

BYLAWS
OF
FALLS AT FAIRDALE HOMEOWNERS
ASSOCIATION, INC.
A TEXAS NON-PROFIT CORPORATION

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BYLAWS
OF
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A TEXAS NON-PROFIT CORPORATION

ARTICLE I

Name; Offices

1.1 Name. The name of the corporation is FALLS AT FAIRDALE HOMEOWNERS ASSOCIATION, INC. (hereinafter referred to as the "Association").

1.2 Principal Office. The principal office of the Association shall be 5065 Westheimer Rd., Suite 840, Houston, Texas 77056. The address of the principal office may be changed from time to time as shall be directed by resolution of the Board of Directors effective immediately upon the giving of notice of such change of address to all Owners. The Association may also have offices at such other places as the Board of Directors may from time to time designate or as its business may require.

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

ARTICLE II

Definitions

2.1 Incorporation of Definitions. All definitions as set forth in Article I of the "Declaration of Covenants, Conditions and Restrictions for Falls at Fairdale Townhomes" heretofore filed under Clerk's File No. 20070219120, Official Public Records of Real Property of Harris County, Texas (the "Declaration"), as amended, are hereby incorporated by reference herein. In addition to the foregoing and to any other definitions set forth in these Bylaws, the following term has the following meaning:

2.1.1 "Assessments" means any and all assessments, annual, special, specific or otherwise, and all other monetary obligations owed by any Member or Owner to the Association as provided for in, and in accordance with, the Declaration and any other applicable Governing Documents (hereinafter defined).

ARTICLE III

Membership; Voting Rights and Procedures

3.1 Membership; Voting Rights.

3.1.1 Owners as Members. As more fully described in the Declaration, every person or entity who is the Owner of a fee simple title or undivided fee simple title interest applicable to any Lot that is subject to the Declaration is a Member of the Association, and as such shall have voting rights as set forth in the Declaration.

3.2 When Member Required to Designate Representative; Effect. Each Member which is not a natural person is required to designate one natural person to act on such Member's behalf as herein provided. The designation must be by written and dated notice stating (i) the name and contact address, telephone number and the facsimile number, when available, of the designated representative, and (ii) the effective date of such designation, which effective date may not be earlier than the later to occur of midnight of the date stated in the notice or midnight of the date of receipt of the notice by the Association. The Association is not required to recognize any person as being authorized to represent or act on behalf of any Member which is not a natural person until such designation has been received by the Association. A designation as aforesaid fully authorizes the designated representative to bind the designating Member as to all matters, decisions and actions of the designated representative whether or not such authority is expressly stated in the written designation; provided, the Board may require any designated representative to show authority to act in such manner as the Board may reasonably require. Any designated representative may be changed from time to time in the same manner as required for original designation. In the event of conflict between designations, the most currently dated designation which has been received by the Association will control. Any such representative may serve as a Director as provided herein.

3.3. Suspension of Voting Rights. All voting rights appurtenant to ownership of a Lot will or may be suspended in accordance with the following:

3.3.1 Automatic Suspension. All voting rights appurtenant to a Lot are automatically suspended during any period of time any Assessments are delinquent as described in Article III, Section 3 of the Declaration and extending through the fifth banking business day after payment in full is received and deposited by the

Association. During such suspension, no Owner of the affected Lot is entitled to vote upon any matters coming before the Members.

3.3.2 Suspension After Notice. Upon not less than ten days written notice, the Board of Directors may suspend the voting rights appurtenant to any Lot as to which the Owner or any Occupant thereof, or their respective agents, employees, guests or invitees, are in violation of any provisions of the Governing Documents as determined in the sole good faith discretion of the Board of Directors. During such period of suspension no Owner of the affected Lot is entitled to vote upon any matters coming before the Members. In the event of such suspension, any affected Owner is entitled to petition the Board of Directors in writing for reinstatement of voting rights, and to be heard at a regular or special meeting of the Board of Directors thereon. As used in these Bylaws, the term "Governing Documents" shall mean all documents and applicable provisions thereof as set forth in the Declaration, these Bylaws, the Articles of Incorporation of the Association, any Rules and Regulations and Architectural Control Guidelines that may be promulgated by the Association, all written decisions and resolutions of the Architectural Control Committee and the Board, and any lawful amendments to any of the foregoing.

3.4 Good Standing. A Member is *not* in good standing during any period during which the Member's voting rights have been suspended, including any period during which any Assessments are owed to the Association.

3.5 Voting Procedures. Voting on any matter brought before the Members must be conducted in accordance with the following:

3.5.1 Right to and Manner of Vote. At all meetings of Members, voting may be in person or by proxy. Voting by proxy will be deemed voting in person for all purposes. Voting by Mail-In Ballot is permitted only as provided by Section 3.5.2.

3.5.2 Limited Right to Elect Directors by Mail-In Ballot. As to but only as to election of Directors, the Board of Directors may authorize and adopt procedures whereby Members may cast a ballot vote by mail, by facsimile transmission or by any combination of the two (herein referred to as a "Mail-In Ballot"). Voting as to election of Directors by Mail-In Ballot will be deemed voting in person only as to the election. To the extent applicable, references in these Bylaws to ballots also include Mail-In Ballots.

3.5.3 Form of Proxy or Ballot; Voting Procedures.

a. All proxies and ballots must be in writing, dated and signed by the Member giving or casting same, and must set forth the printed name(s) of the Member(s) and the address of each Unit and/or legal designation by section, block and lot reference to each Unit as to which voting rights are being exercised. An Owner of

multiple Lots may execute a single proxy or ballot as to all Lots owned and thereby vote as to all such Lots (being one vote per Lot or such higher number of votes per Lot as may be provided in the Declaration).

b. Members may vote only by written proxy or ballot as to (i) election or removal of Directors by Members, (ii) amendment, modification, revision or repeal of the Declaration, Articles of Incorporation or these Bylaws when a vote of the Members as to same is permitted or required, (iii) merger, consolidation or dissolution of the Association, (iv) sale, lease or exchange of all, or substantially all, the property and assets of the Association, and (v) any other matters as from time to time determined by the Board of Directors. As to any of the foregoing, only ballot type proxies which specify the matters to be voted on and which allow the Member giving the proxy an opportunity to determine the manner in which the proxy holder must vote are permitted. Subject to Section 3.6.8 voice or show voting is permitted as to any other matters, and the use of general or blanket type proxies are permitted as to any such matters.

c. Proxies and Mail-In Ballots must be received by the Association by the date of the meeting to which same pertains, or such earlier date certain as stated therein or in the notice of the meeting which date certain may not be more than three banking business days prior to the meeting. The date is automatically extended in the case of continuation or adjournment of the meeting to which same applies to the last banking business day prior to the date of the continued or adjourned meeting.

d. When acting pursuant to a proxy, each proxy holder must sign and date the original proxy or a copy thereof and any ballot cast pursuant thereto.

e. A proxy or ballot is valid only for the meeting to which same pertains, and as to all subsequent continued or adjourned meetings thereof provided the continued or adjourned meeting or meetings are held within one hundred twenty days after the date of the original meeting.

f. Any proxy or ballot which is not in writing and signed by the Member giving or casting same is invalid. Any undated proxy or ballot will be dated as of the date received by the Association. The validity of any proxy or ballot due to any other defect in form will be determined by the "Vote Tabulators" (as defined in Section 3.6.1) whose decisions thereon shall be final.

3.5.4 Revocation of Proxy or Mail-In Ballot. All proxies and Mail-In Ballots may be revocable, except to the extent otherwise permitted by law and expressly provided therein, until the call for voting upon the matters to which same pertain; provided, once delivered to the custody of the Association, no proxy or Mail-In Ballot may be revoked except in writing, either by printing "revoked" on same and signing and dating such notation, or by separate instrument which specifically identifies the proxy or Mail-In Ballot to be revoked and which is dated and signed; and any such revocation will be

effective only if actually received by the Association prior to call for voting upon the matters to which the revocation pertains.

3.5.5 Voice or Show Votes. Except as provided in Section 3.5.3(b) or as otherwise required by the Declaration or law, the Members (or their proxy holders) may vote on any matters by voice, by rising or by show of hands as the Chairperson of the meeting shall direct.

3.6 Verification and Tabulation of Voting Results.

3.6.1 By Whom Verified. Except as hereafter provided, voice or show voting results as provided in Section 3.5.5 will be verified by the Chairperson of the meeting to which same pertains. Proxy or ballot voting results will be verified, tabulated and maintained by the Board of Directors, or by such other committee of three persons as may be designated by the Board of Directors (the "Vote Tabulators").

3.6.2 Verification of Right to Vote. Satisfactory proof of membership, or of a Member's good standing to entitle the Member to vote or any other qualifications necessary to the validity of a ballot or proxy may be required if in the sole good faith opinion of the Vote Tabulators reasonable doubt as to same exists.

3.6.3 Proxies or Ballots Confidential. No ballot or proxy may be inspected by any person other than the Vote Tabulators, the Board of Directors and/or legal counsel to the Association. The Vote Tabulators, the Board of Directors and/or legal counsel will inspect ballots and proxies solely for the purposes of validating same and tabulating the results of any vote of the Members, and the contents of same will be held in confidence by all such parties; provided, the Board of Directors may disclose the contents of proxies and ballots (including Mail-In Ballots) to the extent it shall in its sole opinion deem necessary to resolve any disputes as to same or as may otherwise be required by order of a court of competent jurisdiction.

3.6.4 Minimum Period of Retention of Ballots or Proxies. The Association shall maintain proxies and ballots for a minimum period of four (4) years from the date of the meeting or other action to which same pertain after which time such ballots and proxies may be destroyed.

3.6.5 Announcement of Voting Results. The Members will be notified of the results of tabulation of any vote (i) verbally at the meeting to which same pertains, or (ii) after the meeting by written notice given to all Members as reasonably soon as practical after the meeting if only a tentative result can be determined at the meeting as provided in the following two Sections, as applicable. In either case, the final results will be made a part of the minutes of the meeting, but a specific count of the voting need not be included in the minutes.

3.6.6 Verification of Ballot or Proxy Votes. When tabulating any voting results at a meeting, the Vote Tabulators may disregard any proxy or ballot the validity of which is reasonably in doubt as determined in the sole opinion of the Vote Tabulators. If after tabulating the results of any vote of the Members disregarding any doubtful ballots or proxies, the results of such tabulation could not be changed even if all such doubtful ballots or proxies were counted as votes against the results otherwise obtained, a final tabulation will be announced at the meeting. If the results of any vote could be changed by counting the doubtful ballots or proxies as aforesaid, a tentative result will be announced at the meeting after which a final tabulation will be made as soon as practicable as provided in the next Section.

3.6.7 Verification of Tentative Results. When a tentative result has been announced at any meeting, the Vote Tabulators and/or legal counsel to the Association will make every reasonable effort to finally validate or invalidate all doubtful ballots and proxies. If in the sole good faith opinion of the Vote Tabulators and/or legal counsel to the Association a reasonably certain result cannot be announced due to the number of doubtful ballots and/or proxies, then such vote shall be declared void and the Members will be so notified.

3.6.8 Verification of Voice or Show Vote. If the Chairperson at any meeting is in doubt as to the results of any vote by voice, the Chairperson may call for verification by re-vote by rising or by show of hands, and/or as to either method require a specific count. If a specific count is taken, the results shall be made a part of the minutes of the meeting. Owners of a majority of Lots present at the meeting may vote to require verification of any voice vote in the same manner.

3.6.9 Limitations Period to Challenge Vote. AS A CONDITION PRECEDENT TO ANY SUIT OR OTHER PROCEEDINGS TO CHALLENGE OR OTHERWISE DISPUTE TABULATION OR VERIFICATION OF ANY VOTE, OR ANY OTHER MATTERS PERTAINING TO THE VALIDITY OF ANY MEETING OF MEMBERS OR ANY VOTE OF THE MEMBERS, WRITTEN NOTICE MUST BE GIVEN TO THE BOARD OF DIRECTORS, AND IF APPLICABLE TO THE ASSOCIATION'S MANAGING AGENT, WITHIN NINETY DAYS AFTER THE LATER TO OCCUR OF THE DATE OF THE APPLICABLE MEETING OR THE GIVING OF NOTICE AS TO A TENTATIVE VOTING RESULT ANNOUNCED AT THAT MEETING. THE NOTICE MUST SET FORTH THE BASIS FOR ANY CHALLENGE OR OTHER DISPUTE WITH SUFFICIENT DETAIL TO PROVIDE FAIR NOTICE AS TO THE BASIS. IN ADDITION, BUT WITHOUT LIMITATION OF THE FOREGOING, ANY SUIT TO CHALLENGE OR OTHERWISE DISPUTE TABULATION OR VERIFICATION OF ANY VOTE OR ANY OTHER MATTERS PERTAINING TO THE VALIDITY OF ANY MEETING OF THE MEMBERS OR ANY VOTE OF THE MEMBERS MUST BE FILED IN HARRIS COUNTY, TEXAS, WITHIN TWO YEARS AFTER THE LATER TO OCCUR OF THE DATE OF THE APPLICABLE MEETING OR THE GIVING OF NOTICE AS TO A TENTATIVE VOTING RESULT ANNOUNCED AT THAT MEETING.

ARTICLE IV

Meetings of Members

4.1 Annual Meeting. The first annual meeting of the Members of the Association will be held on the Election Date, as that term is defined in the Declaration, or earlier at the option of the Board of Directors. Each annual meeting thereafter will be held during the month of March of each year, as determined by the Board of Directors, and at such place within Harris County, Texas, as determined by the Board of Directors.

4.2 Special Meetings. Special meetings of the Members may be called at any time by the President, or by the Board of Directors, or by written petition signed by not less than the Owners of a majority of the Lots then contained in the Property. Notice of the special meeting must be sent within thirty (30) days after receipt of the request for call of same unless within the thirty-day period written notice is given to all parties calling same stating a proper reason or reasons why the meeting will not be so noticed either at all or within the thirty-day period, and in the latter case the written notice must state a reasonable period of time within which the meeting will be noticed.

4.3 Notice of Meetings. Written notice of each meeting of the Members must be given by, or at the direction of, the Secretary or such other person authorized to call the meeting, not less than ten (10) nor more than fifty (50) days before such meeting to each Member according to the records of the Association. Such notice must specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose or purposes of the meeting.

4.4 Quorum. The presence, in person or by proxy and whether or not in good standing, at any meeting of Members owning not less than one-fifth of the Lots then contained in the Property constitutes a quorum for any action except as otherwise required by law, the Articles of Incorporation, the Declaration or these Bylaws. Once a quorum is established at any meeting the quorum cannot thereafter be broken for that meeting by any Member leaving the meeting. If a quorum is not present or represented at any meeting, the meeting may be adjourned at any time and from time to time, without any further notice other than announcement at the meeting, until a quorum as aforesaid is present or represented, either by announcement by the Chairperson of the meeting or by vote of Members owning a majority of the Lots who are present in person or by proxy; provided, the adjourned meeting or meetings must be held within ninety days after the date of the original meeting. At any such adjourned meeting at which a quorum is present or represented, any business may be transacted which might have been transacted at the meeting as originally called.

4.5 Majority Vote. The vote, in person or by proxy, of a majority of the votes actually cast at a meeting at which at least a quorum is (or was) present or represented shall be the act of the Members' meeting except as otherwise provided or required by law, the Articles

of Incorporation, the Declaration, or these Bylaws. Any such act of a Member's meeting is binding upon all Members and Owners.

ARTICLE V

Board of Directors

5.1 Composition. The affairs of the Association shall be managed by a Board of three Directors. The number of Directors may be increased or decreased from time to time by amendment of these Bylaws, provided the Board must at all times have not less than three Directors. DECLARANT SHALL APPOINT ALL DIRECTORS UNTIL SUCCESSOR DIRECTORS HAVE BEEN ELECTED AT THE FIRST ANNUAL MEETING OF THE MEMBERS OF THE ASSOCIATION, AND HAVE QUALIFIED.

5.2 Qualifications. After termination of Declarant's Class B Membership, all candidates for election to the Board of Directors and all Directors after election, must meet the qualifications set forth in this Section, as applicable. NONE OF THE PROVISIONS OF THIS SECTION APPLY TO DIRECTORS APPOINTED BY DECLARANT WHILE THE DECLARANT IS A CLASS B MEMBER.

5.2.1 Membership Required. All Directors must be Members of the Association. A designated representative appointed as provided in Section 3.2 hereof may hold a directorship.

5.2.2 Good Standing Required. A Director is disqualified if the Director is not in good standing as provided in Section 3.4. The good faith decisions of the Board as to good standing are final.

5.2.3 Affiliation. No Member may be appointed or elected as a Director if as a result a majority of the Directors would be affiliated with a single Owner regardless of the number of Lots the single Owner may own. As used herein, "affiliated" means a Member that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with the single Owner.

5.2.4 Designated Representatives as Directors. The representative of a Member designated as provided in Section 3.2 may be appointed or elected to a directorship provided that notice of the designation must be received by the Association at least ten (10) days prior to the annual or other meeting at which such representative will stand for election or appointment. A designated representative serving as a Director may be replaced by the appointing entity upon written and dated notice stating (i) the name and contact address, telephone number and facsimile number, if available, of the replacement representative, and (ii) the effective date of the replacement, which effective date may not be earlier than the later to occur of midnight of the date stated in the notice or midnight of the date of receipt of the notice by the Association. The representative being replaced retains full authority on behalf of the designating entity until the effective date for his/her replacement.

5.2.5 Candidate Representations. Any person accepting a nomination for election to the Board of Directors thereby represents by such acceptance that he or she meets the qualifications set forth in this Section, that he or she has a bona fide intent to serve for the full term to which election is sought and that he or she will diligently seek to, and will and is able to devote such time as is reasonably necessary to, discharge the duties and responsibilities of the directorship to which election is sought.

5.3 Term of Office. Each Director shall be appointed or elected to one of three (3) Directorship Positions designated as Positions One through Three, and once elected and qualified shall serve until their successor is elected and qualified. THE INITIAL BOARD OF DIRECTORS NAMED IN THE ASSOCIATION'S ARTICLES OF INCORPORATION OR SUCH OTHER PERSONS AS MAY BE APPOINTED BY DECLARANT WHILE DECLARANT IS A CLASS B MEMBER SHALL SERVE UNTIL SUCCESSOR DIRECTORS HAVE BEEN ELECTED AT THE FIRST ANNUAL MEETING OF THE MEMBERS, AND HAVE QUALIFIED. At the first annual meeting of the Members, if said first meeting is in an even numbered year, two (2) Directors will be elected for a two (2) year term, being Directors to Positions One and Two, and one Director will be elected to Position Three for a one (1) year term. If the first annual meeting of the Members is in an odd numbered year, Two (2) Directors will be elected for a one (1) year term, being Directors to Positions One and Two, and one (1) Director will be elected to Position Three for a two (2) year term. Thereafter, Directors will be elected for two (2) year terms, Directors to Positions One and Two to be elected in each even numbered year, and a Director to Position Three to be elected in each odd numbered year.

5.4 Nomination; Election. Nominations for election to the Board of Directors will be made by the Board of Directors to the extent it is able to do so, which nominees must be listed in or included with the notice of each annual meeting. Nominations may also be made from the floor at each annual meeting. Election to the Board of Directors must be by written proxy or ballot (including Mail-In Ballots). At each election the Members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to exercise under the provisions of these Bylaws. The person receiving the largest number of votes within each category of nominations for a Directorship Position shall be elected. Cumulative voting is not permitted.

5.5 Vacancies on Board of Directors.

5.5.1 Declarant's Authority. NOTWITHSTANDING SECTIONS 5.5.2 OR 5.5.3 HEREOF, DECLARANT HAS THE EXCLUSIVE RIGHT TO REMOVE ANY DIRECTOR AND TO FILL ALL VACANCIES ON THE BOARD OF DIRECTORS UNTIL TERMINATION OF DECLARANT'S CLASS B MEMBERSHIP AND UNTIL SUCCESSOR DIRECTORS HAVE BEEN ELECTED AT THE FIRST ANNUAL MEETING OF THE MEMBERS OF THE ASSOCIATION, AND HAVE QUALIFIED.

5.5.2 Resignation, Death, or Incapacity. In the case of resignation, death, or incapacity to serve of any Director, the vacancy will be filled by the affirmative vote of a majority of the remaining Directors then in office though less than a quorum of the entire Board, or by vote of the sole remaining Director, and any Directors so elected will hold office until the next annual election occurring after their respective terms of office expire and until their successors are elected and have qualified.

5.5.3 Removal. Any Director may be removed, either for or without cause, at any special meeting of Members by affirmative vote of two-thirds of the votes actually cast at a meeting at which at least a quorum is present, in person or by proxy. The notice calling such meeting must give notice of the intention to act upon such matter. If the notice so provides, the vacancy caused by such removal may be filled at such meeting by affirmative vote of a majority of the votes entitled to be cast at the meeting at which the Director was removed, in person or by proxy. For cause, a Director may be removed at any special meeting of Directors by the affirmative vote of a majority of the remaining Directors. Without regard to the foregoing, any Director who is absent from three (3) consecutive meetings of the Board or who is absent from three (3) meetings of the Board during any one (1) year, or any Director whose voting rights as a Member have been suspended as provided in the Declaration or these Bylaws, or any Director who ceases to otherwise meet all qualification for directorship may be removed by the affirmative vote of a majority of the remaining Directors or by vote of the sole remaining Director. Unless otherwise provided in the notice of a meeting to remove a Director, vacancies caused by removal will be filled as provided in Section 5.5.2.

5.6 Compensation. No Director shall receive compensation for any services rendered to the Association in his or her capacity as a Director; provided, however, any Director may be reimbursed for actual expenses incurred in the performance of his or her duties; and provided further, any Director may serve the Association in any other capacity as an agent or employee or otherwise and receive compensation therefore.

5.7 Powers and Duties of the Board of Directors. The Board of Directors shall exercise for the Association all powers, duties and authority vested in or delegated to this Association and not expressly reserved to the Members by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration, including without limitation

all rights, powers and authority conferred by these Bylaws, the Declaration and all other Governing Documents, the Texas Non-Profit Corporation Act and Chapter 204 of the Texas Property Code, as amended. It shall also 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 each annual meeting of the Members;
- b. supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;
- c. to fix the amounts of Assessments and to take such actions as it deems appropriate to collect all Assessments due to the Association, and to enforce the liens given to secure payment thereof, all as more particularly described in the Declaration;
- d. procure and maintain such liability and hazard insurance as it may deem appropriate and as is reasonably available on any property or facilities owned by the Association, including insurance coverage required by the Declaration; and
- e. cause any officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate and as is reasonably available.

5.8 Settlement of Claims. The Board of Directors is specifically authorized to compromise and settle any and all claims, demands, liabilities and causes of action whatsoever held by or asserted against the Association upon such terms and conditions as the Board may determine, and the good faith decisions of the Board as to any of the foregoing is final and conclusive.

ARTICLE VI

Meetings of Directors

6.1 Place of Meetings. Meetings of the Board of Directors shall be held within Harris County, Texas, at such place as is specified by the officer or Directors calling a meeting. In the absence of specific designation, the meeting shall be held at the principal office of the Association.

6.2 Annual Organizational Meeting. Within thirty (30) days after each annual meeting of Members, the Board of Directors shall hold an annual organizational meeting at such time and place as shall be agreed upon by a majority of the Directors for the purposes of (i) electing all officers of the Association, (ii) electing all Chairpersons of all Advisory Committees of the Association, (iii) electing all

Chairpersons and all Vice Chairpersons of all Executive Committees; and (iv) the transaction of such other business as may be properly brought before it.

6.3 Regular Meetings. Regular meetings of the Board of Directors will be held when called by the President of the Association or by any two Directors. Regular meetings of the Board of Directors may also be held in accordance with a regular schedule such as, for example, the second Tuesday of each month beginning at 7:30 o'clock p.m.

6.4 Special Meetings. Special meetings of the Board of Directors will be held when called by the President of the Association or by any two Directors.

6.5 Quorum: Majority Vote. A majority of the number of Directors constitutes a quorum for the transaction of business at any meeting. 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 constitutes an act or decision of the Board.

6.6 Notice of Meetings. No notice of annual organizational meetings and other regular meetings of the Board need be given to any Director. Oral or written notice of all special meetings of the Board of Directors stating the place, date and time of such special meeting must be given or sent to each Director at least twenty-four (24) hours before the special meeting. Notice of any meeting may be waived in writing before or after such meeting. Attendance of a Director at any meeting constitutes a waiver of notice thereof, except where the Director attends for the announced purpose, stated in writing, of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

6.7 Open Meetings. Except as provided in Section 6.8 of these Bylaws, all meetings of the Board of Directors are open to all Members of the Association; provided, Members who are not on the Board may not participate in any deliberation or discussion unless: (i) such Member has filed a written request with any Director to be placed on the meeting agenda at least forty-eight (48) hours prior to the meeting stating in such request the purpose or purposes of his or her attendance, and in such case the requesting Member's participation is limited to the stated purpose(s); or (ii) expressly so authorized by vote of the Board.

6.8 Executive Sessions. The Board of Directors may adjourn any meeting and reconvene in closed executive session to review, discuss and/or vote on any communications or documents not subject to inspection of Members and other business of a confidential nature as set forth in Article X hereof. The general nature of any and all business to be considered in executive session shall first be announced in open session.

6.9 Proxies. A Director may vote on any specific matters by a ballot type proxy which specifies all matters to be voted on and directs the manner in which the proxy holder must vote as to each such matter. No Director may vote pursuant to a general or blanket type proxy. No Director's proxy is valid unless dated and signed, and no

such proxy is valid after ninety (90) days from the date thereof. A Director attending a meeting by proxy may be counted for purposes of determining a quorum only as to the specific matters covered by the applicable proxy.

ARTICLE VII

Committees

7.1 Establishment. The Board of Directors may, by resolution adopted by a majority of the Directors then in office, from time to time appoint, organize, re-organize and abolish such committees as it shall deem desirable subject to the following:

7.2 Executive Committees. The Board of Directors may designate such Executive Committees as it deems desirable. All Executive Committees must consist of three (3) or five (5) members, and a majority of all members of each Executive Committee must at all times be Directors of the Association. Executive Committees may exercise such authority of the Board of Directors in the business and affairs of the Association as the Board of Directors may by resolution duly delegate to it except where action by the Board of Directors is specified by law. The designation of such Executive Committees and delegation thereto of authority does not operate to relieve the Board of Directors, or any member thereof, of any responsibilities imposed upon any such member by law. All members of each Executive Committee shall be elected by the Board of Directors upon establishment and thereafter at each annual organizational meeting. Any member of any Executive Committee may be removed for or without cause at any regular or special meeting of the Board of Directors whenever in the judgment of the Board the best interests of the Association will be served thereby.

7.2.1 Architectural Control Committee. Any Architectural Control Committee designated by the Declarant or the Board of Directors must be formed in accordance with applicable provisions of the Declaration.

7.2.2 Advisory Committees. The Board of Directors may for its convenience, and at its discretion, appoint one (1) or more advisory committees. No such advisory committees may have any power or authority except to advise the Board of Directors. The Chairperson of each advisory committee must be appointed by the Board of Directors upon establishment and thereafter at each annual organizational meeting. Other members may be appointed by the Board of Directors or Chairperson as directed by the Board, provided the Chairperson must promptly notify the Board of any appointments by the Chairperson. Any such committee will exist solely at the pleasure of the Board of Directors, and any member thereof may be removed at any time for or without cause by vote of a majority of a quorum of the Board.

7.3 Qualifications; Compensation. Except for Directors and the requirements of the Declaration with respect to the Architectural Committee, members of any committees need not be Members of the Association. No member of any committee

may receive any compensation for such membership except by way of reimbursement for reasonable expenses actually incurred by reason of such membership. The Board of Directors may employ such personnel as it deems necessary to assist any committee in accomplishing the committee's objectives and compensate such personnel in the capacity employed whether or not such personnel are also members of a committee.

7.4 Meetings; Reports. Each committee will hold its first regular meeting at such time and place as determined by the Chairperson thereof as soon as practicable after appointment of the Chairperson for the purposes of determining specific committee member responsibilities and specific committee goals and objectives consistent with all directives of the Board of Directors, including priorities among such objectives and methods and target dates for achieving same. If requested by the Board of Directors, the Chairperson shall submit a written summary of such first meeting to the Board or any member thereof. Each committee will conduct such other regular meetings, without notice or call, or special meetings as may be called by the Chairperson or any two (2) members thereof, or the President or Board of Directors of the Association, any such meeting to be held at such place and time as designated by the party calling such meeting. A majority of the members of a committee constitutes a quorum, and the vote of a majority of a quorum at any meeting of the committee, or the written consent of all members of a committee, constitutes a valid act of the committee. Minutes of the meetings of each committee need not be maintained; provided, minutes and records must be maintained as to any authority of the Board of Directors actually exercised by an Executive Committee; and provided further, the Chairperson of each committee shall submit a written report to the Board in such form and at such times as the President or the Board directs setting forth the activities of the committee and any action recommended by the committee. In addition, each Chairperson must keep the Board fully advised at all times of all activities of the committee.

ARTICLE VIII

Officers and Chairpersons

8.1 Enumeration of Offices. The officers of this Association are a President, who must be at all times a member of the Board of Directors, a vice president, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

8.2 Election; Term. The officers of this Association shall be elected annually by the Board at its annual organizational meeting, and each will hold office for one (1) year and until his or her successor is elected and qualified unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

8.3 Resignation and Removal. Any officer may be removed from office at any time and with or without cause by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors or any member thereof, or to the President.

Such resignation will take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation by the Board of Directors is not necessary to make it effective.

8.4 Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy will serve for the remainder of the term of the officer he or she replaces.

8.5 Multiple Offices. The same person shall not simultaneously hold the offices of President and Secretary. Any two or more offices may otherwise be held by the same person.

8.6 Chairpersons for Member and Board Meetings. The President of the Association shall act as the Chairperson of all meetings of the Members and all meetings of the Board of Directors. In the President's absence, the Chairperson shall be, in the following order if any such officer is absent, the Vice President, Treasurer or Secretary; or in the event of absence of all officers, one of the remaining Directors shall be elected by majority vote of the Directors present at the Member or Board meeting to act as Chairperson.

ARTICLE IX

Duties of Officers and Chairpersons

9.1 President. The President shall preside at all meetings of the Board of Directors and of the Association; shall see that orders and resolutions of the Board are carried out; shall sign as President all leases, mortgages, deeds and other written instruments and shall co-sign with any other officer all checks and promissory notes which have been first approved by the Board of Directors unless the Board has authorized the signature(s) by lesser officers; and, subject to advice of the Board of Directors, shall have general supervision, direction, and control of the affairs of the Association, and shall discharge such other duties as may be required by the Board of Directors.

9.2 Vice-President. 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.

9.3 Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; provide notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Board.

9.4 Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by the

Board of Directors; keep proper books of account; and keep accurate books and records of the fiscal affairs of the Association, and report on and make the same available for inspection by Members of the Association as required by the Board, these Bylaws or the Declaration.

9.5 Other Officers. Such other officers as the Board of Directors shall create shall have such duties as directed or required by the Board.

9.6 Chairpersons. Chairpersons shall establish agendas for meetings, call to order and preside over meetings, verify quorums, call for and conduct voting and verify results thereof, resolve procedural disputes, decide who is entitled to the floor and limit the duration thereof as to any one person, establish limits on the period of time to be allowed for discussion of any given issue, motion or other matters, and in general shall supervise the orderly conduct of meetings and obtaining of correct expressions of the decisions made thereat. The Chairperson's determinations as to any of the foregoing matters shall be final so long as made in good faith.

9.7 Checks. Except as otherwise specifically authorized by the Board, all checks or similar drafts must be signed by at least two (2) officers and as otherwise directed from time to time by the Board.

ARTICLE X

Books and Records

10.1 Inspection by Members.

10.1.1 General Right of Inspection. Any Member of the Association, on written demand stating the purpose of the demand, may make a reasonable examination of and copy, in person or by agent, accountant, or attorney, at any reasonable time for any proper purpose, the books and records of the Association relevant to the purpose stated in the demand, at the expense of the Member. Any such examination must be conducted at the office of the Association or at such other place in Harris County, Texas, as the Board of Directors may prescribe. No books and records may be removed from the possession of the Association for any reason.

10.1.2 Exclusions. Notwithstanding Section 10.1.1, no Member or Member representative is entitled to examine any documents regarding and the Association has a privilege to refuse to disclose any confidential documents and communications regarding (i) any confidential communications by and between past or current legal counsel to the Association and the Board of Directors of the Association, or any officer, agent, employee, representative or committee of either, (ii) Member communications regarding alleged violations of any Governing Documents, (iii) any confidential communications as determined by the Board of Directors in accordance with Section 10.2 or as otherwise provided in the Declaration, and (iv) any communications privileged

under the Texas Rules of Civil or Criminal Procedure, the Texas Rules of Civil or Criminal Evidence, and any other applicable rules, statute or law of the State of Texas or United States of America, including without limitation any communications subject to any lawyer-client privilege.

10.2 Confidential Communications. By vote of two-thirds of all Directors then in office, the Board of Directors may from time to time designate such books, records and communications confidential as the Board deems in its sole good faith opinion the best interests of the Association require be kept confidential, including without limitation confidentiality deemed necessary for the protection of the privacy rights of individual Members, consideration of competitive bids until a final bid is accepted, and matters where any conflict of interest exists between a Member and the Association and disclosure would detrimentally effect the interests of the Association.

10.3 Rules for Inspection. The Board of Directors may from time to time establish reasonable rules for inspection of any books and records of the Association with respect to: (i) notice to be given to the custodian of the records; (ii) hours and days of the week when inspections may be made; and (iii) establishment as a specific assessment of the amounts of, and payment of, reasonable duplication, administrative and other costs of inspection the payment of which is a condition precedent to the right of any Member to examine and to obtain copies of any books and records.

ARTICLE XI

Amendment

11.1 By Declarant. WHILE THE DECLARANT IS A CLASS B MEMBER, DECLARANT HAS THE SOLE RIGHT TO AMEND, MODIFY, REVISE OR REPEAL THESE BYLAWS IN ACCORDANCE WITH THE DECLARATION WITHOUT JOINDER OR CONSENT OF ANY OWNER, MORTGAGEE OR ANY OTHER PERSON, AND WITHOUT ANY NOTICE WHATSOEVER EXCEPT THAT NOTICE OF ADOPTION OF ANY AMENDMENT MUST BE MAILED OR DELIVERED TO THE THEN OWNERS OF ALL LOTS OTHER THAN DECLARANT WITHIN A REASONABLE TIME AFTER ADOPTION.

11.2 By Association. The Association by vote of the Board of Directors may amend, modify, revise or repeal these Bylaws in the same manner and for the limited purposes provided for in the Declaration for amendment of the Declaration by the Board.

11.3 By Members. After termination of the Declarant's Class B Membership, these Bylaws may be amended or otherwise modified, revised or repealed, in whole or in part, at any annual or special meeting of the Members by the affirmative vote of two-thirds of the votes entitled to be cast by the Members present at a meeting of the Members at which a quorum is present, in person or by proxy. Any such amendment, modification, revision or repeal so adopted is binding upon all Members and all Owners.

11.4 Notice for Amendment by Owners. The notice for any meeting of the Members at which any amendment or other modification, revision or repeal of these Bylaws is to be considered must state such purpose, and must contain or be accompanied by a true and correct copy of the proposed amendment(s) or other modification(s), revision(s) or repeal(s), or a summary statement thereof. A true and correct copy of the complete text of all adopted amendments or other modifications, revisions or repeal must be delivered to all Members in the same manner as other notices to Members as soon as reasonably practicable after adoption.

ARTICLE XII

Miscellaneous

12.1 Notices. Unless otherwise expressly provided herein, all notices or other communications permitted or required under these Bylaws must be in writing and are deemed properly given if given in accordance with Article XII of the Declaration.

12.2 Telephone Meetings: Action Taken Without a Meeting.

12.2.1 Telephone Meetings. Directors, Members or committee members may participate in and hold any of their respective meetings by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

12.2.2 Action Without Meeting. The Directors, or Members, or the members of any committee have the right to take any action or make any decision in the absence of a meeting which they could take at a meeting by unanimous written consent of all of the Directors, Members, or committee members. The Directors, or Members, or the members of any committee may also take any action by a consent in writing signed by a sufficient number of Directors, Members, or committee members as would be necessary to take that action at a meeting at which such Directors, Members, or committee members were present and voted in accordance with Article 1396-9-10(c) of the Texas Non-Profit Corporation Act, as amended. Any action or decision approved as provided in this Section has the same effect as though taken at a meeting of the Directors, Members, or committee members.

12.3 Conflicts. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles control; and in the case of any conflict between the Declaration, these Bylaws or the Articles of Incorporation, the Declaration controls.

12.4 Interpretation. The provisions hereof are to be liberally construed to give full effect to their intent and purposes. The captions of each Article and Section hereof as to the contents of each Article and Section are inserted only for convenience, and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer. Wherever the context requires, all words in these Bylaws in the male gender include the female or neuter gender, all singular words include the plural, and all plural words include the singular.

12.5 Severability. Whenever possible, each provision of these Bylaws shall be interpreted in such manner as to be effective and valid, but if the application of any provisions of these Bylaws to any person or entity or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and, to this end, the provisions hereof are declared to be severable.

12.6 Power of Attorney. A person or entity may execute any instrument related to the Association by means of a written power of attorney if an executed copy of the power of attorney is filed with the Association to be kept with the corporate records. Any such power of attorney may be revoked only by expiration of a stated term expressly set forth in the power of attorney or by filing of a written revocation with the Association, and the Association is not required to determine or comply with any other conditions for termination.

12.7 Applicability of Bylaws. All present and future Members and Owners, tenants thereof, and their respective officers, agents, employees, guests or invitees, or any other person who is occupying or residing within or upon the Property or any Lot or utilizing any Common Areas in any manner, are subject to these Bylaws. The mere acquisition, occupancy, use or rental of any Lot or Unit or utilization of any Common Areas constitutes acceptance and ratification of these Bylaws, and agreement to strictly comply therewith.

12.8 Waiver of Interest in Corporation Property. All real and personal property, including all Common Areas and all improvements located thereon, acquired by the Association shall be owned by the Association. A Member has no interest in specific property of the Association. Each Member hereby expressly waives the right to require partition of all or part of any and all such property.

12.9 Fiscal Year. The fiscal year of the Association may be established from time to time by the Board of Directors absent which same will begin on the first day of January and end on the thirty-first day of December of each year.

12.10 Effective Date. These Bylaws are effective from and after the 16th day of April, 2007.

CERTIFICATION BY SECRETARY

I, the undersigned, Mehmet TANIS, do hereby certify:

That I am the duly elected and acting Secretary of FALLS AT FAIRDALE HOMEOWNERS ASSOCIATION, INC., a Texas non-profit corporation, and

That the foregoing Bylaws of Falls at Fairdale Homeowners Association, Inc., a Texas nonprofit corporation, is a complete, true and correct statement of said bylaws duly adopted by unanimous written consent of the Board of Directors of the Association dated April 13, 2007.

DATED: April 13, 2007

Mehmet C. Tanis
_____, Secretary

**RESOLUTIONS ADOPTED BY UNANIMOUS WRITTEN
CONSENT IN LIEU OF ORGANIZATIONAL MEETING
OF THE BOARD OF DIRECTORS OF
FALLS AT FAIRDALE HOMEOWNERS ASSOCIATION, INC.**

Consent to Act

The undersigned, as members of the Board of Directors of FALLS AT FAIRDALE HOMEOWNERS ASSOCIATION, INC., a Texas Non-Profit Corporation, being all of the present Directors of the corporation, individually and collectively consent hereby to take the following actions, to adopt the following resolutions, and to transact the following business of the corporation.

Minute Book

RESOLVED, that this corporation shall maintain a minute book containing the minutes of all meetings of the Board of Directors of this corporation, all meetings of the Members of this corporation, all resolutions or other actions taken by the Board or the Members by unanimous written consent and such other documents as the Board of Directors or the Members may from time to time direct.

Articles of Incorporation

RESOLVED, that the original of the Articles of Incorporation of the corporation filed on April 9, 2007, and the Certificate of Incorporation of the Secretary of State of the State of Texas are directed hereby to be inserted in the corporate minute book.

Bylaws

RESOLVED, that the Bylaws appearing in that certain document entitled "Bylaws of Falls at Fairdale Homeowners Association, Inc." are hereby adopted as the Bylaws of this corporation; that the Secretary is directed to certify the adoption of those Bylaws hereby effective as of April 16, 2007, and to insert the original of the Bylaws as certified in the minute book of the corporation; and that the Secretary of the corporation is further directed to maintain a true and correct copy of the certified Bylaws in the principal office of the corporation for the transaction of the corporation's business, and keep them open for inspection by the Members in accordance with the Bylaws.

Seal

RESOLVED, that a corporate seal, as shown by the impression thereof on the margin of this page, is hereby adopted as the corporate seal of this corporation.

DECLARATION OF THE BOARD OF DIRECTORS OF THE
AMERICAN ASSOCIATION OF UNIVERSITY AND COLLEGE
TEACHERS

Whereas

The undersigned, as members of the Board of Directors of the American Association of University and College Teachers, do hereby declare that the following is a true and correct statement of the financial condition of the Association as of the date of the meeting of the Board of Directors, and that the same is true and correct in all material respects.

Witness my hand

at the City of New York, this 1st day of January, 1914.

Attest

WITNESSED by me, the undersigned, as Secretary of the Association, and by me, the undersigned, as Treasurer of the Association, on this 1st day of January, 1914.

Done

Attest my hand and the seal of the Association, this 1st day of January, 1914.

Done

Attest my hand and the seal of the Association, this 1st day of January, 1914.

Bank Account

RESOLVED, that this corporation initially establish in its name one or more deposit accounts with Independence Bank, which is referred to herein as the "Bank", on such terms and conditions as may be agreed on with the Bank, and that the President and Treasurer of this corporation are authorized to establish such account or accounts.

RESOLVED FURTHER, that the President, or the Vice President, or the Secretary, or the Treasurer of this corporation are authorized to draw checks on the aforesaid account or accounts of this corporation, and to sign as provided in this written consent with signatures duly certified to the Bank by the Secretary of this corporation; and the Bank is authorized to honor and pay any and all checks so signed, including those drawn to the individual order of any officer or other person authorized to sign the same.

RESOLVED FURTHER, that the Board of Directors may close the aforesaid account or accounts, or establish or re-establish such other accounts with the same or any other banking or similar institutions as the Board may from time to time direct.

Officers

RESOLVED, that the following persons be and the same are hereby elected to the corporate offices set forth opposite their respective names:

Name	Office
Yunus Dogan	President
Inci Akpınar	Vice President
Mehmet Tanis	Secretary and Treasurer

We direct that this consent be filed with the minutes of the proceedings of the Board of Directors of the corporation.

This consent is executed pursuant to Article 1396-9.10(A) of the Texas Non-Profit Corporation Act and the Bylaws of this corporation which authorize the taking of action by the Board of Directors by unanimous written consent without a meeting, and which consent is not restricted by the Articles of Incorporation of the corporation.

[illegible]

RECORDED IN FULL. For the thousands of the Vice President or the Secretary, in the interests of this organization are authorized to sign checks on the official account in connection with this organization, and to sign any other documents that are necessary or authorized in the carrying of the responsibilities and the duties of the individual or individuals in the position of Secretary or the Vice President.

[illegible]

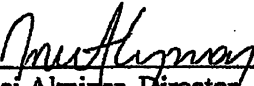
1. The first step is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the situation.

[illegible]

based off the approximately 60% increase in the number of cases in the month of
September and the fact that the number of cases in the month of

[illegible]

DATED: April 13, 2007


Inci Akpinar, Director


Yunus Dogan, Director


Mehmet Tanis, Director