

BYLAWS OF
HANNOVER FOREST HOMEOWNERS ASSOCIATION
A NON-PROFIT CORPORATION

1. Definitions. All words, terms and phrases used herein shall have the meaning set out in the (i) Declaration(s) of Covenants, Conditions and Restrictions (the "Declaration") applicable to any section of Hannover Estates Subdivision (a/k/a Hannover Forest), said Declaration(s) to be recorded in the Official Public Records of Real Property of Harris County, Texas, said Declaration(s) covering all or part of those certain tracts or parcels of land containing approximately 70 acres of land in Harris County, Texas, and being more specifically described in that certain Special Warranty Deed dated October 2, 1996 from Hannover Estates, Ltd. to George Wimpey of Texas, Inc., recorded under Clerk's File Number S153276, Film Code Reference No. 510-33-0246, Official Public Records of Real Property of Harris County, Texas, which is hereby incorporated herein by reference, and (ii) the Articles of Incorporation for HANNOVER FOREST HOMEOWNERS ASSOCIATION, filed on April 28, 1997, Charter No. 01443748.

2. Controlling Documents. In the event of any conflict between the terms and provisions of these Bylaws and the Declaration, the Declaration shall control over these Bylaws.

3. Meetings of Members.

a. Annual Meetings. The first annual meeting of the Members shall be held on a date selected by the Board of Directors of the Association upon three (3) days prior written notice to the Members. Thereafter, each subsequent regular annual meeting of the Association shall be held at such time as may be set by the Board not less frequently than once every calendar year. At each annual meeting such business as the Members deem proper shall be transacted at such time. All meetings of the Association shall be scheduled for a time and place reasonably convenient to the Members.

b. Notice. Notice of time, place and subject matter of all annual and special meetings shall be given to each Member by mailing such notice to such Member.

c. Special Meetings. Special meetings of the Association may be called at any time for the purpose of considering matters which, by the terms of the Declaration, require the approval of all or some of the Members, or for any other reasonable purpose. Said meetings shall be called by written notice, signed by the President, or by the Members holding at least one-fourth (1/4) of the Class A votes and delivered not less than fifteen (15) days prior to the date fixed for said meeting. Said notices shall specify the date,

time and place of the meeting, and the matters to be considered thereat.

d. Quorum. The presence in person or by proxy of the Members entitled to cast one-tenth (1/10) of the votes of each class of votes shall constitute a quorum for holding any meeting of the Association, except as otherwise provided herein, the Articles of Incorporation or the Declaration. If, however, such quorum shall not be present or represented at any meeting of the Association, the Members 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.

e. 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.

f. Majority Vote. When a quorum is present at any meeting of the Association, the vote of a majority by Members present in person or by proxy at such meeting) shall decide any question brought before such meeting unless the question is one upon which by express provisions of the Articles of Incorporation, the Declaration or the Bylaws, a different vote is required, in which case such express provision shall govern and control a vote on such question. Notwithstanding anything contained to the contrary herein, Class A Members shall be entitled to one vote for each Lot owned and the Class B Member shall be entitled to three votes for each Lot owned, until such time as the Class B membership is converted into Class A membership, on the happening of either of the following events, whichever shall first occur:

(1) when the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership; or

(2) April 1, 2010. The Class A and Class B members shall have no rights as such to vote as a class, except as required by the Texas Non-Profit Corporation Act, and both classes shall vote together upon all matters as one group.

g. Cumulative Voting Prohibited. At all meetings of the Association, cumulative voting shall not be permitted.

4. Board of Directors.

a. Number and Qualification. The affairs of this Association shall be managed by a Board of three (3) Directors, who need not be Members.

b. Election. Each director, other than the initial directors, shall hold office for a term of three (3) years, such terms to be staggered so that one (1) director is elected each year. The Board in its discretion may elect a Chairman of the Board who shall preside at Board meetings and generally manage the affairs of the Board; otherwise, the President of the Corporation shall preside.

c. Initial Board of Directors. The initial board of directors shall consist of the following individuals, each of whom shall hold such position for the stated term:

<u>Name:</u>	<u>Term:</u>
Vincent Pizzonia	Three (3) years
James Black	Two (2) years
Donna Paradoski	One (1) year

d. Election. Members of the initial Board of Directors shall hold office until their stated terms expire and until their successors have been elected and qualified. At each annual meeting of directors, the current directors shall elect new directors to fill the offices vacated by the expiration of terms. Each director shall hold office for the term for which he is elected or until his successor shall be elected and qualified.

e. Removal and Vacancies. Any Director may be removed from the Board, with or without cause, by a two-thirds (2/3) vote of the Members 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 Members. Except as to vacancies provided by removal of Directors by vote of the Members, vacancies in the Board occurring between annual meetings of the Association shall be filled by the remaining Directors. Notwithstanding anything contained herein seemingly to the contrary, no Director appointed by the Declarant may be removed by a vote of the Members prior to the first annual meeting of the Association called by the Declarant; and, provided further, the Declarant may, at any time and from time to time, remove and replace any Director appointed by the Declarant.

f. Compensation and Expenses. No member of the Board shall receive any compensation from the Association for acting

as such but shall be reimbursed for reasonable expenses incurred while serving in such capacity.

g. 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.

h. Organization Meeting. The organization meeting of a newly elected Board shall be held within ten (10) days of their election at a 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 organization meeting shall be necessary.

i. Regular Meetings. Regular meetings of the Board 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.

j. Special Meetings. Special meetings of the Directors may be called by the President and must be called by the Secretary at the written request of two (2) of the Directors. Not less than three 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.

k. 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.

l. Quorum. A quorum at Board meetings shall consist of a majority of the entire Board. 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, except where approval by a greater member is required by the Declaration or by the Bylaws.

m. 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.

n. Nomination. Nomination for election to the Board shall be made by a nominating committee which shall consist of a chairman who shall be a member of the Board, and two or more Members, who shall have been appointed by the Board 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 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.

o. Election. Election to the Board shall be by secret written ballot, at which election the Members may cast, in person or by proxy, in respect to each vacancy, such votes as they are entitled to exercise under the provisions of the Declaration. Persons receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

5. Powers and Duties of the Board of Directors.

a. The Board shall have power to:

(1) adopt and publish rules and regulations governing the use of the Common Properties and Facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction therefor;

(2) suspend the voting rights and right to use of the Common Properties and 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 infraction of published rules and regulations;

(3) exercise on behalf of 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 Bylaws, the Articles of Incorporation, or the Declaration;

(4) declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board; and

(5) employ a manager, an independent contractor, or such other employees as they deem necessary, and prescribe their duties.

b. It shall be the duty of the Board to:

(1) Cause to be kept a complete record of all of 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;

(2) supervise all officers, agents and employees of this Association, and see that their duties are properly performed:

(3) as more fully provided in the Declaration:

(i) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(ii) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(iii) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or bring an action at law against the Owner personally obligated to pay the same.

(4) issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of such a certificate. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(5) procure and maintain adequate liability and hazard insurance covering the Association, the Board and any property owned by the Association as it may deem appropriate;

(6) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(7) cause the Common Area and Facilities to be maintained, including but not limited to trimming, watering and trash pick-up, as necessary; and

(8) cause Lots to be maintained as called for by the Declaration in the event of assignment to the Association of such right and obligation by Declarant (defined therein).

