

**BY-LAWS
OF
STEEPLECHASE SINGLE FAMILY HOMEOWNERS' ASSOCIATION, INC.**

Steeplechase Single Family Homeowners' Association, Inc., a Texas non-profit corporation ("Association") is the corporation referred to in the Declaration of Covenants, Conditions, Restrictions of Steeplechase Subdivision (the "Declaration") executed by Brazos Triad Land Development Partnership, Ltd., a Texas limited partnership ("Declarant") applicable to the Subdivision and recorded in Volume 3642, Page 28 of the Official Records of Brazos County, TX, and as the same may be amended from time to time as therein provided. The terms used in these By-Laws shall have the same meanings given to them in the Declaration, unless otherwise specifically provided. In the event of any conflict between the terms and provisions of these By-Laws and the Declaration, the Declaration shall control over these By- Laws.

All present or future owners, tenants, future tenants, mortgagees, or future mortgages, guests, invitees, or the employees of either of them, or any persons that might use the facilities of Steeplechase Subdivision Phase VI (and Phase V, when the plat thereof is prepared and recorded in the Brazos County Clerk's Office) in any manner, are subject to these By-Laws and to the Declaration. Any person, firm or corporation acquiring, leasing, occupying, or renting any of the lots at Steeplechase Subdivision, Phase VI (and Phase V, when the plat thereof is prepared and recorded in the Brazos County Clerk's Office) accepts and ratifies these By-Laws and the Declaration, and agrees that the terms and provisions of both will be complied with.

ARTICLE I

VOTING BY OWNERS

The Association shall have two (2) classes of voting membership:

Class A. Class A Members shall be all Owners (as defined in the Declaration), with the exception of Brazos Triad Land Development Partnership, Ltd., a Texas limited partnership ("Declarant"), and, except as otherwise provided for in this Declaration, shall be entitled to vote in the Association matters pursuant to this Declaration on the basis of one (1) vote for each Lot (as defined in the Declaration) owned. When more than one person holds an interest in any Lot, all such persons shall be Members (as defined in the Declaration). The vote for such Lot shall be exercised by one person or alternative persons (who may be a tenant of the Owners) appointed by proxy in accordance with the Bylaws. In the absence of a proxy, the vote allocated to the Lot shall be suspended in the event more than one person or entity seeks to exercise the right to vote on any one matter. Any Owner of a Lot which is leased may assign his voting right to the tenant, provided that a copy of a proxy appointing the tenant is

furnished to the Secretary of the Association prior to any meeting in which the tenant exercises the voting right. In no event shall more than one vote be cast with respect to any one Lot.

Class B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to three (3) votes for each Lot in which it holds the interest, provided, however, that notwithstanding any provision to the contrary contained herein, the Declarant shall have the right to elect a majority of the Board of Directors of the Association until such time as the Declarant no longer holds the title to any Lot within the Property or to any additional property which may have been brought under the provisions hereof by recorded Supplemental Declaration. The Class B Membership of Declarant shall terminate on the earlier of:

- (a) Twenty (20) years following the date of recording this Declaration, or
- (b) the date on which Declarant voluntarily relinquishes its Class B membership, evidenced by a notice recorded in the office of the Brazos County Clerk. After termination of the Class B membership, Declarant and any designated Successor Declarant shall be entitled to one (1) vote for each Lot owned.

All Members of the Association may be present at any meeting of the Association and may act at such meetings either in person or by proxy.

A Member in good standing is entitled to vote at a meeting of the Members of the Association. A Member in good standing is one who has paid all required fees and dues and is not suspended as of the date of the meeting.

ARTICLE II

MEETINGS

Section 2.01 **Annual Meetings.** The first meeting of the Members of the Association shall be held when called by the initial Board of Directors upon ten (10) days written notice to the Members. Such written notice may be given at any time but must be given not later than the earlier to occur of (i) seven (7) years following the recordation of the Declaration, and (ii) thirty (30) days after at least ninety-five percent (95%) of all of the Lots have been sold by the Declarant, a deed therefor recorded and the purchase price paid. Thereafter, an annual meeting of the Members of the Association shall be held at such place as may be designated by the Board of Directors at 8:00 o'clock p.m. on the third (3rd) Tuesday in January of each calendar year (or the first business day thereafter if such day is a governmental or religious holiday). At the discretion of the Board of Directors, the annual meeting of the Members of the Association may be held at such other

reasonable time (not more than sixty (60) days prior to or subsequent to the aforesaid date) as may be designated by written notice of the Board of Directors delivered to the Members not less than ten (10) nor more than sixty (60) days prior to the date fixed for said meeting.

Section 2.02 **Notice**. Any notice permitted to or required to be given to a member of the Board of Directors or to an Owner may be delivered personally, by mail or by placing such notice in the mail distribution facilities of each Owner if such facilities are present on the Lots. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after deposit in the U.S. Mail postage prepaid, addressed to an Owner at his Lot or to such other address as the Owner may have given in writing to the Secretary of the Association for the purpose of service of notices. Any address for purposes of notice may be changed from time to time by notice in writing to the Secretary. For the purpose of determining the Members entitled to a notice of a meeting and to vote at any meeting, the membership of the Association shall be determined at the close of business on the twenty-fifth (25) day preceding such meeting.

Section 2.03 **Signed Waiver of Notice**. Whenever any notice is required by law or under the articles of incorporation or these Bylaws, a written waiver signed by the person entitled to receive such notice is considered the equivalent to giving the required notice. A waiver of notice is effective whether signed before or after the time stated in the notice being waived.

Section 2.04 **Waiving Notice by Attendance**. A person's attendance at a meeting constitutes waiver of notice of the meeting unless the person attends for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

Section 2.05 **Special Meetings**. Special meetings of the Members may be called by the President or any Vice President at any time or may be called upon petition to the President by Members having at least ten percent (10%) of the votes in the Association or by a majority of the Board of Directors. Written or printed notice stating the place, day, and hour of such special meeting and the purpose or purposes for which the meeting is called shall be delivered to each Member not less than three (3) nor more than twenty-one (21) days before the date of such meeting.

Section 2.06 **Quorum**. The presence in person or by proxy of the Owners representing an aggregate of more than fifty percent (50%) of total vote of all Lots shall constitute a quorum for holding any meeting of the Association. If, however, such quorum shall not be present or represented at any meeting of the Association, the Owners present in person or represented by proxy shall have the power to adjourn and reconvene the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such reconvened meeting, at which a quorum shall be present or represented by proxy, any business may be transacted as was set out in the notification of the original meeting.

Section 2.07 Proxies. At any meeting of the Association, votes may be cast in person or by proxy. Proxies must be filed with the Secretary of the Association at or before the appointed time of each meeting of the Association.

Section 2.08 Majority Vote. When a quorum is present at any meeting of the Association, the vote by Owners present in person or by proxy at such meeting of a majority (an aggregate of more than fifty person (50%) of the total vote of all Lots shall decide any question brought before such meeting unless the question is one upon which, by express provisions of the Declaration or the By-Laws, a different percentage is required, in which case such express provision shall govern and control a vote on such question.

Section 2.09 Voting by Mail. The Board of Directors may authorize Members to vote by mail on the election of directors and officers or on any other matter that the Members may vote on.

Section 2.10 Meeting by Telephone. The Members, Board of Directors, and any committee of the Association may hold a meeting by telephone conference-call procedures. In all meetings held by telephone, matters must be arranged in such a manner that all persons participating in the meeting can hear each other; the notice of a meeting by telephone conference must state the fact that the meeting will be held by telephone as well as all other matters required to be included in the notice; and a person's participating in a conference-call meeting constitutes his or her presence at the meeting.

Section 2.11 Decision Without Meeting. Any decision required or permitted to be made at a meeting of the Members, Board of Directors, or any committee of the Association may be made without a meeting. A decision without a meeting may be made if a written consent to the decision is signed by all the persons entitled to vote on the matter. The original signed consents will be placed in the Association minute book and kept with the corporate records.

Furthermore, in accordance with the articles of incorporation, action may be taken without a meeting when there are signed written consents by the number of Members, directors, or committee members whose votes would be necessary to take action at a meeting at which all such persons entitled to vote were present and voted. Each written consent must be signed and bear the date of signature of the person signing it. A telegram, telex, cablegram, or similar transmission by a member, director, or committee member, or a photographic, facsimile, or similar reproduction of a signed writing, will be treated as an original being signed by the member, director, or committee member. Consents must be delivered to the Corporation. A consent signed by fewer than all members, directors, or committee members is not effective to take the intended action unless the required number of consents are delivered to the Corporation within (60) days after the date that the earliest-dated consent was delivered to the Corporation. Delivery must be made by hand, or by certified or registered mail, return receipt requested. The delivery may be made to the Corporation's registered office, registered agent, principal place of business, transfer agent, registrar, exchange agent, or an officer or agent having custody of books in which the relevant proceedings are

recorded. If the delivery is made to the Corporation's principal place of business, the consent must be addressed to the president or principal executive officer.

The Corporation will give prompt notice of the action taken to persons who do not sign consents. If the action taken requires documents to be filed with the secretary of state, the filed documents will indicate that these written consent procedures were followed to authorize the action and filing.

Section 2.12 **Proxy Voting**. A person authorized to exercise a proxy may not exercise the proxy unless it is delivered to the officer presiding at the meeting before the business of the meeting begins. The secretary or other person taking the minutes of the meeting will record in the minutes the name of the person who executed the proxy and the name of the person authorized to exercise the proxy. If a person who has duly executed a proxy personally attends a meeting, the proxy will not be effective for that meeting. A proxy filed with the secretary of the Corporation or other designated officer remains in force until the first of the following occurs:

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

ARTICLE III

BOARD OF DIRECTORS

Section 3.01 **Number and Qualification**. The Board of Directors shall consist of three (3) persons who are Members of the Association, spouses of Members, or in the event that a Lot is owned by a corporation or other business entity, an officer or director of such entity or other designated representative who resides in the Lot owned by such entity; with the exception of the exception of the Members of the first Board of Directors who shall be appointed by the Declarant (and any replacement Directors selected by the Declarant or the Members of the first Board of Directors prior to the first meeting of the Association).

Section 3.02 **Election**. The Directors shall be elected by the Members of the Association at the first meeting of the Members and at each annual meeting thereafter. At the initial meeting of the Members of the Association, one (1) Director shall be elected for a term of two (2) years and two (2) Directors shall be elected for a term of one (1) year. Thereafter, at the annual meeting of the Members, the Members shall elect either one (1) or two (2) Directors, as the case may be, each to serve for a term of two (2) years, in order to fill the positions of the Directors whose terms have expired at the time of the annual meeting. The candidates receiving the highest number of votes up to the number of Members of the Board of Directors to be elected shall be deemed elected. All votes

shall be cast by written ballot. In electing Directors, Members may 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 of candidates. Notwithstanding anything herein to the contrary, until such time as the Class B membership ceases as provided above, only Class B members shall be entitled to vote in elections of Directors.

The members of the Board of Directors (other than members of the initial Board of Directors) shall serve until their term expires, death, resignation, removal or until they are no longer Members of the Association, whichever is earlier.

Section 3.03 **Removal and Vacancies.** Any Director may be removed from the Board of Directors with or without cause, by a vote of Owners representing in the aggregate at least two-thirds (2/3rds) of the total vote of all Lots by Owners voting in person or by proxy at a special meeting called for such purpose or at an annual meeting. In such an event, a successor for such Director as has been removed shall be selected by a vote of the Association. Except as to vacancies created by removal of Directors by vote of the Association, vacancies in the Board of Directors occurring between annual meetings of the Association shall be filled by the remaining Directors.

Section 3.04 **Compensation and Expenses.** No member of the Board of Directors shall receive any compensation from the Association for acting as such but shall be reimbursed for reasonable expenses incurred while serving in such capacity.

Section 3.05 **Action by Written Consent.** The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 3.06 **Organizational Meeting.** The organizational meeting of a newly elected Board of Directors shall be held within ten (10) days of their election at such place and time as shall be fixed by the Directors so elected at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary.

Section 3.07 **Regular Meetings.** The annual meeting of the Board of Directors shall be held each year immediately following the annual meeting of the Association, at the place of such annual meeting, for the election of officers and consideration of any other business that may be properly brought before such annual meeting. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) days prior to the date named for such meeting.

Section 3.08 **Special Meetings.** Special meetings of the Directors may be called by the President and must be called by the Secretary of the Board of Directors at the written request of two

(2) of the Directors. Not less than three (3) days notice of the meeting shall be given personally by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

Section 3.09 **Waiver of Notice**. Any Director may waive notice of a meeting before or after the meeting and such waiver, if in writing and signed by such Director, shall be deemed equivalent to the giving of notice.

Section 3.10 **Quorum**. A quorum at Board of Directors meetings shall consist of a majority of the entire Board of Directors present at such meetings. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except where approval by a greater number is required by the Declaration or by the By-Laws.

Section 3.11 **Consent to Action**. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

Section 3.12 **Proxies**. A Director may vote by proxy. All proxies must be in writing, must bear the signature of the Director giving the proxy, and must bear the date on which the proxy was executed by the Director. No proxy is valid after three (3) months from the date of its execution.

Section 3.13 **Nomination**. Nomination for election to the Board of Directors shall be made by a nominating committee which shall consist of a chairman who shall be a member of the Board of Directors, and two or more Owners, who shall have been appointed by the Board of Directors prior to each annual meeting of the Members (except the initial nominating committee, which shall be determined by the initial Board of Directors) to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The nominating committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine but not less than the number of vacancies that are to be filled. Nominations may also be made from the floor at the annual meeting.

Section 3.14 **Powers and Duties**. All of the powers and duties of the Association existing under the Act, the Declaration and the By-Laws shall be exercised exclusively by the Board of Directors, its agents, contractors or employees, subject only to approval by Owners when such is specifically required. Such powers and duties shall include but shall not be limited to the following, subject, however, to the provisions of the Act, the Declaration and the By-Laws:

- (1) To make and collect assessments against the Owners for the purposes outlined in the Declaration and all of its property and facilities;
- (2) To use the proceeds of Assessments in the exercise of its powers and duties;
- (3) To maintain, repair, replace and operate the Common Area and Exterior Maintenance Area;

- (4) To purchase insurance upon the Common Area and for the protection of the Owner as required by, and pursuant to the Declaration;
- (5) To reconstruct improvements on the Common Area after casualty and further improve the Common Area;
- (6) To adopt Rules and Regulations as it deems necessary respecting the use of the Common Area;
- (7) To contract for management of the Common Area and to delegate to the managing agent all powers and duties of the Board of Directors except such as are specifically required by the Act, the Declaration and the By-Laws to have approval of the Owners;
- (8) To employ and dismiss personnel to perform the services required for proper operation of the Common Area; and
- (9) To cause to be kept a complete record of all its acts and affairs and to present a statement thereof to the Owners at the annual meeting of the Association or at any special meeting when such statement is requested in writing by ten percent (10 %) or more of the votes of the Association requesting such special meeting.

Section 3.15 **Interested Directors**. Contracts or transactions between Directors, officers, or Members who have a financial interest in the matter are not void or voidable solely for that reason. Nor are they void or voidable solely because the Director, officer, or Member is present at or participates in the meeting that authorizes the contract or transaction, or solely because the interested party's votes are counted for the purpose. However, every Director with any personal interest in the transaction must disclose all material facts concerning the transaction, including all potential personal benefit and potential conflicts of interest, to the other members of the Board of Directors or other group authorizing the transaction. The transaction must be approved by a majority of the uninterested Directors or other group with the authority to authorize the transaction.

ARTICLE IV

OFFICERS

Section 4.01 **Executive Officers**. The executive officers of the Association shall be a President, a Vice President, a Treasurer and a Secretary, all of whom shall be elected annually by the Board of Directors and who may be pre-emptorily removed by vote of the Board of Directors at any meeting. Any person may hold two or more offices except the President shall not also be the Secretary. The Board of Directors shall, from time to time, elect such other officers and designate their powers and duties as the Board of Directors shall find to be required to manage the affairs of the Association.

Section 4.02 **President**. The President shall be the chief executive officer of the Association and shall have all of the powers and duties which are usually vested in the office of President of an organized association including, but not limited to, the power to appoint committees from among the Owners from time to time that, in the exercise of discretion, are determined appropriate, to assist in the conduct of the affairs of the Association.

Section 4.03 **Vice President**. The Vice President shall, in the absence of a disability of the President, exercise the powers and perform the duties of the President and shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board of Directors.

Section 4.04 **Secretary**. The Secretary shall keep the minutes of all proceedings of the Board of Directors and Association and shall attend to the giving and serving of all notices to the Owners and Directors and other notices required by law; shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an organized association and as may be required by the Board of Directors.

Section 4.05 **Treasurer**. The Treasurer shall have the responsibility for the funds and securities belonging to the Association; shall have the responsibility for keeping full and accurate accounts of all reports and disbursements of the Association; shall be responsible for the deposit of all monies and valuable effects in the name of and to the credit of the Association in such depositories as may from time to time be designated by Association; and shall perform all other duties incident to the office of Treasurer.

Section 4.06 **Compensation**. The compensation of all officers and employees of the Association shall be fixed by the Board of Directors. This provision shall not preclude the Board of Directors from employing a Director as an employee of the Association nor preclude the contracting with a Director for the management of the Common Area.

Section 4.07 **Removal**. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors with or without good cause. Removing an officer will be without prejudice to the officer's contractual rights, if any.

Section 4.08 **Vacancies**. The Board of Directors may select a person to fill a vacancy in any office for the unexpired portion of the officer's term.

ARTICLE V

DELEGATION OF BOARD OF DIRECTORS DUTIES

Section 5.01 **Delegation of Board of Directors Duties**. Notwithstanding anything contained herein otherwise to the contrary, but subject to the provisions of the Act and the Declaration, the Board of Directors may delegate any of its duties, powers or functions to a

managing agent, provided that any such delegation shall be revocable upon notice by the Board of Directors. The members of the Board of Directors shall not be liable for any omission or improper exercise by the managing agent of any such duty, power or function so delegated by written instrument executed by a majority of the Board of Directors.

Section 5.02 Establishing Committees. The Board of Directors may adopt a resolution establishing one or more committees delegating specified authority to a committee, and appointing or removing members of a committee. A committee will include two or more Directors and may include persons who are not Directors. If the Board of Directors delegates any of its management authority to a committee, the majority of the committee will consist of directors. The Board of Directors may also delegate to the President its power to appoint and remove members of a committee that has not been delegated any management authority of the Board of Directors. The Board of Directors may establish qualifications for membership on a committee. Establishing a committee or delegating authority to it will not relieve the Board of Directors, or any individual director, of any responsibility imposed by these Bylaws or otherwise imposed by law. No committee has the authority of the Board of Directors to:

- (a) Amend the articles of incorporation;
- (b) Adopt a plan of merger or of consolidation with another corporation;
- (c) Authorize the sale, lease, exchange, or mortgage of all or substantially all of the Association's property and assets;
- (d) Authorize voluntary dissolution of the Association;
- (e) Revoke proceedings for voluntary dissolution of the Association;
- (f) Adopt a plan for distributing the Association's assets;
- (g) Amend, alter, or repeal these Bylaws;
- (h) Elect, appoint, or remove a member of a committee or a Director or officer of the Association;
- (i) Approve any transaction to which the Association is a party and that involves a potential conflict of interest;
- (j) Take any action outside the scope of authority delegated to it by the Board of Directors; or
- (k) Take final action on a matter requiring membership approval.

Section 5.03 **Term of Office.** Each committee member will continue to serve on the committee until the next annual Members' meeting and until a successor is appointed. However, a committee member's term may terminate earlier if the committee is terminated, or if the Member dies, ceases to qualify, resigns, or is removed as a Member. A vacancy on a committee may be filled by an appointment made in the same manner as an original appointment. A person appointed to fill a vacancy on a committee will serve for the unexpired portion of the terminated committee member's term.

Section 5.04 **Chair and Vice-Chair.** One member of each committee will be designated as the committee chair, and another member of each committee will be designated as the vice-chair. The chair and vice-chair will be elected by the committee members or appointed by the President. The chair will call and preside at all meetings of the committee. When the chair is absent, cannot act, or refuses to act, the vice-chair will perform the chair's duties. When a vice-chair acts for the chair, the vice-chair has all the powers of and is subject to all the restrictions on the chair.

Section 5.05 **Notice of Meetings.** Written or printed notice of a committee meeting will be delivered to each member of a committee not less than seven (7) nor more than thirty (30) days before the date of the meeting. The notice will state the place, day, and time of the meeting, and the purpose or purposes for which it is called.

Section 5.06 **Quorum.** One-half (1/2) of the number of committee members constitutes a quorum for transacting business at any meeting of the committee. The committee members present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough committee members leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of committee members required for a quorum. If a quorum is never present at any time during a meeting, the chair may adjourn and reconvene the meeting once without further notice.

Section 5.07 **Actions of Committees.** Committees will try to take action by consensus. However, if a consensus is not available, the vote of a majority of committee members present and voting at a meeting at which a quorum is present is enough to constitute the act of the committee unless the act of a greater number is required by statute or by some other provision of these Bylaws. A committee member who is present at a meeting and abstains from a vote is if desired, not considered to be present and voting for the purpose of determining the act of the committee.

Section 5.08 **Proxies.** A committee member may not vote by proxy.

Section 5.09 **Compensation.** Committee members may not receive salaries for their services. The Board of Directors may adopt a resolution providing for paying committee members a fixed sum and expenses of attendance, if any, for attending each meeting of the committee. A committee member may serve the Association in any other capacity and receive compensation for those services. Any compensation that the Association pays to a committee member will be reasonable and commensurate with the services performed.

Section 5.10 Rules. Each committee may adopt its own rules, consistent with these By-laws or with other rules that may be adopted by the Board of Directors.

ARTICLE VI

RECORDS

Section 6.01 Records. The Secretary shall keep or cause to be kept a set of books with a detailed account of the receipts and expenditures affecting the Association and its administration and specify the maintenance and repair expenses of the Common Area and any other expenses incurred by or on behalf of the Association. Both the books and vouchers accrediting the entries made thereon shall be available for examination by all the Owners and Mortgagees (or their designees) at convenient hours on working days. All books and records shall be kept in accordance with generally accepted accounting procedures. The Board of Directors may establish reasonable copying fees, which may cover the cost of materials and labor but may not exceed twenty (20) cents per page. The Association will provide requested copies of books or records no later than ten (10) working days after receiving a proper written request.

Section 6.02 Audits. Any Member may have an audit conducted of the Association's books. That Member bears the expense of the audit unless the Members vote to authorize payment of audit expenses. The Member requesting the audit may select the accounting firm to conduct it. A Member may not exercise these rights so as to subject the Association to an audit more than once in any fiscal year.

ARTICLE VII

AMENDMENT

Section 7.01 Amendment. These By-Laws may be amended from time to time by the affirmative vote of Members having at least fifty-one percent (51 %) of the number of votes entitled to act upon such matters at a meeting of the Association as provided herein.

ARTICLE VIII

SEVERABILITY

Section 8.01 Severability. The invalidity of any provision of provisions of these By-Laws shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of these By-Laws, and, in such event, all of the other provisions of these By-Laws shall continue in full force and effect as if such invalid provision had never been included herein.

ARTICLE IX

INDEMNITY

Section 9.01 **Indemnity**. The Association shall indemnify the Board of Directors (and each member thereof) and its Officers (each of them) against expenses and liabilities (including the cost and expense of defending against any such alleged liability) reasonably incurred by such person or persons by reason of his being or having been a Officer or Director of the Association except in cases where such Director or Officer is adjudged guilty by a court of competent jurisdiction of willful misfeasance of malfeasance, bad faith, gross negligence, or reckless disregard of the duties involved in the conduct of his office.

Section 9.02 **Rights of Indemnification**. The rights of indemnification herein provided may be insured against by policies maintained by the Association; shall be severable, shall not affect any other rights to which any Director or Officer may now or hereafter be entitled, shall continue as to a person who has ceased to be such Director or Officer and shall inure to the benefit of the heirs, executors and administrators of such a person. Nothing contained herein shall affect any rights to indemnification to which Association personnel other than Directors and Officers may be entitled by contract or otherwise under law.

Section 9.03 **Expenses to Defense of Claims**. Expenses in connection with the preparation and presentation of a defense to any claim, action, suit or proceeding of the character described in Section 9.01 hereof may be advanced by the Association prior to final disposition thereof upon receipt of an undertaking by or on behalf of the Director or Officer, secured by a surety bond or other suitable insurance issued by a company authorized to conduct such business in the State of Texas, to repay such amount if it is ultimately determined that he is not entitled to indemnification under this Article.

ARTICLE X

CONTRACTS, LOANS, CHECKS, DEPOSITS AND TRANSACTIONS

Section 10.01 **Contracts**. Subject to the limitations set forth in the Declaration, the Board of Directors may authorize any Officer or Officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to the specific instances.

Section 10.02 **Check, Drafts, Etc.** All checks, drafts or other orders, for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such Officer or Officers, agent or agents of the Association and in such manner as shall, from time to time, be determined by Resolution of the Board of Directors.

Section 10.03 Deposits. All funds of the Association not otherwise employed shall be deposited, from time to time, to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors may select.

Section 10.04 Potential Conflicts of Interest. The Association may not make any loan to a Director or officer of the Association. A Member, Director, officer, or committee member of the Association may lend money to and otherwise transact business with the Association except as otherwise provided by these Bylaws, the articles of incorporation, and applicable law. Such a person transacting business with the Association has the same rights and obligations relating to those matters as other persons transacting business with the Association. The Association may not borrow money from or otherwise transact business with a Member, Director, officer, or committee member of the Association unless the transaction is described fully in a legally binding instrument and is in the Association's best interests. The Association may not borrow money from or otherwise transact business with a Member, Director, officer, or committee member of the Association without full disclosure of all relevant facts and without the Board of Directors's approval, not including the vote of any person having a personal interest in the transaction.

Section 10.05 Prohibited Acts. As long as the Association exists, and except with the Board of Directors's or the Members' prior approval, no Member, Director, officer, or committee member of the Association may:

- (a) Do any act in violation of these Bylaws or a binding obligation of the Association;
- (b) Do any act with the intention of harming the Association or any of its operations;
- (c) Do any act that would make it impossible or unnecessarily difficult to carry on the Association's intended or ordinary business;
- (d) Receive an improper personal benefit from the operation of the Association;
- (e) Use the Association's assets, directly or indirectly, for any purpose other than carrying on the Association's business;
- (f) Wrongfully transfer or dispose of Association property, including intangible property such as good will;
- (g) Use the Association's name (or any substantially similar name) except on behalf of the Association in the ordinary course of its business; or
- (h) Disclose any of the Corporation's business practices, trade secrets, or any other information not generally known to the business community to any person not authorized to receive it.

ARTICLE XI

FISCAL YEAR

The Association's fiscal year of the Association will begin on the first (1st) day of January and end on the last day in December in each year.

ARTICLE XII

RULES AND ENFORCEMENT

Section 12.01 **Authority**. The Board of Directors shall have the power to make such Rules and Regulations as are deemed necessary for the safe and efficient operation and administration of the Common Area; to prescribe and enforce penalties for violations of the Rules and Regulations and By-Laws of the Association; to assess and fix charges to be levied against the Members of the Association and to exercise such other powers as may be necessary or proper to attain the object of the Association.

Section 12.02 **Non-Waiver**. The failure of the Board of Directors or any Owner to enforce any covenant, restriction or other provision of the Act, the Declaration, these By-Laws or the Rules and Regulations adopted pursuant thereto shall not constitute a waiver of the right to do so thereafter.

Section 12.03 **Injunction**. In addition to any other rights or remedies available to any Owner, any violation or threatened violation of any of the Rules and Regulations or By-Laws of the Association may be enjoined or prevented by suit for injunction by the Owner or the Board of Directors.

ARTICLE XIII

MORTGAGES

Section 13.01 **Mortgages**. An Owner who mortgages his Lot shall notify the Association of such mortgage, giving the name and address of his Mortgagee; and the Association shall maintain such information in a book kept for that specific purpose.

Section 13.02 **Reports**. The Association shall, at the request of a Mortgagee of a Lot, report any unpaid assessments due from the owner of such Lot.

ARTICLE XIV

OFFICES

Section 14.01 **Principal Office**. The Association's principal office in Texas will be located at 2700 Earl Rudder Frwy. South, Suite 5300, College Station, TX 77845. The Association may have such other offices, in Texas or elsewhere, as the Board of Directors may determine. The Board of Directors may change the location of any office of the Association.

Section 14.02 **Registered Office and Registered Agent**. The Association will maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical

with the Association's principal office in Texas. The Board of Directors may change the registered office and the registered agent as permitted in the Texas Non-Profit Corporation Act.

ARTICLE XV

MISCELLANEOUS PROVISIONS

Section 15.01 Legal Authorities Governing Construction of Bylaws. These By-laws will be construed under Texas law. All references in these Bylaws to statutes, regulations, or other sources of legal authority will refer to the authorities cited, or their successors, as they may be amended from time to time.

Section 15.02 Legal Construction. To the greatest extent possible, these By-laws shall be construed to conform to all legal requirements and all requirements for obtaining and maintaining all tax exemptions that may be available to nonprofit corporations. If any By-law provision is held invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability will not affect any other provision, and the bylaws will be construed as if they had not included the invalid, illegal, or unenforceable provision.

Section 15.03 Headings. The headings used in the bylaws are for convenience and may not be considered in construing the bylaws.

Section 15.04 Number. All singular words include the plural, and all plural words include the singular.

Section 15.05 Seal. The Board of Directors may provide for a corporate seal. Such a seal would consist of two concentric circles containing the words "Steeplechase Single Family Homeowners' Association", in one circle and the word "Incorporated" together with the date of incorporation in the other circle.


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

Section 15.07 Parties Bound. The By-laws will bind and inure to the benefit of the Members, Directors, officers, committee members, employees, and agents of the Association and their respective heirs, executors, administrators, legal representatives, successors, and assigns except as the bylaws otherwise provide.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting secretary of Steeplechase Single Family Homeowners' Association, Inc. and that these By-Laws constitute the Association's By-Laws. These By-Laws were duly adopted at a meeting of the Board of Directors held on August 16, 2000.


Dated: August 16, 2000.



LARRY BOSSIER, Secretary of the Corporation

IN WITNESS WHEREOF, these By-Laws are adopted by Steeplechase Single Family Homeowners' Association, Inc., a Texas non-profit corporation, this 16th day of August, 2000.

Steeplechase Single Family Homeowners' Association, Inc.
a Texas non-profit corporation

By: 

LARRY BOSSIER, Secretary of the Corporation