

MANAGEMENT CERTIFICATE
(§209.004 Texas Property Code)

1. **Subdivision.** This Management Certificate pertains to **Pepper Hill Subdivision**, in Montgomery County, Texas.

2. **Recording Data for Subdivision.** **Pepper Hill Subdivision** is described by a Map duly recorded in the Map Records of Montgomery County, Texas, in Cabinet D, Sheets 62-A and 62-B, dated 1983.

3. **Name and Mailing Address of Association.** This Management Certificate is made by the **Pepper Hill Property Owners' Association**, (the "Association"), a Texas Non-Profit Corporation. The mailing address for which is 4317 Pepper Hill Drive, Montgomery, Texas 77316.

4. **Name and Mailing Address for Manager of Association.** The Association is managed by its Board of Directors. The mailing address for the Board of Directors is 4317 Pepper Hill Drive, Montgomery, Texas 77316.

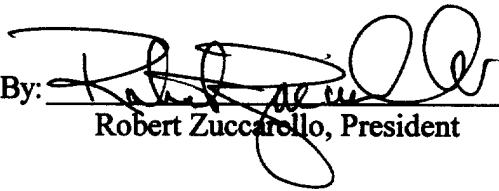
5. **Recording Data for Declaration.** The Declaration for the Subdivision consists of the Plat, described above, and the Reservations, Restrictions and Covenants, which are recorded in the Deed Records of Montgomery County, Texas, under Clerk's File Number 8346685, dated November 22, 1983.

6. **Dedicatory Instruments.** (§202.006 Texas Property Code). The Dedicatory Instruments for the Subdivision include:

- (a) the **Restrictive Covenants**, described above are recorded in the Real Property Records of Montgomery County, Texas under Clerk's File Number 8346685;
- (b) **Articles of Incorporation** for Pepper Hill Property Owners' Association, dated May 5, 1994, a true and correct copy of which is attached hereto and marked Exhibit "A";
- (c) **Bylaws** of Pepper Hill Property Owners' Association, adopted November 16, 1993, a true and correct copy of which is attached hereto and marked Exhibit "B"; and
- (d) **Pepper Hill Architectural Control Committee Resignation and Appointment of Members**, dated May 18, 1993, a true and correct copy of which is attached hereto and marked Exhibit "C"; and
- (e) **Minutes** for Pepper Hill Neighborhood Meeting dated February 18, 1995, a true and correct copy of which is attached hereto and marked Exhibit "D".

Signed May 4, 2006.

**Pepper Hill Property
Owners' Association, Inc**

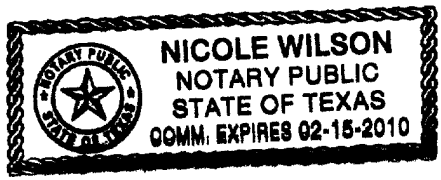
By: 
Robert Zuccarello, President

STATE OF TEXAS §

COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on May 4, 2006 by Robert Zuccarello,
President of **Pepper Hill Property Owners' Association, Inc.**


Notary Public - State of Texas



AFTER RECORDING RETURN TO:
Don Stocking, Attorney
2040 North Loop 336 West, Suite 120
Conroe, Texas 77304

FILED
In the Office of the
Secretary of State of Texas

MAY 05 1993

Corporations Section

ARTICLES OF INCORPORATION
OF
PEPPER HILL PROPERTY OWNERS' ASSOCIATION

The undersigned natural persons over the age of eighteen (18), acting as incorporators, adopt the following Articles of Incorporation of PEPPER HILL PROPERTY OWNERS' ASSOCIATION (the "Corporation") under the Texas Non-Profit Corporation Act (the "Act"):

ARTICLE I.

NAME

The name of the corporation is PEPPER HILL PROPERTY OWNERS' ASSOCIATION.

ARTICLE 2.

NONPROFIT CORPORATION

The Corporation is a nonprofit corporation.

ARTICLE 3.

DURATION

The period of its duration is perpetual.

ARTICLE 4.**PURPOSES**

The purposes for which the Corporation is organized are:

- (a) to perform all functions of a community or civic improvement association for the benefit of the owners of lots in **PEPPER HILL**, in Montgomery County, Texas, which subdivision is situated on a tract containing 61.192 acres in the Raleigh Rogers Survey, A-33, Montgomery County, Texas, and which is more fully described by plat recorded in Cabinet "C", Sheet 62-B of the Map Records of Montgomery County, Texas, and is called the "Subdivision";
- (b) to establish, collect and maintain a maintenance fund for the purpose of enforcing the restrictive covenants for the Subdivision, and to maintain, repair and preserve the improvements of the Subdivision, its roads, boundaries and common areas and for such other purposes which the Corporation's Board of Directors may deem appropriate;
- (c) to establish, construct and conduct such other civic and community events, programs and improvements which the Board of Directors shall determine appropriate for the Owners;
- (d) to promote and enforce the general civic health, safety and welfare of the Owners, their guests, invitees, licensees, and to preserve the values of the Owners' property, homes and other improvements; and,
- (e) to engage in all other lawful activities, events and transactions which are consistent with these Articles, the Corporation's bylaws and the restrictive covenants of the Subdivision.

ARTICLE 5.**POWERS**

Except as otherwise provided in these Articles, the Corporation shall have all of the powers provided in the Act. Upon dissolution, the Corporation may pursuant to a properly adopted and approved plan of dissolution, distribute its assets to its members

74-030-01

as provided by law, regardless of the provisions of Article 1396--6.02, Section A(3), or Article 1396-7.06, Section B(3), of the Revised Civil Statutes. Moreover, the Corporation shall have all implied powers necessary and proper to carry out its express powers. The Corporation may pay reasonable compensation to members, directors or officers or their agents and employees for services rendered to or for the Corporation in furtherance of one or more of its purposes set forth above.

ARTICLE 6.

RESTRICTIONS AND REQUIREMENTS

The Corporation shall not pay dividends or other corporate income to its members, directors or officers or otherwise accrue distributable profits or permit the realization of private gain. The Corporation shall have no power to take any action prohibited by the Act. The Corporation shall not have the power to engage in any activities, except to an insubstantial degree, that are not furtherance of the purposes set forth above.

ARTICLE 7.

MEMBERSHIP

The Corporation shall have one or more classes of members as provided in the bylaws of the Corporation.

ARTICLE 8.

INITIAL REGISTERED OFFICE AND AGENT

The street address of the initial registered office of the Corporation is 8 Pepper Hill Drive, Montgomery, Texas 77356. The name of the initial registered agent at this office is BILL BALES.

ARTICLE 9.

BOARD OF DIRECTORS

The qualifications, manner of selection, duties, terms, and other matters relating to the Board of Directors (the "Board of Directors") shall be provided in the Bylaws. The initial Board of Directors shall consist of Three (3) persons. The number of directors may be increased or decreased by adoption or amendment of bylaws. In electing directors, members shall not be permitted to cumulate their votes by giving one candidate as many votes as the number of directors to be elected or by distributing the same number of votes among any number or candidates. The initial Board of Directors shall consist of the following persons at the following addresses:

74-030-01

<u>Name of Director</u>	<u>Street Address</u>
JIM GALLOWAY	35 Pepper Hill Drive Montgomery, Texas 77356
LISA MARTIN	7 Pepper Hill Drive Montgomery, Texas 77356
BILL BALES	8 Pepper Hill Drive Montgomery, Texas 77356

ARTICLE 10.

LIMITATION ON LIABILITY OF DIRECTORS

A director is not liable to the Corporation or its members for monetary damages for an act or omission in the director's capacity as director except to the extent otherwise provided by a statute of the State of Texas.

ARTICLE 11.

INDEMNIFICATION

The Corporation may indemnify a person who was, is, or is threatened to be made a named defendant or respondent in litigation or other proceedings because the person is or was a director or other person related to the Corporation regardless of the provisions in the Act governing indemnification. As provided in the Bylaws, the Board shall have the power to define the requirements and limitations for the Corporation to indemnify directors, officers, members, or others related to the Corporation.

ARTICLE 12.**CONSTRUCTION**

All references in these Articles of Incorporation to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time.

ARTICLES 13.**INCORPORATORS**

The name and street address of each incorporator is:

<u>Name of Incorporator</u>	<u>Street Address</u>
JIM GALLOWAY	35 Pepper Hill Drive Montgomery, Texas 77356
LISA MARTIN	7 Pepper Hill Drive Montgomery, Texas 77356
BILL BALES	8 Pepper Hill Drive Montgomery, Texas 77356

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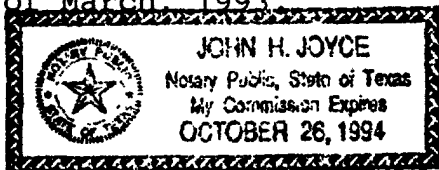
IN WITNESS WHEREOF, I have hereunto set my hand this 31 day of March, 1993.

J. Galloway
JIM GALLOWAY, Incorporator

THE STATE OF TEXAS
COUNTY OF MONTGOMERY

BEFORE ME, the undersigned authority, on this day personally appeared JIM GALLOWAY, known to me to be the person whose name is subscribed to the foregoing instrument and, being by me first duly sworn, declared that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL of office on this 31ST day of March, 1993.



John H. Joyce
Notary Public STATE OF TEXAS

My Commission Expires: 10/26/94

74-030-01

IN WITNESS WHEREOF, I have hereunto set my hand this 12th
day of March, 1993.

Lisa E Martin
LISA MARTIN, Incorporator

THE STATE OF TEXAS

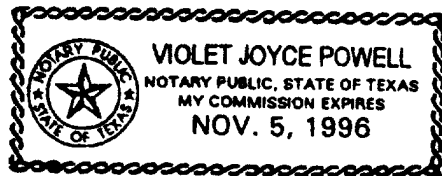
COUNTY OF MONTGOMERY

BEFORE ME, the undersigned authority, on this day personally
appeared LISA MARTIN, known to me to be the person whose name is
subscribed to the foregoing instrument and, being by me first duly
sworn, declared that the statements therein contained are true and
correct.

GIVEN UNDER MY HAND AND SEAL of office on this 12th day
of March, 1993.

Violet Joyce Powell
Notary Public - STATE OF TEXAS
Violet Joyce Powell

My Commission Expires: 11-5-96



74-030-01

IN WITNESS WHEREOF, I have hereunto set my hand this 30
day of March, 1993.

Bill Bales
BILL BALES, Incorporator

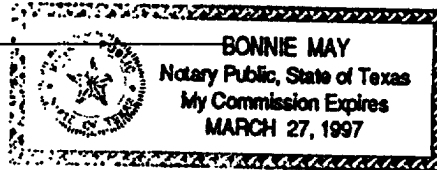
THE STATE OF TEXAS
COUNTY OF MONTGOMERY

BEFORE ME, the undersigned authority, on this day personally
appeared BILL BALES, known to me to be the person whose name is
subscribed to the foregoing instrument and, being by me first duly
sworn, declared that the statements therein contained are true and
correct.

GIVEN UNDER MY HAND AND SEAL of office on this 30th day
of March, 1993.

Bonnie May
Notary Public / STATE OF TEXAS

My Commission Expires:



BYLAWS OF
PEPPER HILL PROPERTY OWNERS' ASSOCIATION
A NONPROFIT CORPORATION

073-11-2598

ARTICLE 1
OFFICES

1.01. Principal Office. The principal office of the Corporation in the State of Texas shall be located in the Pepper Hill Subdivision, Montgomery County, Texas.

1.02. Registered Office and Registered Agent. The Corporation shall have and continuously maintain in the State of Texas, a registered office and a registered agent whose office shall be identical with the registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be, identical with the principal office of the Corporation in the State of Texas, and the address of the registered office may be changed from time to time by the Board of Directors.

1.03. Nonprofit Corporation. The Pepper Hill Property Owners' Association is a nonprofit corporation; and all duties obligations, benefits, liens, and rights hereunder in favor of the Association shall vest in said corporation.

ARTICLE 2
MEMBERS

2.01. Classes of Members. There shall be one (1) class of members.

2.02. Qualifications. All property owners of record (the "Owners") in Pepper Hill Subdivision shall be eligible for membership in the Association. In the event two or more persons are recorded owners of undivided interests in a lot or parcel in the subdivision, the joint owners shall apply for a single membership and to thereafter exercise all rights of owners relating thereto.

2.03. Application. Prospective members shall apply for membership by submitting a membership application, with the prescribed membership fee, on a form prescribed by the board of Directors, to the Secretary of the Association. Application for membership shall constitute agreement on the part of the prospective member, and his or her family members, dependents and guests, to be bound by the corporate charter, bylaws and rules and regulations of the Association.

2.04. Voting Rights. Each membership shall be entitled to one vote on each matter submitted to a vote of the members.

2.05. Termination of Membership. The Board of Directors, by affirmative vote of two thirds of the Directors, may suspend or expel a member for cause, after an appropriate hearing and may, by a majority vote of those present at any regularly constituted

meeting, terminate the membership of any member who becomes ineligible for membership, or suspend or expel any member who shall be in default in the payment of dues for the period fixed in Article 11 of these Bylaws.

2.06. Resignation. Any member may resign by filing a written resignation with the Secretary, but such resignation shall not relieve that member of the obligation to pay any dues, assessments, or other charges.

2.07. Reinstatement. Upon receipt of a written request signed by a former member and filed with the Secretary, the Board of Directors may, by the affirmative vote of a majority of the Directors, reinstate such former member to membership.

2.08. Transfer of Membership. Membership in this corporation is transferable or assignable only upon sale or transfer of the recorded title to the Member's lot in Pepper Hill Subdivision.

**ARTICLE 3
MEETINGS OF MEMBERS**

3.01. Annual Meeting. An annual meeting of the members shall be held on the last Saturday in January of each calendar year, beginning with the year 1994, at 7:00 o'clock, P.M., for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the election of Directors is not held on the day designated herein for any annual meeting, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as possible.

3.02. Special Meeting. Special meetings of the members may be called by a majority of the Board of Directors, or not less than twenty-five percent (25%) of the members having voting rights.

3.03. Place of Meeting. The Board of Directors may designate any place within Montgomery County as the place of meeting for any annual meeting or for any special meeting. If no specific designation is made, the place of meeting shall be the registered office of the Corporation in the State of Texas.

3.04. Notice of Meetings. After the 1993 annual meeting, regular meetings of the members shall be held without any other notice than Article 3 of these Bylaws. Any specific designation of the place of meeting shall be announced in the newsletter or other official publication of the Association in advance of the regular meeting. Regular members shall be given written notice of any special meeting not less than Ten (10) nor more than Fifty (50) days before the date of the special meeting. The notice shall state the hour, day, place, and purpose of the special meeting. Notice of special meetings also may be announced in the newsletter or other official publication of the Association or by individual written notice and by posting in the registered office of the Corporation in the State of Texas.

3.05. Informal Action by Members. Any action required by law to be taken at a meeting of the members, or any action which may be taken at a meeting of the members, may be taken without a meeting, if a consent in writing, setting forth the action so taken, is first signed by two-thirds of the members entitled to vote with respect to the subject matter thereof.

3.06. Quorum. A number equal to fifty percent (50%) of the members, in person or by proxy, at any annual or special meeting of the members, shall constitute a quorum for the transaction of business at such meeting.

3.07. Proxies. At any meeting of members, a member may vote by proxy executed in writing by the member or by his duly authorized attorney-in-fact. No proxy shall be valid after Two (2) months from the date of its execution, unless otherwise provided in the proxy.

ARTICLE 4 BOARD OF DIRECTORS

4.01. General Powers. The affairs of the corporation shall be managed by its Board of Directors. Directors must be members of the Corporation, and reside in Pepper Hill Subdivision.

4.02. Election. The Board of Directors of the Corporation shall be elected annually by the members at the regular annual meeting of the members. The President shall be elected by the members in the same manner as directors. If the election of the Board of Directors is not held at such meeting, such election shall be held as soon thereafter as convenient. Each Director shall hold office until his successor has been duly elected and shall have qualified.

The election of the Board of Directors and the President will be held in the following manner:

- 1) Prior to the annual meeting of the members, the secretary of the association will solicit nominations for the Board of Directors from all qualified members.
- 2) The secretary will then contact all potential candidates and inquire into their acceptance of nomination. The secretary will then prepare a ballot for the members which will be distributed to qualified members at the annual meeting incorporating all the qualified candidates solicited from the members.
- 3) Each member will be allowed to vote for five (5) of the nominated candidates on the ballot.
- 4) The secretary and the president will total the votes for all the candidates. The candidates with the highest number of votes will become the new Directors. In the case of a tie for the fifth Director, a runoff election will be held by a show of hands of the members between the candidates involved

- 5) The five new Directors will be announced by the secretary.
- 6) The election of the President will occur by each member submitting on a ballot their selection for the President. The secretary and the president will total the votes for all the candidates. The candidate with the highest number of votes will become the new President and the secretary will announce the result at the meeting.

4.03. Number, Tenure, and Qualifications. The number of Directors shall be Five (5). Each Director shall hold office until the next annual meeting of members and until his successor has been elected and qualified. Qualifications consist of being a member in good standing of the Pepper Hill Property Owners' Association.

4.04. Removal. Any Director elected by the members or appointed by the Board of Directors may be removed by the Board of Directors whenever, in its judgment, the best interests of the Corporation would be served thereby. Such removal, however, shall be without prejudice to the contract rights, if any, of the officer so removed. A majority vote of the board of directors is required for the removal of a Director.

Members will also have the right to repeal a Director. If seventy-five percent (75%) of the qualified members file a recall petition to the secretary of the corporation, the affected director will be recalled at a special meeting of the Board of Directors, which will be held within two weeks of the filed recall petition. The vacancy will then be filled by an appointment from the board of directors. Such removal, however, shall be without prejudice to the contract rights, if any, of the officer so removed.

4.05. Regular Meetings. An annual meeting of the Board of Directors shall be held, without other notice than this bylaw, immediately before or after, and at the same place as, the annual meeting of members. The Board of Directors may designate, by resolution, the time and place for the holding of additional regular meetings of the Board, without other notice than such resolution.

4.06. Special Meetings. Special meetings of the Board of Directors may be called by, or at the request of, the President or any Three (3) Directors. The person or persons authorized to call special meetings of the Board shall fix the registered office as the place for holding any special meetings of the Board called by them, unless a majority of the Board agrees to an alternate place.

4.07. Notice. Notice of any special meeting of the Board of Directors shall be given at least Five (5) days previous thereto, by written notice delivered personally or sent by mail or telegram to each Director at his address, as shown by the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed with postage thereon prepaid. If notice is given by telegram, such

notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. A general statement of the business to be transacted or the purpose of any special meeting of the Board shall be specified in the notice of such meeting.

4.08. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board. If, however, less than a majority of the Directors is present at said meeting, a majority of the Directors present may adjourn the meeting without further notice.

4.09. Manner of Acting. The act of a majority of the Directors present at a meeting where a quorum is present, shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws.

4.10. Vacancies. Any vacancy occurring in the Board of Directors, and any directorship to be filled by reason of an increase in the number of directors, shall be filled by the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

4.11. Compensation. Directors, as such, shall not receive any salaries for their services. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation there for.

4.12. Informal Action by Directors. Any action required by law to be taken at a meeting of directors, or any action which may be taken at a meeting of directors, may be taken without a meeting, if a consent, in writing, setting forth the action so taken, is signed by all the Directors.

4.13. Enforcement of Deed Restrictions. When a property owner, member, or Director reports a violation of any of the restrictive covenants applicable to and enforceable against any of the lots in the Subdivision, the Board of Directors will follow the course of action outlined below:

- Verify the violation.
- Meet with the owner of the property alleged to be in violation. Attempt to reach an agreement and a timetable for rectifying the violation and otherwise bringing the property into compliance.
- If an agreement cannot be reached or if the timetable is ignored, put the property owner on written notice that further action will be taken after Fifteen (15) days if the deed restriction violation continues.

On expiration of this notice period, call a special meeting of the members and decide on an appropriate course of action, which may include seeking injunctive relief or other court action.

ARTICLE 5
OFFICERS

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5.01. Officers. The officers of the Corporation shall be a President, one or more Vice-Presidents (the number thereof to be determined by the Board of Directors), a Secretary, a Treasurer, and such other officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect or appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable. Such officers shall have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary.

5.02. Election and Term of Office. The officers of the Corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors, except for the President who shall be elected by the members in the same manner as directors. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as convenient. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor has been duly elected and shall have qualified. Qualifications consist of being a member in good standing of the Pepper Hill Property Owners' Association.

5.03. Removal. Any officer elected by the members or appointed by the Board of Directors may be removed by the Board of Directors whenever, in its judgment, the best interests of the Corporation would be served thereby. Such removal, however, shall be without prejudice to the contract rights, if any, of the officer so removed. A majority vote of the board of directors is required for the removal of a officer or director.

5.04. Vacancies. A vacancy in any office because of death, resignation, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

5.05. President. The President shall preside at all meetings of the members and of the Board of Directors and shall perform such other duties as may be prescribed from time to time by the Board of Directors. The President, in general, shall supervise and control the day to day business affairs of the Corporation. The President may sign, with the Secretary or any other officer of the Corporation authorized by the Board of Directors, any deeds, mortgages, leases, bonds, contracts or other instruments which the Board of Directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors, or by these Bylaws, or by

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statute, to some other officer or agent of the Corporation. The President shall be an ex-officio member of all committees formed within the corporation.

5.06. Vice-President. In the absence of the President, or in the event of his inability or refusal to act, the Vice-President (or in the event there is more than one Vice-President, the Vice-Presidents in order of their election) shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions placed upon the President. Any Vice-President shall perform such other duties as from time to time may be assigned to him by the Board of Directors.

5.07. Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties, in such sum and with such surety or sureties as the Board of Directors shall determine. He shall have charge and custody of, and be responsible for, all funds and securities of the Corporation; receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Article 7 of these Bylaws; and in general perform all the duties incident to the Office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors.

5.08. Secretary. The Secretary shall keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose, give all notices in accordance with the provisions of these Bylaws, or as required by law; be custodian of the corporate records and of the seal of the Corporation, and affix the seal of the Corporation to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with provisions of these Bylaws; and, in general, perform all duties incident to the Office of Secretary and such other duties as from time to time may be assigned to him by the Board of Directors.

5.09. Assistant Treasurers and Assistant Secretaries. If required by the Board of Directors, the Assistant Treasurers shall give bonds for the faithful discharge of their duties, in such sums and with such sureties as the Board of Directors shall determine. The Assistant Treasurers and Assistant Secretaries in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary, or by the Board of Directors.

ARTICLE 6
ARCHITECTURAL CONTROL COMMITTEE
PEPPER HILL, PHASE 1

6.01. Definitions. The Architectural Control Committee referred to in this document concerns the Pepper Hill Subdivision, Phase 1. Phase 1 is defined as Lots One (1) through Nine (9) and Lots Twenty-Seven (27) through Thirty-Six and Reserves A and B. The

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Architectural Control Committee will have no responsibility for Pepper Hill Subdivision, Phase 2 which includes Lots Ten (10) through Twenty-Six (26).

6.02. Number, Tenure, and Qualifications. The number of members on the Architectural Control Committee shall be three (3) of which one will be from the Board of Directors. The members will elect the Architectural Control Committee for a two (2) year tenure. The election will be held in the same manner as the election of Directors and will be held every other year at the annual meeting. The original committees' term will expire January 28, 1995. Qualifications for the Architectural Control Committee consist of being a resident of the Pepper Hill Subdivision, Phase 1.

6.03. Replacement. In the event of death or resignation of any member or members of the Committee, the Board of Directors shall appoint a successor member or members. Until such time as a replacement member or members has been appointed, the remaining member or members will have full authority to approve or disapprove plans, specifications, and plot plans submitted for review.

6.04. Approval of Building Plans. No building or constructed improvement shall be erected, placed, or altered on any lot until the construction plans, specifications, and a plot plan showing the location of the structure and supporting amenities has been approved in writing by the Architectural Control Committee. The construction shall be in harmony with the exterior design and color of existing structures; the location with respect to topography and finished ground elevation; and compliance with the maximum construction standards of the Pepper Hill Subdivision. A copy of the construction plans and specifications and a plot plan, together with any other information that the committee may deem appropriate shall be submitted to the Architectural Control Committee prior to construction. In the event that the Architectural Control Committee fails to approve or disapprove such plans and specifications within Thirty (30) days after the same are submitted, approval will not be required and the requirements of this section will be deemed satisfied. The owner has the responsibility to notify and obtain approval from the committee for any changes in design before the changes are implemented.

6.05. Final Inspection. The Architectural Control Committee will have the responsibility of inspecting the construction upon completion for compliance with the proposed construction to ensure that the design was built to specifications. The owner will be responsible for notifying the committee when construction is nearing completion. If the construction does not conform to design, the committee will notify the owner that changes must be made to ensure that the agreed upon design is built.

6.06. Minimum Construction Standards. The Architectural Control Committee may promulgate in outline minimum acceptable construction standards; provided that such outline will serve as a minimum guideline and the Architectural Control Committee shall not be bound thereby.

7.01. Contracts. The Board of Directors may authorize any officer or officers, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation. Such authority shall be confined to specific instances.

7.02. Checks and Drafts. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President of the Corporation.

7.03. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

7.04. Gifts. The Board of Directors may accept on behalf of the Corporation, any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Corporation.

7.05. Limitations on Board. Notwithstanding the provisions of Article Four, Paragraph 2(b) in the Articles of Incorporation, any transaction costing FIVE HUNDRED DOLLARS (\$500), or more, in the aggregate, shall first be approved by a majority of the members present, in person or by proxy, at a meeting at which a quorum is present.

7.06. Assets. No asset of the Corporation, real, personal or mixed, shall be sold, pledged, hypothecated, given away, transferred, assigned or in any other way encumbered or disposed of without the approval of a majority of the members present, in person or by proxy, at a meeting at which a quorum is present.

ARTICLE 8
CERTIFICATE OF MEMBERSHIP

8.01. Certificates of Membership. The Board of Directors may provide for the issuance of certificates evidencing membership in the Corporation. Said certificates shall be in such form as may be determined by the Board. Such certificates shall be signed by the President or a Vice-President and by the Secretary or an Assistant Secretary and shall be sealed with the seal of the Corporation. The name and address of each member and the date of issuance of the certificate shall be entered on the records of the Corporation. If any certificate shall become lost, mutilated, or destroyed, a new certificate may be issued on such terms and conditions as the Board of Directors may determine.

8.02. Issuance of Certificates. When a member has been elected to

membership and has paid any initiation fee and dues that may be required, a certificate of membership shall be issued in his name and delivered to him by the Secretary, if the Board of Directors shall have provided for the issuance of certificates of membership under the provisions of Paragraph 8.01.

ARTICLE 9
BOOKS AND RECORDS

9.01. The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors, and committees having any of the authority of the Board of Directors, and shall keep, at the registered or principal office, a record giving the names and addresses of the members entitled to vote. All books and records of the Corporation may be inspected by any member, his agent, or attorney for any proper purpose, at any reasonable time, as determined by the board of Directory.

ARTICLE 10
FISCAL YEAR

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

ARTICLE 11
DUES

11.01. Membership Dues. Prior to expiration of the fiscal year, the Board of Directors will determine the amount of the annual dues, if any, for the following year. The amount of annual dues shall be approved by a majority of the members present, in person or by proxy, at a meeting at which a quorum is present.

11.02. Payment of Dues. Dues shall be payable on or before January 1st each fiscal year.

11.03. Default and Termination of Membership. When any member of any class has defaulted in the payment of dues for a period of Sixty (60) days, his membership may thereupon be terminated by the Board of Directors in the manner provided in Article 2 of these Bylaws.

ARTICLE 12
ANNUAL MAINTENANCE FUND

12.01. Annual Maintenance Fund. Each lot in Pepper Hill Subdivision is hereby subjected to an annual maintenance charge and assessment, for the purpose of creating a fund to be designated and known as the "Annual Maintenance Fund" as referred to in the Restrictions - Pepper Hill. The assessment will be paid by the

Owner or Owners of each lot within Pepper Hill Subdivision to the Pepper Hill Property Owners' Association. Every person or entity shall pay the full assessed rate on each lot. The rate at which each lot will be assessed will be determined annually and may be adjusted from year to year by the association as the needs of the subdivision require. The association shall use the proceeds of said maintenance fund for the use and benefit of all residents of Pepper Hill Subdivision only.

The uses and benefits to be provided by said association shall include by way of clarification and not limitation as its sole option, any and all of the following: maintaining and operating pools, parks, parkways, rights-of way, easements, esplanades and other public areas, payment of all legal and other expenses incurred in connection with the enforcement of all charges and assessments, covenants, restrictions, and conditions affecting the properties to which the maintenance funds apply, payment of all reasonable and necessary expenses in connection with the collection and administration of the maintenance charge and assessment, and doing any other thing or things necessary or desirable in the opinion of the association to keep the properties in the subdivision neat and in good order, or which is considered of general benefit to the owners or occupants of the properties. It is understood that the judgement of the association in the expenditure of said funds shall be final and conclusive so long as such judgement is exercised in good faith.

12.02. Securement of Annual Maintenance Fund. To secure the payment of the Annual Maintenance Fund established hereby and to be levied on individual lots, there shall be automatically reserved in each deed (whether specifically stated therein or not) by which any owner shall obtain title to a lot in Pepper Hill Subdivision, the Vendor's Lien for benefit of the association. The said lien will be enforceable through appropriate proceedings by law by such beneficiary; provided that each lien shall be secondary, subordinate, and inferior to all liens, present and future, given granted and created by or at the instance of and request of the owner of any such lot to secure payment of monies advanced or to be advanced on account of the purchase price or the construction of improvements on any such lot to the extent of any such maintenance fund charge accrued and unpaid prior to foreclosure of any such purchase money lien or construction lien. As a condition precedent to any proceeding to enforce such lien upon any lot upon which there is an outstanding valid and subsisting first mortgage lien, for the aforesaid purposes, the association shall give the holder of such liens notice of proposed action, which notice shall be sent to the nearest office of such first mortgage holder by prepaid U.S. certified mail and shall contain a statement of the delinquent maintenance charges upon which the proposed action is based. Upon the request of any such mortgage lienholder, the association shall acknowledge in writing its obligation to give the foregoing notice with respect to the particular lot covered by such first mortgage lien to the holder thereof.

12.03. Term of Annual Maintenance Fund. The Annual Maintenance Fund will remain effective for the full term (and extended term, if

073-11-2608

ARTICLE 13
SEAL

13.01. The Board of Directors shall provide a corporate seal, which shall be in the form of a circle and shall have inscribed thereon the name of the Corporation.

ARTICLE 14
WAIVER OF NOTICE

14.01. Whenever any notice is required to be given under the provisions of the Texas Non-Profit Corporation Act, or these Articles of Incorporation or the Bylaws of the Corporation, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE 15
AMENDMENT TO BYLAWS

15.01. These Bylaws may be altered, amended, or repealed and new bylaws may be adopted by two-thirds of the Directors present at any regular meeting or at any special meeting, provided at least Three (3) days written notice is given of an intention to alter, amend, or repeal these Bylaws, or to adopt new bylaws at such meeting. Any action of the board to alter, amend or repeal these Bylaws shall be subject to review by the members who may set aside such action upon the affirmative vote of a majority of the members voting, in person or by proxy, at a regular or special meeting of the members, at which a quorum is present.

ADOPTED this 4th day of January, 1993.

William Sales
Director

Mary Blackbird Blackwell
Director

Jodie Rohud
Director

Rose Marie Hall
Director

Earle Hoggard
Director

CERTIFICATION

I, Mary Blackbird Blackwell, Secretary of the Corporation do hereby certify that the foregoing Bylaws of Pepper Hill Property Owners' Association, Inc., is a true and correct copy of the Bylaws adopted by the Board of Directors and approved by the members at a meeting held on Jan. 1, 1994, 1993.
Nov. 16, 1993

Mary Blackbird Blackwell
Secretary

ad

889-01-0833

9334196

74-030-01

REAL PROPERTY RECORDS

STATE OF TEXAS

§

KNOW ALL PERSONS BY THESE PRESENTS:

COUNTY OF MONTGOMERY

§

§

**PEPPER HILL SUBDIVISION
ARCHITECTURAL CONTROL COMMITTEE
RESIGNATION AND APPOINTMENT OF MEMBERS**

1. SUBDIVISION. This document pertains to PEPPER HILL, (the "Subdivision") a subdivision in Montgomery County, Texas, according to the map or plat thereof, recorded in Plat Cabinet "D", Sheets 62-A and 62-B, of the Map Records of Montgomery County, Texas, (the "Maps"), for which certain Restrictions were duly made and recorded at Clerk's File No. 8346685, of the Real Property Records of Montgomery County, Texas (the "Restrictions").

2. ARCHITECTURAL CONTROL COMMITTEE. The Restrictions provide for an Architectural Control Committee composed of DOUGLAS JOSLYN, KATHLEEN JOSLYN and ADRIAN KACHEL (the "Members").

3. RESIGNATION AND APPOINTMENT. The Members wish to resign and withdraw from all Architectural Control Committee duties only insofar as those duties pertain to: Lots One (1) through Nine (9), and Lots Twenty-Seven (27) through Thirty-Six (36) (herein called "PEPPER HILL PHASE I"). The undersigned members hereby appoint as their replacement members of the Architectural Control Committee for PEPPER HILL, PHASE I the following persons: JIM GALLOWAY, LISA MARTIN and BILL BALES, who shall be called "PHASE I MEMBERS". DOUGLAS JOSLYN, KATHLEEN JOSLYN and ADRIAN KACHEL shall remain members of the Architectural Control Committee insofar as Lots Ten (10) through Twenty-Six (26) (the "PHASE II Lots") are concerned, and they shall be called "PHASE II MEMBERS". After this document is signed by all persons named herein as PHASE I MEMBERS and as PHASE II MEMBERS and this document is filed for record, the PHASE I MEMBERS shall cease having any Architectural Control Committee authority with respect to the PHASE II Lots. Likewise, the PHASE II MEMBERS shall have no Architectural Control Committee authority with respect to the PHASE I Lots.

EXHIBIT "C"

889-01-0834

74-030-01

4. **SIGNATURE.** All PHASE I MEMBERS and PHASE II MEMBERS shall sign this agreement to show and accept the agreements, resignations and appointments as stated herein, all of which shall become and remain effective when this document is filed for record.

SIGNED the 30 day of June, 1993, in Conroe, Montgomery County, Texas.

Douglas Joslyn
DOUGLAS JOSLYN

Kathleen Joslyn
KATHLEEN JOSLYN

Adrian Kachel
ADRIAN KACHEL

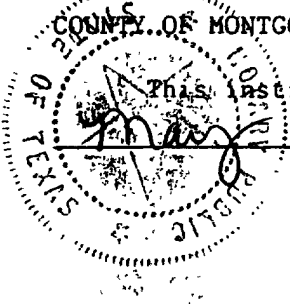
Jim Galloway
JIM GALLOWAY

Lisa Martin
LISA MARTIN

Bill Bales
BILL BALES

THE STATE OF TEXAS

COUNTY OF MONTGOMERY



This instrument was acknowledged before me this 18th day of _____, 1993, by DOUGLAS JOSLYN and KATHLEEN JOSLYN.

Elaine Tindall
Notary Public - STATE OF TEXAS

My Commission Expires: _____

Elaine Tindall
Notary Public, State of Texas
Commission Expires July 22, 1995

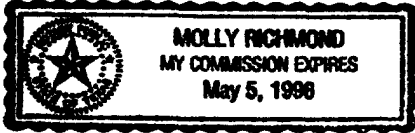
889-01-0835

74-030-01

THE STATE OF TEXAS

COUNTY OF MONTGOMERY

This instrument was acknowledged before me this 2nd day of JUNE, 1993, by ADRIAN KACHEL.



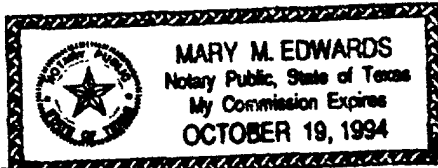
Molly Richmond
Notary Public - STATE OF TEXAS

My Commission Expires: 5/5/96

THE STATE OF TEXAS

COUNTY OF MONTGOMERY

This instrument was acknowledged before me this 30th day of June, 1993, by JIM GALLOWAY.



Mary M Edwards
Notary Public - STATE OF TEXAS

My Commission Expires: _____

THE STATE OF TEXAS

COUNTY OF MONTGOMERY

This instrument was acknowledged before me this 30TH day of JUNE, 1993, by LISA MARTIN.

Joel Feldman
Notary Public - STATE OF TEXAS

My Commission Expires: 9/20/95



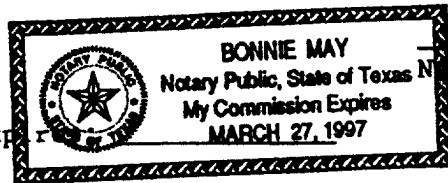
889-01-0836

74-030-01

THE STATE OF TEXAS

COUNTY OF MONTGOMERY

This instrument was acknowledged before me this 14th day of June, 1993, by BILLBALES.



Bonnie May
Notary Public - STATE OF TEXAS

My Commission Expires

AFTER RECORDING - RETURN TO:

✓ DON STOCKING
Commonwealth Centre, Suite 124
2040 North Loop 336 West
Conroe, Texas 77304

FILED FOR RECORD

93 JUL -1 PM 1:50

Roy Harris
COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

STATE OF TEXAS)
COUNTY OF MONTGOMERY)

I hereby certify that 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 of Montgomery County, Texas.

JUL - 1 1993



Roy Harris
COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

TO: MEMBERS, PEPPER HILL PROPERTY OWNERS ASSOCIATION
 FROM: Mary Blackwell, Secretary
 SUBJECT: MINUTES, NEIGHBORHOOD MEETING, FEBRUARY 18, 1995

A meeting of the PHPOA was held at 2:30 pm, February 18, 1995 at the home of Ron and Diane Brink. Members present: Bill Bales, Rose Marie Hall, Jodie Roberds, Earl Hoggard, Mary Jane and Tim Thompson, Virginia Hatton, Mary Blackwell and Ron and Diane Brink.

1. Rose Marie presented the Treasurers Report dated 2/18/95. Report was accepted unanimously.
2. Election of the following new directors:
Linda Hull, Martha Crosby, Gerald Jones, Earle Hoggard, and Jodie Roberds to the board.

Gerald Jones was elected as President.
New board to meet and decide the position each will serve.
3. Tim Thompason agreed to serve as Architect Control Committee. Jodie and Diane will also serve on ACC. Elected unanimously.
4. Earl Hoggard will serve as one keeper of the gate. Carroll Hull elected unanimously to assist.
5. ACC will need to address extension of fence as well as locking power box to gate. Rose Marie will see about equaling gate.
6. New directors need to look at changing banks and real estate attorney. See Tim Thompson for attorney referral.
7. Virginia Hatton, our newest member gave 597-5901 as a home phone number of the the new telephone list to be produced.

FILED FOR RECORD

MBB/LGH 06 MAY -5 PM 2:24

Mark Turnbull
 COUNTY CLERK
 MONTGOMERY COUNTY, TEXAS

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.

MAY - 5 2006



Mark Turnbull
 County Clerk
 Montgomery County, Texas

RECORDS MEMORANDUM
 At the time of reproduction, 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.

EXHIBIT "D"