylaws, the Declarations shall control.

ARTICLE XIII

MISCELLANEOUS

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 fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the Trustees of the Walden's Town House Association, have hereunto set our hands this the 5th day of October, 1973

William Schmuck
WILLIAM SCHMUCK

Indemnification By-Law Amendment

**ARTICLE XVII
INDEMNIFICATION**

Section 1. Indemnification. The Corporation shall indemnify any person who was, is or is threatened to be made a named defendant or respondent in a proceeding because the person is or was a trustee, General Manager, or Committee Member of one of the Corporation's Committees or, while a trustee of the Corporation, is or was serving at the request of the Corporation as an officer of the Corporation or as a trustee, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise only if it is determined in accordance with Section 5 below that the person:

- A. conducted himself in good faith;
- B. reasonably believed:
 - 1. in the case of conduct in an official capacity as a trustee of the Corporation, that such trustee's conduct was in the Corporation's best interests; and
 - 2. in all other cases, that such trustee's conduct was at least not opposed to the Corporation's best interests; and
 - 3. in the case of any criminal proceeding, had no reasonable cause to believe such trustee's conduct was unlawful.

The Corporation may indemnify any person who was, is or is threatened to be made a named defendant or respondent in a proceeding because the person is or was an officer, employee or agent of the Corporation to the same extent that it shall indemnify the trustees of the Corporation under this Section 1.

Section 2. Limitations on Indemnity. Except to the extent permitted by Section 4 below, no person shall be indemnified under Section 1 above in respect of a proceeding:

- A. in which the person is found liable on the basis that personal benefit was improperly received by such person, whether or not the benefit resulted from an action taken in the person's official capacity, or
- B. in which the person is found liable to the Corporation.

Section 3. When Person is Liable. The termination of a proceeding by judgment, order, settlement or conviction or on a plea of nolo contendere or its equivalent shall not be of itself determinative that the person did not meet the requirements set forth in Section 1 above. A person

shall be deemed to have been so adjudged by a court of competent jurisdiction after exhaustion of all appeals therefrom.

Section 4. Indemnification Coverage. A person shall be indemnified under Section 1 above against judgments, penalties (including excise and similar taxes), fine, settlements and reasonable expenses actually incurred by the person in connection with the proceeding; but, if the person is found liable to the Corporation or is found liable on the basis that personal benefit was improperly received the person, the indemnification (a) shall be limited to reasonable expenses actually incurred by the person in connection with the proceeding and (b) shall not be made in respect of any proceeding in which the person shall have been found liable for willful or intentional misconduct in the performance of such person's duty to the Corporation.

Section 5. Determination of Right to Indemnity. A determination of indemnification under Section 1 above shall be made:

- A. by a majority vote of a quorum consisting of trustees who at the time of the vote are not named defendants or respondents in the proceeding;
- B. if such a quorum cannot be obtained, by a majority vote of a committee of the Board of Trustees designated to act in the matter by the affirmative vote of a majority of the full Board of Trustees, consisting solely of two or more trustees who at the time of the vote are not named defendants or respondents in the proceeding; or
- C. by special legal counsel selected by the Board of Trustees or a committee of the Board of Trustees by vote as set forth in Subsection (a) or (b) of this Section 5, or, if such a quorum cannot be obtained and such a committee cannot be established, by the affirmative vote of a majority of the full Board of Trustees.
- D. in the instance that 2/3 of the Trustees are unavailable to make the determination, the determination shall be made by a special committee of past presidents of the Board of Trustees available and willing to serve, of no fewer than three past presidents.

Section 6. Other Determinations. Authorization of indemnification and determination as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification and determination as to reasonableness of expenses shall be made in the manner specified by Section 5C. above for the selection of special legal counsel.

Section 7. Expenses. Reasonable expenses incurred by a person who was, is or is threatened to be made a named defendant or respondent in a proceeding may be paid or reimbursed by the Corporation in advance of the final disposition of the proceeding and without the determination specified in Section 5 above or the authorization or determination specified in Section 6 above, after the Corporation receives a written affirmation by the person of his good faith belief that such person has met the standard of conduct necessary for indemnification under this Article and a written

undertaking by or on behalf of the person to repay the amount paid or reimbursed if it is ultimately that he or she has not met that standard or if it is ultimately determined that indemnification of the person against expenses incurred by such person in connection with that proceeding is prohibited by Section 4 above.

Section 8. Modification. The provisions of this Article shall be modified to the extent the Texas Non-Profit Corporation Act may be amended in the future, but in the case of such amendment, only to the extent such amendment permits the Corporation to provide broader indemnification rights than such Act permitted the Corporation to provide prior to such amendment.

Section 9. Non-exclusive Rights. The right to indemnification and the advancement and payment of expenses conferred in this Article shall not be exclusive of any other right that a person indemnified pursuant to this Article may have or hereafter acquire under any law (common or statutory), provision of the Articles of Incorporation or these By-Laws, agreement, vote of disinterested trustees or otherwise.

Section 10. Interpretation. If this Article or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each trustee, and may indemnify any other person indemnified pursuant to this Article, as to costs, charges, expenses (including attorney's fees), judgments, fines and amounts paid in settlement with respect to any proceeding to the fullest extent permitted by an applicable portion of this Article that shall not have been invalidated and to the fullest extent permitted by applicable law.

Section 11. Prior Resolution on Indemnification. These provisions shall be effective immediately, superceding that Resolution dated January 18, 1992, and shall apply to all present and future litigation as defined in Section 4.

Conflict of Interest

ARTICLE IV, Section 8. Conflict of Interest. The objective of this Section is to prevent a trustee who has an interest in a business either by ownership or employment from benefitting or having the appearance of benefitting his employer at the expense of Walden property owners. In the circumstance of litigation wherein one of the trustees is either a litigant against or an owner or employee of a litigant against the Association, the objective of this Section is to prevent that individual from participating in discussions or votes pertinent to that matter. Because it is difficult to identify and set forth all potential conflict of interest circumstances that might arise in the future, it is also the objective that this section be interpreted liberally in favor of preventing conflicts or potential conflicts of interest. In order to fulfill these objectives:

(a) No trustee shall participate in any vote regarding any business, transaction, deed restriction, Board of Trustees Policy, architectural control committee issue, existing contract, or proposed contract that involves the trustee, his family, his employer, his principal or any company or entity in which the trustee has an ownership of ten percent (10%) or more.

(b) Each trustee shall make full disclosure to the Board of Trustees of each and every fact reasonably material to any business, transaction, deed restriction, Board of Trustees Policy, architectural control committee issue, existing contract, or proposed contract that involves the trustee, his family, his employer, his principal or any company or entity in which the trustee has an ownership of ten percent (10%) or more involving the Association or matter before the Board of Trustees.

(c) Any such business, transaction, deed restriction, architectural control committee issue, Board of Trustees Policy, existing contract, or proposed contract that involves the trustee, his family, his employer, his principal or any company or entity in which the trustee has an ownership interest of ten percent (10%) or more shall be valid, if and only if, such matter is authorized or ratified in good faith by an affirmative vote of the disinterested trustees, even if the disinterested trustees re less than a quorum, after said disinterested trustees have been made aware of all material facts as to the interested trustee's relationship or interest.

(d) This prohibition against voting shall not preclude any trustee from participating in discussion by the Board of Trustees of adoption of any business, transaction, deed restriction, architectural control committee issue, Board of Trustees Policy, existing or proposed contract unless said discussion shall include discussion of any potential, pending or existing legal action by that trustee, his family, his employer, his principal or any company or entity in which the trustee has an ownership interest of ten percent (10%) or more - in which case the conflicted or potentially conflicted trustee shall neither participate nor be present for the discussion of the issue, and also shall not vote.

(REVISED 2004)

**BY-LAWS OF
WALDEN ON LAKE CONROE
COMMUNITY IMPROVEMENT ASSOCIATION**

**ARTICLE I.
NAME AND LOCATION**

Section 1. The name of the Corporation is Walden On Lake Conroe Community Improvement Association, hereinafter referred to as "the Association" located at *13301 Walden Road, Montgomery, Texas 77356.*

Section 2. Meetings of Members and trustees may be held at such places either within or without the State of Texas, as may be designated and directed by the Board of Trustees.

**ARTICLE II.
DEFINITIONS**

Section 1. "Architectural Control Committee" shall mean that standing Committee appointed by the Board of Trustees and empowered to oversee and protect the general scheme and development of WALDEN ON LAKE CONROE for the benefit of all Members of the Association.

Section 2. "Association" shall mean and refer to Walden On Lake Conroe Community Improvement Association, a Texas Non-Profit Corporation, its successors and assigns.

Section 3. "Candidate Applicant" shall mean and refer to a Member, in good standing, of the Association who is standing for election to the position of a member of the Board of Trustees and has filed the appropriate candidate application containing the requisite candidate information and necessary signatures and has paid the appropriate filing fee.

Section 4. "Corporation" shall mean and refer to Walden On Lake Conroe Community Improvement, Association.

Section 5. "Declarants" shall mean and refer to Jerry H. Deutser, Trustee and S. Conrad Weil, Jr., Trustee, the Declarants in the Declarations of Restrictions.

Section 6. "Declarations" shall mean and refer to the Declarations of Restrictions for Walden, Sections, One, Two and Three and all additional Sections currently platted as a Section of Walden On Lake Conroe.

Section 7. "Elections Committee" shall mean that standing Committee appointed by the Board of Trustees and empowered to oversee and manage the general election of Trustees to the Board of Trustees and to suggest policies, procedures, rules, and regulations for the conduct of those elections.

Section 8. "Good Standing" shall mean and refer to the payment of all maintenance fees and special assessments which have been assessed and compliance with the Declarations and Restrictions for Walden, Sections, One, Two and Three and all additional Sections currently platted as a Section of Walden On Lake Conroe together with all policies and procedures adopted by the Board of Trustees.

Section 9. "Lot" shall mean and refer to a plot of land subject to the jurisdiction of the Association as is more fully specified in the said Declarations of Restrictions.

Section 10. "Member" shall mean and refer to those persons who are the Owners, as such term is defined above, of property which is subject to a maintenance charge assessed by the Walden On Lake Conroe Community Improvement Association and are thus entitled to membership in the Association. The Association shall have only one class of voting membership.

Section 11. "Nominating Committee" shall mean that standing Committee appointed by the Board of Trustees and empowered to nominate Members for those positions and appointments deemed appropriate by the Board of Trustees.

Section 12. "Owner" shall mean and refer to the owner of a fee, undivided fee interest or other fee estate or a purchaser thereof under a contract of sale whether one or more persons or entities of any properties or portions thereof which are subject to a maintenance charge assessment by the Walden On Lake Conroe Community Improvement Association, but excluding those having such interest merely as security for the performance of any obligation and those having only an interest in the mineral estate.

Section 13. "Properties" or property shall mean and refer to that certain property and portions thereof, described in the Declarations of Restrictions for Walden On Lake Conroe Sections One, Two and Three, Subdivisions in Montgomery County, Texas, and any additional Sections or Reserves and portions thereof of Walden On Lake Conroe as may have been or may hereafter be platted into Subdivisions, condominiums, townhouse development, patio homes, residential lots, or similar residential divisions of real property known as Walden On Lake Conroe.

Section 14. The masculine and neuter pronouns used in this instrument shall include the masculine, feminine and neuter genders.

ARTICLE III.
MEETINGS OF MEMBERS

Section 1. Annual Meetings. The regular annual meeting of the Members of the Association shall be held at 10:00 a.m. on the fourth Saturday in January each year, or on such other day as designated by the Board of Trustees, at a place to be designated by the Board of Trustees.

Section 2. Special Meetings. Special meetings of the Members may be called upon the written request of one-fourth (1/4) of all of the Members who are entitled to vote.

Section 3. Notice of Meetings. Written notice of each special meeting of the Members shall be given by, or at the direction of, the Secretary or any person or persons authorized to call a meeting, by mailing a copy of such notice, postage paid, at least fifteen (15) days, but not more than fifty (50) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of the notice. Such notice shall specify the place, day and hour of the meeting, and the purpose of the meeting. Notice of annual meetings shall not be required, but may be given in a like manner.

Section 4. Quorum. The presence at the meeting of Members in person or by proxy of one-tenth (1/10) of the total votes of all Members shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented. The proxy shall be used solely for the purposes of obtaining a quorum and for voting on matters at the Annual Members' Meeting other than the election of Trustees.

ARTICLE IV.
BOARD OF TRUSTEES

Section 1. Board of Trustees. **EFFECTIVE THE FOURTH SATURDAY OF JANUARY 2004**, the Board of Trustees shall be expanded to fifteen (15) members. The fifteen (15) member Board of Trustees shall be comprised of the current seven (7) Trustees and the current Advisory Trustees. During the meeting of the Board of Trustees on the Fourth Saturday of January 2004, the Board (a) shall assign each Trustee member a position number which shall be designated by a specific arabic number ranging from 1 through 15, (b) shall divide the fifteen (15) Trustee members into three (3) separate classes of Trustees, (c) shall designate the first Trustee class to consist of Trustee positions 1 through 5, the second Trustee class to consist of Trustee positions 6 through 10, and the third Trustee class to consist of Trustee positions 11 through 15, (d) shall assign to the first Trustee class a one (1) year term expiring on the fourth Saturday of January 2005, (e) shall assign to the second Trustee class a two (2) year term expiring on the fourth Saturday of January 2006, and (f) shall assign to the third Trustee class a three (3) year term expiring on the fourth Saturday of January 2007. As the term expires for each such Trustee class, that Trustee class shall be elected for a three (3) year term.

Section 2. Term of Office. With the First Annual Election to be held in November 2004 and as described in Article V, each new Trustee class shall be elected for a three (3) year term following expiration of the terms of the existing Trustee class. In the event of the vacancy or resignation of a Trustee(s), the Board of Trustees shall have the power and authority to appoint a replacement Trustee(s) to serve the remainder of the unexpired Trustee's term.

Section 3. Election. Election of new Trustees to the Board of Trustees shall be made by as provided in Article V.

Section 4. Positions. Effective the fourth Saturday of January 2004, the Board of Trustees shall be designated to have fifteen (15) members or positions, consisting of three (3) separate classes of five (5) Trustees each and serving staggered three (3) year terms.

Section 5. Removal. Any trustee may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of removal of a trustee, his successor for the unexpired term shall be elected by those Members present or at the next annual meeting of the association.

Section 6. Compensation. No trustee shall receive compensation for any service he may render to the Association; provided, however, any trustee may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 7. Action Taken Without a Meeting. The trustees 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 of the trustees. Any action so approved shall have the same effect as though taken at a meeting of the trustees.

Section 8. Conflict of Interest. No trustee shall vote in any contract matter in which he, his direct beneficiary, or a company in which he is a principal owner is a signatory to the contract with the Community Improvement Association. This prohibition of voting shall not preclude such trustee from participating in discussion by the Board of adoption of such contract.

Section 9. Term Limitations. A Member shall not serve as a Trustee if that Member has previously served two (2) consecutive terms [of three (3) years each] immediately preceding his election to a third term; **PROVIDED HOWEVER** that any Trustee serving an unexpired term shall not have any portion of that unexpired term computed in calculating time served as a Trustee; and **PROVIDED FURTHER** that any Member who has not served as a Trustee within the preceding Three Hundred Sixty-Five (365) days to such election shall be eligible for election to the Board of Trustees.

Section 10. Ex Officio Members. (a) The immediately out-going President of the Board of Trustees shall serve as an ex-officio and non-voting member of the Board for one (1) year with the right to discuss and propose all matters; (b) Jerry H. Deutser and S. Conrad Weil, Jr., shall serve as an ex-officio and non-voting member of the Board of Trustees with the right to discuss and propose all matters; **PROVIDED** that nothing herein shall preclude Jerry H. Deutser or S. Conrad Weil, Jr., from serving as a Trustee on the Board of Trustees subject to the provisions of Section 9 hereof.

ARTICLE V. **ELECTION OF TRUSTEES**

Section 1. Annual Elections. At the Annual Election to be held the first Saturday of November 2004 the Board of Trustees shall consist of three (3) classes of Trustee positions: five (5) Trustee positions with a one year term, five (5) Trustee positions with a two year term, and five (5) Trustee positions with a three year term. Beginning on the first Saturday of November 2004 and annually thereafter, the Members shall elect up to five (5) Trustees for a three year term.

Section 2. Filing for Candidacy/Candidate Application. Any Member of the Association, who is in good standing, may obtain an application from the Association to stand as a candidate for the position of Trustee. The Association shall make such candidate applications available during regular business hours during the calendar month of September commencing September 2004.

Such candidate application shall require the candidate's name, telephone number, street address, and street address of each property owned in Walden.

Section 3. Filing Deadline. No candidate application shall be distributed by the Association prior to 1 September. A candidate application may be delivered to the Association's office only during regular business hours or may be mailed postage prepaid to the Association's office and addressed as follows: *Walden on Lake Conroe C.I.A., 13301 Walden Road, Montgomery, Texas 77356*. No candidate application mailed to the Association's office shall be accepted by the Association if that candidate application is postmarked later than 30 September. No candidate application shall be received by the Association without all of the requisite candidate information. Only the candidate applications provided by the Association shall be employed in the election process and no other candidate application shall be accepted by the Association.

Section 4. Campaigning, Forms, Political Signs. All campaigning for the office of Trustee by any candidate applicant shall be limited to the period between 1 September and the first Saturday of November of each year beginning 2004. The Association shall arrange for two candidate applicant forums. One forum shall occur during the regular business week in the evening. The second forum shall occur on a Saturday. Both forums shall be scheduled during the month of October. The Association shall determine the rules and protocol for each such forum which shall include the length of each forum, the order of appearance, and the questions asked. The Association shall also designate several areas within the subdivision known as WALDEN ON LAKE CONROE for the posting, exhibiting, and placing of campaign posters. Each candidate applicant may place, post, and exhibit any election or campaign posters only within the designated areas. In all respects, each candidate applicant shall observe and comply with the applicable Deed Restrictions related to signs as well as all established policies and procedures which have been adopted by the Association.

Section 5. Voting. The Association shall hold a general election for the Trustee positions annually on the first Saturday of each November beginning in 2004. Only members in good standing are entitled to vote. Voting shall be by secret ballot and shall occur at the Walden Administration Building, 13301 Walden Road or a location designated by the Board of Trustees. Members of the Association who are voting shall be required to identify themselves and shall be entitled to one (1) vote per property owned. At such election the Members of the Association may cast, in respect of each vacancy, as many votes as they are entitled to cast under the provisions of the Declarations. The persons receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted. In the event of two or more owners per each property, the vote shall be fractionalized. The hours of voting on the general election day shall commence at 8:00 a.m. and close at 6:00 p.m. In addition, the Association may print and make available to those Members of the Association requesting same, an absentee ballot. In the event that an absentee ballot is requested by a Member and the Association mails the requested ballot, then and in that event the Member shall NOT be allowed to vote on the

election day scheduled for the first Saturday in November. Absentee voting shall be allowed ~~only during~~ the last ~~two~~ three (3) calendar weeks prior to Election Day commencing in 2004. Ballots by mail shall be processed up to and including the last U. S. Postal delivery prior to or on Election Day. All ballots shall be in the form promulgated by the Association.

Section 6. Election and Assumption of Office. The candidate applicants receiving the most votes shall be elected to the open Trustee positions. Each candidate applicant elected to a Trustee position shall take office at the commencement of the Board of Trustee's meeting scheduled for the fourth Saturday in the following January.

Section 7. Rules, Procedure, Policies. The Board of Trustees is empowered and authorized to make any and all rules, regulations, policies, and procedures necessary to effectuate the election process. The Board of Trustees shall receive and consider any and all suggestions made or proposed by the Elections Committee.

Section 8. Elections Committee. Effective 24 January 2004, the Board of Trustees shall establish and appoint a standing Elections Committee of the Association. The Elections Committee shall have three (3) members. One member shall be a current member of the Board of Trustees who shall serve as chairperson of the Elections Committee. The Board of Trustees shall receive nominations from the Nominating Committee of Members of the Association for the remaining committee members. From those nominations, the Board of Trustees shall appoint two (2) members to the Elections Committee. The members of Elections Committee shall serve for a two (2) year term but may be reappointed by the Board of Trustees for one additional two (2) year term. The Elections Committee shall oversee the election process related to electing Trustee members. The Elections Committee may review and suggest election policies, rules and procedures. And the Elections Committee shall initially hear and resolve any and all questions, disputes, controversies arising as a result of any elections under this Article of the By-Laws. Any determination made by the Elections Committee of any such question, dispute, or controversy may be appealed to the entire Board of Trustees within twenty (20) days of such determination. The decision of the Board of Trustees shall be final.

Section 9. Dispute Resolution. The Board of Trustees as then constituted shall be the final arbiter of any and all questions, disputes, controversies arising as a result of any elections under this Article of the By-Laws. The said Board of Trustees shall resolve and determine all such matters and its resolution and determination shall be final, conclusive, and binding upon all Members and all candidate applicants.

ARTICLE VI.
MEETING OF TRUSTEES

Section 1. Regular Meetings. Regular meetings of the Board of Trustees shall be held at least annually with notice, at such place and hour as may be fixed from time to time by resolution of the Board.

Section 2. Special Meetings. Special meetings of the Board of Trustees shall be held when called by the President of the Association or by any trustee after not less than three (3) days' notice to each trustee, which such notice may be waived at or prior to such meeting.

Section 3. Quorum. A majority of the Trustee members shall constitute a quorum for the transaction of business. Every act or decision performed or made by a majority of the Trustees present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Trustees.

Section 4. Meetings and Records. Meetings shall be conducted and records shall be maintained in accordance with the Texas Non-Profit Corporation Act.

ARTICLE VII.
POWERS AND DUTIES OF THE BOARD OF TRUSTEES

Section 1. Powers. The Board of Trustees shall have power to:

- (a) Suspend the voting rights and right to the use of any facilities or services provided by the Association of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty 60 days for infraction of published rules and regulations and for violation of the applicable Deed Restrictions;
- (b) Exercise for the Association all powers, duties and authority vested in or designated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, the Declarations, and the Texas Non-profit Corporation Act;
- (c) Declare the office of a member of the Board of Trustees to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Trustees;
- (d) Employ a manager, independent contractors, or such other employees as the Board may deem necessary, and to prescribe their duties and the terms of employment or service;

- (e) Exercise for the Association all powers, duties and authority necessary in the operation and management of, including, but not limited to the collection of Member accounts incurred at: i) the Walden On Lake Conroe Yacht Club; and ii) the Walden On Lake Conroe Racquet Club.
- (f) Exercise control, management, and oversight of all programs, staff, employees, funds, property, and assets of the Corporation, including the power to sell, mortgage, lease and contract;
- (g) Add to, change, modify, discontinue, alter, terminate any and all programs, amenities, staff, or facilities owned, managed or operated by the Corporation;
- (h) Maintain the harmony and uniformity of the subdivision and to enforce the deed restrictions affecting all sections of Walden on Lake Conroe;
- (i) Appoint, from time to time, select committee(s) for particular and specialized projects and activities, which committee(s) may consist of Members of the Corporation and Trustees but which committee(s) shall only provide recommendations and proposals but have no voting privileges on the Board of Trustees; and
- (j) Appoint an Elections Committee consisting of one Trustee and two Members of the Association.

Section 2. Duties. It shall be the duty of the Board of Trustees 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) Hire, terminate, employ, set compensation and benefits, and supervise all officers, agents, and employees of this Association, and to ensure that their duties are properly performed;
- (c) To fix the amount of the annual assessment against properties subject to the jurisdiction of the Association and to take such actions as it deems appropriate to collect such assessments and to enforce the liens given to secure payment thereof;
- (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 such liability, hazard insurance, or other insurance as the Board may deem appropriate on any property or facilities owned by the Association and on any employer, contractor or activity;
- (f) Cause any officers or employees having fiscal responsibilities to be bonded, as the Board may deem appropriate;
- (g) Exercise oversight and management in all matters related to the operation of the Association, including, but not limited to all fiscal matters, employment issues, and property use and property disposition, and architectural control matters and policies;

- (h) Exercise, or cause to be exercised, such actions, policies, procedures, activities, or resolutions reasonably necessary to fulfil the powers granted in these By-Laws, the Articles of Incorporation, the applicable Deed Restrictions, and in the Texas Non-Profit Corporation Act; and
- (i) Oversee and manage the annual election of Trustees as provided by Article V of these By-Laws.

ARTICLE VIII.
OFFICERS AND THEIR DUTIES

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

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Trustees 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 they 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 by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Officers. No person shall simultaneously hold more than one office except the office of Vice President, Secretary, Treasurer and/or special offices created pursuant to Section 4 of this Article.

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

PRESIDENT

- (a) The President shall preside at all meetings of the Board of Trustees and of the Association; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall sign all checks and promissory notes. Authority for any other person to sign checks and promissory notes may be granted by the Board of Trustees.

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 of Trustees 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 of Trustees 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 account of all monies of the Association and shall disburse such funds as directed by resolution of the Board of Trustees; shall sign all checks and promissory notes of the Association; keep proper books of account; and keep accurate books and records of the fiscal affairs of the Association and to make the same available for inspection by Members of the Association during normal business hours. All duties of the Treasurer may be delegated to any other person by the Board of Trustees.

ARTICLE IX
COMMITTEES

The Board of Trustees shall appoint an Elections Committee, a Nominating Committee, and an Architectural Control Committee as provided in these By-Laws and the respective Restrictions affecting each Section of Walden On Lake Conroe. The Board of Trustees may also appoint other committees and task forces as deemed appropriate and necessary to carrying out the work of the Board and the business of the Corporation.

ARTICLE X
BOOKS AND RECORDS

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

ARTICLE XI
ASSESSMENTS

As more fully provided in the Declarations, each Member is obligated to pay the Association certain annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquent at the rate of six percent (6%) per annum, and the Association may bring an action at law against the Owners personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessment provided for herein by nonuse of any of the facilities or services provided by the Association or by abandonment of his Lot.

All annual assessments not paid in full within Forty-Five (45) days after the due date, shall be subject to a late charge of TWENTY-FIVE DOLLARS (\$25.00), which shall be added to the amount of the delinquent assessment. Such late charge may be imposed on each year's delinquent assessments.

In the event a lot owner becomes delinquent in the payment of any maintenance fees and a suit for the collection of those fees has been commenced in a court of competent jurisdiction, then any monies paid to and received by the Association or its agents shall be applied in the following order, sequence, and priorities:

1. payment of attorney's fees, filing fees, court costs, other costs and expenses incurred by Walden in the collection process;
2. then payment of accrued late charges, penalties, and accrued interest; and
3. the remainder to assessed and unpaid maintenance fees.

ARTICLE XII.
Architectural Control Committee

Section 1. Designation of Committee. The Association shall have an Architectural Control Committee (the "Committee") which shall consist of no fewer than three (3) Members who shall be natural persons, and who shall be appointed by the Board of Trustees of the Association and who shall have a term of appointment of three (3) years. The Board of Trustees shall have the exclusive right and power at any time and from time to time to create and fill vacancies on the Committee. The Board's discretion in such matters shall be absolute and not subject to review.

Section 2. Architectural Control Subcommittee. The Association shall have an Architectural Control Subcommittee (the "Subcommittee") which shall consist of no fewer than three (3) Members who shall be natural persons, and who shall be appointed by the Board of Trustees of the Association and who shall have a term of appointment of three (3) years with the initial Subcommittee to have one member appointed to a one (1) year term, the second member appointed to serve for a two (2) year term and the third member appointed to serve a three (3) year term. The Board of Trustees shall have the exclusive right and power at any time and from time to time to create and fill vacancies on the Committee. The Board's discretion in such matters shall be absolute and not subject to review. The Architectural Control Subcommittee shall assist the Architectural Control Committee by receiving, reviewing, considering, and recommending approval or disapproval of all architectural issues pursuant to the dedicatory documents affecting WALDEN ON LAKE CONROE save and except any and all new home construction and major additions or improvements which shall be reviewed by the Architectural Control Committee described in Section 1 above.

Section 3. Function of Architectural Control Committee. No Improvement (as defined in any of the Declarations which affect each Section of WALDEN ON LAKE CONROE) shall be commenced, erected, placed, maintained or permitted to remain on any portion of any lot or to any Improvements thereon until plans and specifications in such form and detail as the Committee may deem necessary shall be submitted and approved in writing by the Committee. The Committee shall implement and oversee all policies and procedures adopted by the Board of Trustee or found in the applicable Deed Restrictions and all work and recommendations of the Architectural Control Subcommittee. The Committee shall have the power (a) to employ professional consultants to assist it in discharging its duties, (b) to charge any applicant a reasonable fee to defray its cost of reviewing such plans and specifications, (c) to delegate to the Architectural Control Subcommittee the receipt, review, consideration, and recommendations of approval or disapproval of all architectural issues pursuant to the dedicatory documents affecting WALDEN ON LAKE CONROE save and except any and all new home construction and major additions or improvements, and (d) to oversee, review, reconsider and approve or disapprove all architectural issues submitted to the Architectural Control Subcommittee. **SUBJECT TO the appeal procedures adopted by the Board of Trustees,** the decision of the Architectural Control Committee shall be final, conclusive and binding upon the applicant. "Improvement" shall mean and include all buildings, roof structures, parking areas, loading areas, trackage, fences, walls, hedges, mass plantings, poles, driveways, grading and site preparation work, concrete or asphalt pads, ponds, illumination, changes in any exterior color or shape, satellite dishes and other reception devices, utility connections, exterior construction or exterior Improvement that may not be included in any of the foregoing. "Improvement" shall include both original Improvements and all later changes and Improvements.

Section 4. Content of Plans and Specifications. Two (2) sets of written plans and specifications prepared by a licensed architect, the contractor or a licensed engineer shall be submitted to the Committee for approval **PRIOR** to commencement of construction. Upon submission of such plans and specifications the Committee shall issue a written receipt with date signifying such submission. Plans and specifications to be submitted and approved shall include, at a minimum, the following:

- (a) A topographical plot showing two foot contour grades and showing the location of all improvements, structures, walks, patios, driveways, fences and walls. Existing and finished grades shall be shown at lot corners and at corners of proposed Improvements. Lot details if any appreciable change in the lot contour is contemplated;
- (b) Exterior elevations, exterior materials, colors, textures and shapes;
- (c) Structural design, including soil test information upon request;
- (d) Landscaping plan, including walkways, fences and walls, elevation changes, watering systems, vegetation and ground cover;

- (e) Parking area and driveway sizes;
- (f) Screening, including size, location and method;
- (g) Utility connections;
- (h) Exterior illumination, including location and method;
- (i) Fire protection system, if any, to be provided;
- (j) Signs, including size, shape, color, location and materials;
- (k) Trash container storage locations and related screening;
- (l) Proposed use of Parcel and improvements thereon, and estimated building occupancy and parking load;
- (m) Such other matters as may be required by the Committee including but not limited to the grade, quality and composition of materials to be used; and
- (n) Such plans and specifications of all construction must meet the minimum requirements and provisions set forth and contained within (i) the International Residential Code for One and Two-Family Dwellings, 2000 edition and as amended, and (ii) the International Energy Conservation Code as amended.

Section 5. Rules, Regulations and Design Review Guidelines. Subject to the approval of the Board of Trustees, the Committee may promulgate such rules and regulations as it deems proper to govern the submission of plans and specifications, including a requirement of design submission in phases, as well as format and content. A copy of such rules and regulations shall be made available to all Owners upon request. Subject to the approval of the Board of Trustees, such rules and regulations may be amended at any time and from time to time as the Committee may see fit; provided, however, that once final approval has been given, no subsequent change in rules or regulations shall affect such approval.

Section 6. Basis of Approval. Approval of plans and specification shall be based, among other things, on adequacy of site dimensions, quality of materials, conformity and harmony of external design and of location with neighboring structures and sites, relation of finish grades and elevation to neighboring sites, conformity to both the specific and general intent of the restrictions and covenants set forth herein, and in conformity with existing neighborhood standards. If plans and specifications are not sufficiently complete or are otherwise adequate, the Committee may reject them totally or may approve them in part, conditionally or unconditionally, and reject the balance.

Section 7. Failure of Committee to Act. If the Committee fails to approve or disapprove plans or specifications or to reject them as being inadequate within thirty (30) days after proper written submission thereof, it shall be conclusively presumed that the Committee has approved such plans and specifications; provided, however, that the Committee shall have no right or power either by action or failure to act, to waive or grant any variances from the requirements set forth in the respective Declaration.

Section 8. Limitation of Liability. Neither the Association, the Committee, nor any of the Members thereof shall be liable in damages or otherwise to anyone submitting plans and specifications for approval or to any Owner affected by the Deed Restrictions by reason of mistake of judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any plans or specifications.

Section 9. Conflicts. In the event of a conflict between the powers of the Architectural Control Committee set forth in the By-Laws and those set forth in the Declarations, the respective Declarations shall control.

Section 10. Deeds Restriction Officer. To facilitate and enforce the general scheme of development in WALDEN ON LAKE CONROE, the General Manager shall be empowered to employ one or more Deeds Restriction Officers. Such Officer's duties shall include, but not be limited to, verifying the conformity of all construction with the plans and specifications approved by the Committee as well as the general review of all Sections of WALDEN ON LAKE CONROE for compliance with the respective Declarations.

Section 11. Enforcement. The Committee is hereby authorized to enforce compliance with the respective Declarations and with the decisions of the Committee through any appropriate legal and equitable proceedings on behalf of and in the name of the Association.

Section 12. Reporting. Upon request, the Committee shall report all of its activities to the Board of Trustees which shall retain overall supervision and oversight.

Section 13. Approval for New Home Construction. The approval granted by the Architectural Control Committee shall expire on or before nine (9) calendar months after the date of posting and approval of the Compliance Bond described below in Section 14. After the expiration of the nine (9) month period and in the event construction is not completed, new Architectural Control Committee approval shall be required for any uncompleted work. Failure to obtain such approval shall be deemed a violation of the applicable Deed Restrictions as a failure to obtain approval prior to construction and a failure to complete construction within

a reasonable time. Nothing in any approval granted by the Architectural Control Committee shall constitute any express or implied guarantee, warranty or representation by the Corporation as to the quality, integrity, outcome, or usefulness of the plans hereby approved.

Section 14. Approval for Improvements Other Than New Home Construction. The approval granted by the Architectural Control Committee shall expire on or before six (6) calendar months from the date of posting and approval of the Compliance Bond described below in Section 14. After the expiration of the six (6) month period and in the event construction is not completed, new Architectural Control Committee approval shall be required for any uncompleted work. Failure to obtain such approval shall be deemed a violation of the applicable Deed Restrictions as a failure to obtain approval prior to construction and a failure to complete construction within a reasonable time. Nothing in any approval granted by the Architectural Control Committee shall constitute any express or implied guarantee, warranty or representation by the Corporation as to the quality, integrity, outcome, or usefulness of the plans hereby approved.

Section 15. Compliance Bond. As a condition precedent to the effectiveness of the Architectural Control Committee approval described in this Article XII and to secure compliance with the terms of Architectural Control Committee approval letter, the committee may require any contractor and/or the lot owner shall execute and deliver to the Corporation a Compliance Bond which shall be in substantially the following form:

COMPLIANCE BOND

**STATE OF TEXAS
COUNTY OF MONTGOMERY**

*That we, _____, as Principal (the Contractor),
and _____, as Surety, are hereby held and firmly
bound unto Walden on Lake Conroe Community Improvement Association, Inc. a Texas non-profit corporation
(sometimes called the "Obligee" and sometimes called "Walden"), in the penal sum of:*

*_____ Dollars \$ _____ for the payment whereof, the said
Principal and Surety bind themselves, their heirs, executors, administrators, and successors, jointly and severally, firmly
by these presents.*

*The conditions of this obligation are such that, whereas the Principal entered into a certain construction contract
whereby improvements are to be constructed upon Lot _____, Block _____, Section _____ of
Walden on Lake Conroe and also known as (street address) _____ Montgomery,
Texas 77356, which construction contract is incorporated herein for all purposes, with the lot owner; and which has*

been approved by Walden's Architectural Control Committee as described in that one certain approval letter dated _____ with control number _____. The Contract Documents shall be the Contract for Improvements, Mechanic's and Material's Lien Contract, Contractor's Proposal, or other agreement between the Contractor and Lot Owner and any related written documents presented to Walden's Architectural Control Committee, and the Architectural Control Committee approval letter referenced herein.

Now, if the Principal shall faithfully perform the Construction Contract in accordance with the Contract Documents, and shall fully indemnify, defend, and save harmless Walden on Lake Conroe Community Improvement Association, Inc., a Texas non-profit corporation, TO THE EXTENT OF THE SAID PENAL SUM from any and all costs, claims, expenses, damages, and attorney's fees which Walden may suffer as a result of the Principal's default or failure to perform said construction in conformity and compliance with the said Contract Documents including the said approval letter and shall fully reimburse and repay Walden all outlays and expenses which Walden may incur in making good any such default, then this obligation shall be null and void, otherwise it shall remain in full force and effect.

In the event Principal, his agents, or assigns are in default under the Contract Documents, Surety shall within fifteen (15) days of written notice of that determination of such default take over and assume compliance with such Contract Documents, or the Surety shall make other arrangements satisfactory with the Obligee for the completion of the default but in no event shall the Surety's liability to Obligee exceed the penal sum stated in this Compliance Bond.

The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract Documents or to the specifications accompanying the same shall in any wise affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time alteration or addition to the terms of the Contract Documents or to the work or to the Work or to the specifications.

IN WITNESS WHEREOF, the above bounden parties have executed this instrument this _____ day of _____, 200__, the name and corporate seal of each party being hereto affixed, and these presents duly signed by its undersigned representative pursuant to authority of its governing body. This Bond is performable in Montgomery County, Texas.

PRINCIPAL:

Name: _____

Title: _____

SURETY:

Name: _____

Title: _____

The Architectural Control Committee of the Corporation shall have the authority to set the amount of the said Compliance Bond, which amount shall not be less than ONE THOUSAND AND NO/100 DOLLARS (\$1,000.00) nor more than TWENTY THOUSAND AND NO/100 DOLLARS (\$20,000.00). Additionally the General Manager of the Corporation shall have the authority, within his sole discretion to waive the execution of the said Compliance Bond.

The Compliance Bond shall be in addition to any Application Fee which the Architectural Control Committee may require or set. The Compliance Bond shall indemnify and reimburse the Corporation for any and all costs, expenses, administrative fees, accounting fees, claims, attorney's fees, legal costs, contractor fees and expenses, incurred by the Corporation in ensuring compliance with the Architectural Control Committee approval letter.

ARTICLE XIII
PROHIBITION OF TIMESHARE INTERESTS

Section 1. General Intent and Purpose. The purpose of this Article is to prohibit the use of any interests in a Timeshare Program as the basis for membership in the Walden On Lake Conroe Community Improvement Association. Furthermore, the purpose of this Article is to prohibit the use of any lot, common area, improvement, parcel, single family dwelling, multiple family dwelling, townhouse, patio home or any other property or land within the Walden On Lake Conroe community for Timeshare Programs, taking into account the impact of the development of such a Program on the existing development within the Walden On Lake Conroe community and the impact on the use and enjoyment of property within Walden On Lake Conroe by the development of Timeshare Programs at Walden On Lake Conroe. In addition, the further intent of this Article is to preserve the character of Walden On Lake Conroe and membership in the Corporation for intended owners of property being owners in a residential community of lower density than allowable through Timeshare Programs.

Section 2. Definitions. For the purpose of this Article, the following words shall have the meaning prescribed herein:

- (a) **"Accommodations"** means any lot, apartment, improvement, condominium or cooperative unit, townhouse, patio home, cabin, lodge, hotel or motel room, single family dwelling, multiple family dwelling, living unit, or any other private or commercial structure designed for occupancy by one or more individuals.
- (b) **"Person"** means one or more natural persons, corporations, partnerships, associations, trusts, clubs or other entities, or any combination thereof.
- (c) **"Purchaser"** means any person who is buying who has bought, or who acquires an interest in a Timeshare Interval or Timeshare Program.

- (d) **"Timeshare Estate"** means an ownership or a leasehold estate subject to a Timeshare Program, including tenants in common, interval ownership, joint ownership, timespan ownership or any other type of ownership or leasehold Timeshare Program.
- (e) **"Timeshare Interval"** means a Timeshare Estate or Timeshare Use.
- (f) **"Timeshare Program"** means any arrangement, plan, scheme, or similar device, whether by membership agreement, tenancy in common, joint tenancy, sale, lease, deed, rental agreement, license, right to use agreement or by any other means, whereby a Timeshare Interval is created and whereby the use, occupancy or possession of the Accommodation subject to such Timeshare Interval circulates among purchasers thereof according to a fixed or floating time schedule on a periodic basis occurring annually over any period of time in excess of one (1) year in duration.
- (g) **"Timeshare Use"** means any contractual or membership or use right of exclusive occupancy or use whereby a Timeshare Program is created, or exists, whether fixed for a specific period or not, which does not fall within the definition of a "Timeshare Estate", including, without limitation, a vacation license, prepaid hotel reservations, club membership, limited partnership, trust agreement or vacation bond.

Section 3. Prohibition of Timeshare Programs as Basis for Membership in Walden On Lake Conroe Community Improvement Association. Unless otherwise authorized, in writing, by the Board of Trustees of the Walden On Lake Conroe Community Improvement Association, any interests based upon a Timeshare Program shall not entitle the holder of such interest, whether by ownership or otherwise, to any membership interest whatsoever in the Walden On Lake Conroe Community Improvement Association and, as such, the holder thereof shall not be entitled to any membership rights of use to the Walden On Lake Conroe Community Improvement Association, including by way of example but not limitation, membership rights of use to the Walden On Lake Conroe Community Improvement Association. Furthermore, unless otherwise authorized by the Board of Trustees of the Walden On Lake Conroe Community Improvement Association, Timeshare Programs are expressly prohibited in any respect within the development and community of Walden On Lake Conroe.

Section 4. Miscellaneous. No participant, owner, user, occupant, tenant or other person involved in a Timeshare Estate, Timeshare Interval, Timeshare Program or Timeshare Use shall be considered an "Owner" as defined under these By-Laws or the Articles of Incorporation of the Walden On Lake Conroe Community Improvement Association, but instead shall solely be considered in accordance with the terms of this Article, subject to such exceptions as previously authorized by the Board of Trustees prior to the date of this Amendment to the By-Laws.

Section 5. Integration Clause. Despite anything to the contrary contained herein, this Article shall be read in the conjunction with the remaining parts of the By-Laws of the Walden On Lake Conroe Community Improvement Association.

facilities of the Association. By virtue of being a Member of the Association, each Member shall also be a Member of the Yacht Club and the Racquet Club.

Section 3. Conflict. The 2004 Revised By-Laws shall supersede, modify, amend, and replace all preceding and prior By-Laws. And to the extent that the 2004 Revised By-Laws conflict with any prior or preceding By-Laws, then these 2004 Revised By-Laws shall control.

IN WITNESS WHEREOF, this Amendment to the By-Laws of the Corporation is hereby certified by the Board of Trustees of Walden On Lake Conroe Community Improvement Association, Inc. on this 25th day of August 2004, as the true and correct Amendment of the said By-Laws of said Corporation.

EXECUTED EFFECTIVE the 25th day of August 2004.

RECORDS MEMORANDUM
At the time of recordation, this instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon or photo copy, discolored paper, etc. All blackouts, additions and changes were present at the time the instrument was filed and recorded.

ATTEST:

WALDEN ON LAKE CONROE
COMMUNITY IMPROVEMENT ASSOCIATION, INC.

_____, Secretary

By: _____
_____, President

94-024-00
walden\2004\bylaws

STATE OF TEXAS
COUNTY OF MONTGOMERY
I hereby certify this instrument was filed in File Number Sequence on the date and at the time stamped herein by me and was duly RECORDED in the Official Public Records of Real Property at Montgomery County, Texas.

FILED FOR RECORD

2005 APR 28 PM 12:38



APR 28 2005

Mark Tubell

County Clerk
Montgomery County, Texas

Marlene ...
COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

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EXECUTED EFFECTIVE the 25th day of August 2004.

ATTEST:

WALDEN ON LAKE CONROE
COMMUNITY IMPROVEMENT ASSOCIATION, INC.

_____, Secretary

By: _____
_____, President

94-024-00
walden2004\bylaws

STATE OF TEXAS
COUNTY OF MONTGOMERY
I hereby certify this instrument was filed in
File Number Sequence on the date and at the time
stamped herein by me and was duly RECORDED in
the Official Public Records of Real Property at
Montgomery County, Texas.

FILED FOR RECORD

2005 APR 28 PM 12: 38

Mark Tubball
COUNTY CLERK
MONTGOMERY COUNTY TEXAS

APR 28 2005



Mark Tubball
County Clerk
Montgomery County, Texas