

AMENDED AND RESTATED BY-LAWS
OF
FALCON POINT EAST HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of the corporation is **FALCON POINT EAST HOMEOWNERS ASSOCIATION, INC.**, hereinafter referred to as the "Association". The principal office of the corporation shall be located at 800 Bering Drive, Suite 103, Houston, Texas 77057, but meetings of members and directors may be held at such places within the State of Texas, County of Harris or Fort Bend, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Section 1 - "Association" shall mean and refer to Falcon Point East Homeowners Association, Inc. its successors and assigns.

Section 2 - "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereinafter be brought within the jurisdiction of the Association.

Section 3 - "Common Area", if any, shall mean all real property owned by the Association for the common use and enjoyment of the owners and any street esplanades or public easements within the Recorded Plat of the Subdivision.

Section 4 - "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area and any commercial reserves excluded from the scope of the Declaration of Covenants, Conditions and Restrictions.

Section 5 - "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot or Commercial reserve which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of any obligation.

Section 6 - "Declarant" shall mean and refer to Houston Area Development Corp., its successors and assigns if such successors or assigns should acquire more than one developed or undeveloped lot or remaining undeveloped land from the Declarant for the purpose of development.

Section 7 "Restrictions" shall mean and refer to the Restrictions applicable to Falcon Landing, Section I, recorded in the Official Public Records of Real Property of Fort Bend County, Texas, and any amendments thereafter or such other restrictions created by additional properties annexed into and dedicated to the subdivision by the Declarant or its successors and assigns.

Section 8 - "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration of Covenants, Conditions and Restrictions and Articles of Incorporation.

**ARTICLE III
MEETING OF MEMBERS**

Section 1 - Annual Meetings. The annual meeting of the members shall be held in the month of October or November of each year at a date, hour, and place to be determined by the Board of Directors.

Section 2 - Special Meetings. Special meetings of the members may be called at any time by the President or Board of Directors, or upon written request of the members who are entitled to vote one-tenth of all of the votes of each class of Membership or until December 31, 2012 by the Declarant.

Section 3 - Notice of Meetings. Written notice of each annual meeting or special meeting of the members shall be given by the Secretary or person authorized to call the meetings. Notice shall be mailed, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote. Notice shall be addressed to the member's address last appearing on the books of the Association or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, date, hour and, if the meeting is a special meeting, the purpose of the meeting.

Section 4 - Quorum. The presence at the meeting of the members entitled to cast, or of proxies entitled to cast, one-tenth of the votes of each class of membership shall constitute a quorum for any action, except as otherwise provided in the Articles of Incorporation, the Declaration of Covenants, Conditions and Restrictions or these By-Laws. If, however, a quorum shall not be present or represented at any meeting, the members entitled to vote there at shall have power to adjourn the meeting from time to time without notice other than an announcement at the meeting until a quorum shall be present or represented. In the event that a quorum is not represented at any meeting, the meeting shall be rescheduled and the requirement for a quorum shall be reduced by half (e.g., 5% of the membership for the first rescheduling, 2.5% of the membership for the second rescheduling, etc.) until a quorum is achieved.

Section 5 - Proxies. At all meetings, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary one day prior to the meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

**ARTICLE IV
BOARD OF DIRECTORS - SELECTION OF TERM OF OFFICE**

Section 1 - Number. The affairs of this Association shall be managed by a Board with a minimum of three (3) and a maximum of five (5) Directors, who need not be members of the Association.

Section 2 - Directors and Term of Office. The Board members shall be Greg Murray, Chuck Agee, Debbie Benson and Robert Garza who shall hold office as set forth below:

Position 1-Greg Murray- term to expire at the conclusion of the 2005 annual meeting of the members

Position 2-Chuck Agee- term to expire at the conclusion of the 2005 annual meeting of the members

Position 3- Debbie Benson- term to expire at the conclusion of the 2006 annual meeting of the members

Position 4- Robert Garza- term to expire at the conclusion of the 2006 annual meeting of the members

The Position 5 director shall be elected at the annual meeting of the members held in the year 2004

At each annual meeting of the member beginning in the year 2004 and thereafter, the members shall elect directors for terms of two (2) years each to fill each expiring term.

Section 3 - Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4 - Compensation. No director shall receive compensation for any service he may render to the Association.

Section 5 - Action Taken Without a Meeting. The directors shall have the right to take any action in the absences of a meeting which they could take at a meeting by obtaining the written approval and consent of a majority the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

Section 1 - Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Board of Directors or members of the Association. The nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2 - Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles of Incorporation, Declaration of Covenants, Conditions and Restrictions for Falcon Point East Homeowners Association. The persons receiving the largest number of votes shall be elected.

ARTICLE VI MEETINGS OF DIRECTORS

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

Section 2 - Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any three directors or until December 31, 2012 by the Declarant, after not less than three (3) days notice to each director.

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

**ARTICLE VII
POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

Section 1 - Powers. The Board of Directors shall have the power to:

- a) Adopt and publish rules and regulations governing use of the Common Areas and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for infractions thereof;
- b) Suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infractions of published rules and regulations;
- c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws or the Articles of Incorporation, or the Declaration of Covenants, Conditions and Restrictions.
- d) declare the office of a member of the Board of Directors to be vacant in the event each such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- e) employ a manager, an HOA Management and/or independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

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

- a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;
- b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- c) as more fully provided in the Declaration of Covenants, Conditions and Restrictions, to:
 - 1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
 - 2) send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period;

- 3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after the due date or to bring an action at law against the owner personally obligated to pay the same, if in the judgment of the Association it is necessary;
- d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board before the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- e) to procure and maintain adequate liability and hazard insurance on the property owned by the Association;
- f) to cause all officers or employees having fiscal responsibilities to be bonded, as the Board may deem appropriate;
- g) to cause the Common Area, if any, entries to subdivision, easements and esplanades to be maintained.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1 - Enumeration of Offices. The officers of this Association shall be a President and Vice President, who shall at all times be members of the Board of Directors, a Secretary, a Treasurer, and such other officers that the Board, from time to time, by resolution may create.

Section 2 - Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

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

Section 4 - Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5 - Resignation and Removal. Any officer may be removed from office, with or without cause, by the Board. Any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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

Section 7 - Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices, except in the case of Special Offices created pursuant to Section 4 of this Article.

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

a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall cosign all promissory notes.

b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association together with their addresses; and perform such other duties as required by the Board.

d). The Treasurer shall receive and deposit in appropriate bank accounts all moneys of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign all promissory notes of the Association; keep proper books of account; cause a report of the Association's books to be made at the completion of each fiscal year; and prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting. Copies of these documents shall be available for purchase at a reasonable cost.

ARTICLE IX COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration of Covenants, Conditions and Restrictions, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes.

ARTICLE X BOOKS AND RECORDS

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

ARTICLE XI REMEDIES FOR NON-PAYMENT OF ASSESSMENT

As more fully provided in the Declaration of Covenants, Conditions and Restrictions, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of ten (10%) percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property. Interest, costs, and applicable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape

liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

ARTICLE XII CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Falcon Point East Homeowners Association, Inc.

ARTICLE XIII AMENDMENTS

Section 1 - These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy; except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B membership if the Declarant has submitted for and obtained FHA or VA approval of the subdivision. This provision shall not apply if there has been no FHA and/or VA approval of the subdivision.

Section 2 - While there is Class B membership, any effort by the Board of Directors to mortgage the Common Area or dedicate the Common Area to any public authority must be submitted to the Federal Housing Administration for approval prior to the act, if the Declarant has submitted for and obtained FHA or VA approval of the subdivision. This provision shall not apply if there has been no FHA and/or VA approval of the subdivision.

Section 3 - In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration of Covenants, Conditions and Restrictions, the Restrictions shall control.

ARTICLE XIV FISCAL YEAR

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