

## **EXHIBIT "A"**

### **BY-LAWS**

#### **HERITAGE HILL TOWNHOME OWNERS ASSOCIATION, INC.**

### **ARTICLE I** **PLAN OF TOWNHOME OWNERSHIP**

#### **Section 1. Townhome Unit Ownership**

The project located in the City of Brenham, County of Washington, State of Texas, known as Heritage Hill Townhomes, is submitted subject to the provisions of the Declaration of Covenants, Conditions and Restrictions of Heritage Hill Townhomes filed of record in the Deed records of Washington County.

#### **Section 2. By-Laws Applicability**

The provisions of these By-Laws are applicable to the Townhome Project. The term "Townhome Project" as used herein shall include the land.

#### **Section 3. Personal Application**

All present or future owners, tenants, future tenants, or their employees or any other person that might use the facilities of the Townhome Project in any manner, are subject to the regulations set forth in these By-Laws.

The mere acquisition or rental of any of the Townhome Units, (hereinafter referred to as "units"), of the project or the mere act of occupancy of any of said units will signify that these By-Laws are accepted, ratified, and will be complied with, and the terms of these By-Laws and the Declaration of Covenants, Conditions, and Restrictions shall be incorporated by reference into any lease or Rental Agreement of any of the units for purposes of determining of a default there under.

### **ARTICLE II** **VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES**

#### **Section 1. Voting**

Voting shall be on a percentage basis and the percentage of the vote to which the owner is entitled is the percentage assigned to the unit or units in the Declaration of Covenants, Conditions, and Restrictions.

#### **Section 2. Majority of Owners**

As used in these By-Laws, the term "majority of owners" shall mean those owners holding fifty-one percent (51%) or more of the votes in accordance with the percentages assigned in the Declaration of Covenants, Conditions, and Restrictions.

### **Section 3. Quorum**

Except as otherwise provided in the By-Laws, the presence in person or by proxy of a "Majority of Owners", as defined in Section 2 of this Article, shall constitute a quorum.

### **Section 4. Proxies**

Votes may be cast in person or by proxy. Proxies must be filed with the Secretary of Heritage Hill Homeowners Association, Inc., hereinafter referred to as the "Association", before the appointed time of each meeting.

## **ARTICLE III** **ASSOCIATION RESPONSIBILITIES, MEETINGS**

### **Section 1. Association Responsibilities**

The owners of the units will be members of the Association which will have the responsibility of administering the project, approving the annual budget, establishing and collecting assessments and arranging for the management of the Townhome Project pursuant to an agreement, containing provisions relating to the duties, obligations, removal and compensation of the management agent, if any. Except as otherwise provided, decisions and resolutions of the Association shall require approval by a majority of Owners.

### **Section 2. Place of Meeting**

Meetings of the Association shall be held at a suitable place convenient to the Owners as may be designated by the Board of Directors.

### **Section 3. Annual Meeting**

The first annual meeting of the Association shall be held within either thirty (30) days after title to twelve (12) units of the Heritage Hill Townhomes have been conveyed to bona fide purchasers of such units or September 1, 2008, whichever occurs first. Thereafter, the annual meeting of the Association shall be held on the anniversary date of the first annual meeting of each succeeding year, which date is not a legal holiday. If such date is a legal holiday, then the annual meeting shall be held on the day next following said date which is not a legal holiday. At such meetings there shall be elected by ballot of the Owners, a Board of Directors in accordance with the requirements of Article IV of these By-Laws. However, notwithstanding anything contained herein to the contrary, the first election of the Board of Directors by the owners shall not take place until eighteen (18) months after the filing of the Declaration of Covenants, Conditions and Restrictions or until thirty (30) days after all twelve (12) units have been sold to bona fide purchasers, whichever comes first. The owners may also transact such other business of the Association as may properly come before them.

### **Section 4. Special Meetings**

It shall be the duty of the President to call a special meeting of the owners as well as directed by resolution of the Board of Directors or upon a petition signed by a majority of the owners after having been presented to the Secretary.



The notice of any special meeting shall state the time and place of such meeting and purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths (4/5ths) of the owners present, either in person or by proxy.

**Section 5. Notice of Meetings**

It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each owner of record, at least five (5) days but not more than ten (10) days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served.

**Section 6. Adjourned Meetings**

If any meeting of Owners cannot be organized because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

**Section 7. Order of Business**

The order of business at all meetings of the owners shall be as follows:

- (a) Roll call
- (b) Proof of notice of meeting or waiver of notice
- (c) Reading of minutes of preceding meeting
- (d) Reports of officers
- (e) Reports of committees
- (f) Election of inspectors of election
- (g) Election of directors
- (h) Unfinished business
- (i) New business

**ARTICLE IV**  
**BOARD OF DIRECTORS**

**Section 1. Number and Qualifications**

The affairs of the Association shall be governed by a Board of Directors (herein referred to as Board of Directors), composed of five (5) persons all of whom must be owners of units in the Townhome Project, except that until such time as a Board of Directors shall be elected according to the provisions of Article III, Section 3, contained in the By-Laws, the affairs of the Association shall be governed by an Interim Board of Directors who need not be owners of units, composed of the following three (3) persons:

- (a) President
- (b) Vice President
- (c) Secretary

The interim Board of Directors shall have the same powers and duties enumerated in these By-Laws for the elected Board of Directors. The Grantor, Westfield Builders, LLC, shall have the authority to appoint the Interim Board of Directors, fill vacancies in such Interim Board of Directors and to remove at will, (with or without cause), the Interim Board of Directors until the first annual meeting.

## **Section 2. Other Duties**

In addition to duties imposed by the Declaration, these By-Laws or by resolutions of the Association, the Board of Directors shall be responsible for the following:

- (a) Care, upkeep, and surveillance of the Townhome Project and the common areas and facilities and the limited common areas and facilities.
- (b) Collection of monthly assessments from the owners, and maintaining an adequate reserve for replacement fund.
- (c) Designation and dismissal of the personnel necessary for the maintenance and operation of the Townhome Project, the common areas and facilities and the limited common areas and facilities.
- (d) Designating by resolution the person or persons authorized to act on behalf of the Association in the maintenance, repair and replacement of the common areas and facilities.
- (e) To make and amend reasonable rules and regulations concerning the use of the Townhome project.

## **Section 3. Management Agent**

The Board of Directors may, but shall not be required to, employ for the Association a management agent at a compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Section 2 of this Article.

## **Section 4. Election and Term of Office**

At the first annual meeting of the Association, a Board of Directors shall be elected as follows:

- (a) **Nomination:** Nomination for election to the Board of Directors shall be made from the floor at the annual meeting.
- (b) **Election:** Election to the Board of Directors shall be secret written ballot. At such election the members of their proxy may cast in respect to each vacancy as many votes as they are entitled to exercise under the provisions of the Townhome Declaration. The person receiving the largest number of votes shall be elected. Cumulative voting is not permitted.



At the first annual meeting of the Association, the term of office of two Directors shall be fixed for three (3) years. The term of office of two (2) more Directors shall be fixed at two (2) years and the term of office of the one (1) remaining Director shall be fixed at one (1) year. At the expiration of the initial term of office of each respective Director, his successors shall be elected to serve a term of two (2) years. The Directors shall hold office for the respective terms and until their successors have been duly elected and hold their first meeting.

#### **Section 5. Vacancies**

Vacancies in the Board caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum, and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association.

#### **Section 6. Removal of Directors**

At any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause, by a majority of the owners and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting.

#### **Section 7. Organizational Meeting**

The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

#### **Section 8. Regular Meetings**

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, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board shall be given to each Director, personally, by mail, or by telephone, at least three (3) days prior to the day named for such meeting.

#### **Section 9. Special Meetings**

Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director, given personally, by mail, or by telephone. Notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) Directors.

#### **Section 10. Waiver of Notice**

Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent

to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him at the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

**Section 11. Board of Director's Quorum**

At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

**Section 12. Fidelity Bonds**

The Board of Directors shall require that all officers and employees of the Association including management agent and its employees, handling or responsible for Association funds furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

**Section 13. Compensation of Directors and Officers**

The Board of Directors and Officers shall receive such reasonable compensation, if any, as shall be approved by the majority of the owners. Otherwise, they shall serve without compensation, but shall be entitled to be reimbursed for actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

**Section 14. Committees**

The Board of Directors may, but shall not be required to, appoint an executive committee, and it may designate and appoint members to the standing committees, such as:

(a) A Recreation Committee which shall advise the Board on all matters pertaining to the recreational program and activities of the Association and shall perform such other functions as the Board, in its discretion, determines;

(b) A Maintenance Committee which shall advise the Board on all matters pertaining to the maintenance, repair or improvement of the Townhome Project, and shall perform such other functions as the board, in its discretion, determines;

(c) A Publicity Committee which shall inform the members of all activities and functions of the Association, and shall, after consulting with the Board, make such public releases and announcements as are in the best interest of the Association; and



(d) An Audit Committee which shall supervise the annual audit of the Association's books and approve the annual budget and statement of income and expenditures to be presented the membership at its regular annual meeting. The Treasurer shall be an exofficio member of the Committee.

It shall be the duty of each committee to receive complaints on any matter involving Association functions, duties and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, Director, officer or management agent of the Association as is further concerned with the matter presented.

## **ARTICLE V** **OFFICERS**

### **Section 1. Designation**

The principal officers of the Association shall be;

- (a) President
- (b) Vice President
- (c) Secretary
- (d) Treasurer

All of whom shall be elected by and from the Board of Directors. The Secretary and Treasurer may be filled by the same person.

### **Section 2. Election of Officers**

The officers of the Association shall be elected annually by the Board of Directors of the organization meeting of each new Board and shall hold office at the pleasure of the Board.

### **Section 3. Removal of Officers**

Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

### **Section 4. President**

The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Association and of the Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of president of an Association, including, but not limited to, the power to appoint committees from among the Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the Association.

### **Section 5. Vice President**

The Vice President shall take the place of the President and perform the Presidents' duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to so do on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

**Section 6. Secretary**

The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings Association. The Secretary shall have charge of such books and papers as the Board of Directors may direct; and shall, in general, perform all of the duties incident to the office of Secretary.

**Section 7. Treasurer**

The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for the keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuables in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board of Directors.

**ARTICLE VI**  
**OBLIGATIONS OF THE OWNERS**

**Section 1. Assessments**

All Owners are obligated to pay monthly assessments imposed by the Association to meet all of the Townhome Project's common expenses; as determined by the Board of Directors, which may include without limitation a liability insurance policy premium and any insurance premium for a policy to cover repair and reconstruction work in case of hurricane, fire, earthquake or other hazard; other insurance, adequate reserve for replacement fund, maintenance, management, utilities and other expenses necessary, incidental or convenient to the Townhome Project. The assessments shall be made prorata, as stipulated in the Declaration.

**Section 2. Maintenance and Repair**

(a) Every Owner must perform promptly all maintenance and repair work within his own Unit, which if omitted would affect the property in its entirety or in a part belonging to other Owners, being expressly responsible for the damages and liabilities that his failure to do so may engender;

(b) All the repairs of internal installation of the Unit such as water, light, gas, power, sewage, telephone, furnace, air conditioning and heating systems, hot water heating systems, sanitary installations, doors, windows, exterior envelope, lamps and all other accessories belonging to the Unit shall be at the Owner's expense.



(c) An Owner shall timely reimburse the Association for any expenditure incurred in repairing or replacing any common area and facility damaged through his fault.

**Section 3. Use of Townhome Units – Internal Changes**

(a) All Units shall be utilized for residential purposes only;

(b) An Owner shall not make structural modifications or alterations in his Unit or installations located therein without previously notifying the Association in writing, through the management agent, or through the President or the Board of Directors. The Association all have the obligation to answer within thirty (30) days and the failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

**Section 4. Use of Common Areas and Facilities and Limited Common Areas and Facilities.**

An Owner shall not place or cause to be placed in the walkways, landings, or other Townhome Project areas and facilities of a similar nature both common and limited, any furniture, packages or objects of any kind. Such areas shall be used for no other purpose than for normal transit through them.

**Section 5. Right of Entry**

(a) An Owner shall grant the right of entry to the management agent or to any other person authorized by the Board of Directors or the Association in case of any emergency originating in or threatening his Unit, whether the Owner is present at the time or not;

(b) An Owner shall grant the right to the Association or its representatives, when so required, to enter his Unit for the purpose of performing installations, alterations, or repairs, provided that requests for entry is at a time convenient to the Owner. In case of an emergency, such right of entry shall be immediate.

**Section 6. Rules and Regulations**

The Administrative Rules and Regulations are established for the mutual benefit, enjoyment and comfort of Owners and to further the successful operation of the Owners, their lessees and guests, as defined in the Declarations. Owners are responsible for the observance of these Rules and Regulations by the members of their household, their lessees and their guests.

(a) **Occupancy:** A Unit shall not be permanently occupied by more than one (1) family nor more than four (4) persons per Unit.

(b) **Exterior Installations:** Owners shall not install antennae or other external equipment, modification, decoration, signs, lighting, landscaping or otherwise that affect uniformity or aesthetics of the building.

(c) **Negligence:** An Owner shall be liable for the expense of any maintenance, repair or replacement made necessary by his negligent act or any that of any member of his family or his or their guests, employees, agents or lessees. Such liability shall include any increase in fire insurance rates caused by misuse or abandonment of a Unit or its appurtenances.

(d) **Attorney's Fees:** Any proceeding by the Association arising because of an alleged failure of an Owner to comply with the terms of the Declaration, By-Laws, or these Regulation, and as such documents are emended, shall entitle the Association to receive reasonable attorney's fees and court costs as may be awarded by the court.

(e) **Pets:** No animals, livestock or poultry of any kind shall be raised, bred, or kept in any Unit, except that reasonable numbers, consistent with a residence, of dogs, cats or other household pet may be kept provided that they are not kept, bred or maintained for any commercial purposes. The following rules, in addition to any others hereafter made by the Association, shall apply to the keeping of pets.

(1) No pets shall be allowed in the common areas or facilities unless on a leash held by the pet's owner or agent;

(2) No dog, cat, bird or other pet shall be kept by an Owner which pet make such noise or disturbances by barking or otherwise which unreasonably disturbs other Unit Owners;

(3) Each Owner shall immediately clean up and properly dispose any messes or droppings left by his pet on any part of the common area and facilities or the limited common areas and facilities;

(4) In no event shall any unit be used to keep any pet greater that twenty five (25) pounds in weight;

(5) In no event shall any unit be used to keep more that two (2) dogs, cats or other similar household pet or combination thereof and their offspring over (10) weeks old; and

(6) The Association shall have the power to enforce these provisions by levying fines and assessments for violation thereof and by requiring owners to dispose of pets which are a nuisance to the other owners or are being kept in numbers in excess of those hereby allowed. It is agreed that this provision is for the mutual benefit of all owners.

(f) **Keys:** A Passkey must be furnished by the owner to an officer of the Association or the management agent. If the lock is changed, a new passkey must be furnished.



(g) **Door Lock:** Replacement and additional locks may not be installed until one of the Officers of the Association or the management agent has been furnished with a key to all such locks so that entry to any Unit may be made during an emergency

(h) **Fire Hazard:** No items which may create a fire hazard shall be kept or used in any Unit or the common areas and facilities or the limited common areas and facilities.

(i) **Litter:** All litter in the common areas and facilities shall be placed in trash receptacles. All users of the common areas and facilities will clean up whatever common areas and facilities they use.

(j) **Parking:** Parking of vehicles on any street, driveway or thoroughfare located within the Townhome Project shall be restricted to the Owners and their invitees and only in designated areas provided. In no event shall a vehicle ever be parked in such a manner which will block ingress or egress to or from any part of the Townhome Project.

(k) **Guests:** Residents shall be strictly responsible for the instruction of their guests as to the provisions of these Rules and Regulations.

The foregoing administrative rules and regulations may be withdrawn or modified by affirmative vote of a majority of the Owners at a regular or special meeting. Additional administrative rules and regulations may be promulgated by the affirmative vote of a majority of the Owners of a regular meeting or a special meeting. Such administrative rules and regulations shall not take effect until thirty (30) days after adoption.

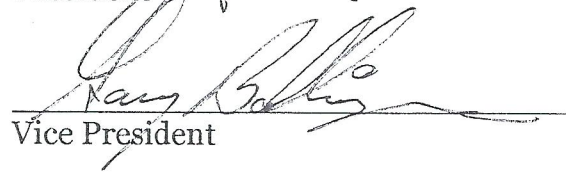
## **ARTICLE VIII** **NO WAIVER OF RIGHTS**

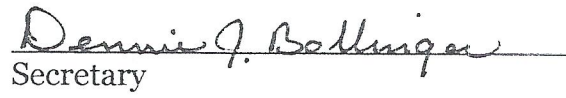
The omission or failure of the Association or any owner to enforce the covenants, conditions, restrictions, uses, limitations, easements, obligations or other provisions of the Declaration of Covenants, Conditions and Restrictions, By-Laws, or the Rules and Regulations adopted pursuant thereto shall not constitute or be deemed a waiver, modification, or release thereof, and the Board of Directors or the management agent shall have the right to enforce the same thereafter.

## **ARTICLE XI** **COMPLIANCE**

These By-Laws are set forth to comply with the requirements of the Declaration of Covenants, Conditions and Restrictions, it is hereby agreed and understood that the provisions of the Declaration shall apply.

  
President

  
Vice President

  
Secretary