

AMENDED BYLAWS
OF
PRESTON SPRINGS ASSOCIATION, HNC.

ARTICLE ONE
NAME AND LOCATION

Section 1. Name. The name of the corporation is PRESTON SPRINGS HOMEOWNERS' ASSOCIATION, INC., hereinafter referred to as the "Association."

Section 2. Principal Office. The principal office of the Association shall be located in the City of Dallas, County of Dallas, State of Texas, but meeting of members and directors may be held at such places within the State of Texas as may be designed by the Board of Directors.

Section 3. Registered Office and Agent. The corporation shall have and continuously maintain in the State of Texas a registered office, and a registered agent whose office is identical with such registered office as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be, identical with the principal office; and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE TWO
DEFINITIONS

Section 1. "Association" shall mean and refer to PRESTON SPRINGS HOMEOWNERS ASSOCIATION, INC., a Texas non-profit corporation, its successors and assigns.

Section 2. "Board" shall mean and refer to the duly elected Board of Directors of the Association,

Section 3. "Bylaws" shall mean and refer to the Bylaws of the Association, as amended from time to time,

Section 4. "Committee" shall mean and refer to the Preston Springs Homeowners Architectural Control Committee established for the Property as hereinafter set forth.

Section 5. "Common Area" shall mean and refer to all areas of real property owned in fee, leased, or held in easement by the Association for the exclusive common use, enjoyment, and benefit of the members of the Association, and shall include areas designated by Declarant to be conveyed by deed or easement to the Association.

Section 6. "Common Facilities" shall mean and refer to all, if any, buildings, systems, networks, structures, and the like owned, leased, or used by the Association in fulfilling its duties for the benefit of the Members of the Association including security facilities, communications facilities, and facilities for the administration of the Association.

Section 7. "Common Landscape Facilities" shall mean and refer to the irrigation systems serving the Landscaped Medians or Common Areas, lighting facilities, street furniture (if any),

and subdivision and neighborhood identification markers located on Landscaped Medians or Common Areas.

Section 8. "Common Personality" shall mean and refer to any and all items of personal property owned or leased by the Association for the benefit of all Members or used by the Association in fulfilling its function and carrying out its duties hereunder,

Section 9. "Declarant" shall mean and refer to Dimension-Brooks Corporation, its successors and/or assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 10. "Property" or "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 11. "Owner" shall mean and refer to the owner of record, whether one or more persons or entities, of fee simple title to the surface estate in any Lot which is part of the Property, but excluding those having such interest merely as security for the performance of an obligation.

Section 12. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 13. "Restrictions" shall mean and refer to those certain Covenants, Conditions, Reservations, and Restrictions hereinafter set forth,

Section 14. "Landscaped Areas" shall mean and refer any and all areas of land within the Lots which are required pursuant to the Development Standards contained herein to be enhanced with grass, ground cover, trees, hedges, decorative walls, fountains and/or shrubs, and expressly excluding there from all streets, buildings, parking areas, driveways, and pedestrian walkways.

Section 15. "Landscaped Median" shall mean and refer to the landscaped median located within streets or rights-of-way dedicated to the public located within the Property.

Section 16. "Landscaping" shall mean and refer to growing plants, including grass, plantings, vines, ground cover, trees, hedges, shrubs, decorative walls, fountains and the like.

ARTICLE THREE

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Each and every Owner shall automatically be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a Lot.

Section 2. Voting Rights. The Association shall have two (2) classes of voting membership.

- (a) Class A. Class A members shall be all owners with the exception of Declarant. Class A members shall be entitled to one vote for each Lot owned. When more than one (1) person holds interest in any Lot, all such persons shall be Class A members. The vote for such Lot shall be exercised as they among themselves determine, but in no

event shall more than one vote be cast with respect to any Lot.

- (b) Class B. The Class B member shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership either (i) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or on December 31, 1999, whichever event occurs first.

Section 3. Suspension of Membership. During any period in which a Member shall be in default in the payment of any annual or special assessment levied by the Association, the voting rights of such member may be suspended by the Board of Directors until such assessment has been paid.

ARTICLE FOUR MEETINGS OF MEMBERS

Section 1. Annual Meeting. An annual meeting of the Members shall be held on a day and at an hour set from time to time by the Board of Directors (notice of which date and hour shall be given to the Members as prescribed elsewhere herein), for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. If the days fixed for the annual meeting shall be a legal holiday in the State of Texas, such meeting shall be held on the next succeeding business day. If the election of Directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Members as soon thereafter as may be convenient.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President, the Board of Directors, or upon written request of the Members entitled to vote a majority of all of the votes of the membership.

Section 3. Place of Meeting. All annual and special meetings shall be held at an address designated by the Board of Directors but if all of the Members shall meet at any other place and consent to the holding of a meeting, such meeting shall be valid without call or notice, and at such meeting any corporate action may be taken.

Section 4. Notice of Meeting. Written notice of each meeting of the Members shall be given by, or at the discretion of, the President, the Secretary or the person or persons authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least thirty days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day, and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 5. Informal Action Members. Any action required by law to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof.

Section 6. Quorum. A quorum will be deemed present if the total number of eligible votes present or represented by proxy at the meeting exceed fifty (50) percent of the total number of all eligible votes. If a quorum is not present at any meeting of the Members, a majority of the Members present may adjourn the meeting from time to time without further notice.

Section 7. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

Section 8. Voting by Mail. Where Directors or officers are to be elected by Members of any class or classes of Members, such election may be conducted by mail in such manner, as the Board of Directors shall determine.

ARTICLE FIVE

BOARD OF DIRECTORS

Section 1. General Powers. The affairs of this Association shall be managed by its Board of Directors. Directors need not be residents of the State of Texas or of the Association.

Section 2. Number, Tenure and Qualifications. The number of Directors shall be **five**. Each Director shall hold office for **(2) years or until his successor shall have been elected and qualified.**

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association.

Section 4. Regular Meetings. A regular annual meeting of the Board of Directors shall be held without other notice than this Bylaw, immediately after, and at the same place as, the annual meeting of Members. The Board of Directors may provide by resolution the time and the place for the holding of additional regular meetings of the Board without other notice than such resolution.

Section 5. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two Directors. The persons authorized to call special meetings of the Board may fix any place in the Cities of Dallas and Plano as the place for holding any special meeting of the Board called by them.

Section 6. Notice. Notice of any special meetings of the Board of Directors shall be given at least three days previous thereto by written notice delivered personally or sent by mail or telegram to each Director at his address as shown by the records of the Association. If mailed, such notice shall be deemed to be delivered personally or sent by mail or telegram to each Director at his address as shown by the records of the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Director may waive of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Bylaws.

Section 7. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from

time to time without further notice.

Section 8. Manner of Acting. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by the law or by these Bylaws.

Section 9. Vacancies. Any vacancy occurring in the Board of Directors and any directorship to be filled by reason of the increase in the number of Directors, shall be filled by the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 10. Compensation. No Director shall receive compensation for any service he may render to Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties. The Directors shall be indemnified for any claims or liabilities arising out of their actions or Directors to the fullest extent permitted by law.

Section 11. Informal Action by Directors. Any action required by law to be taken at a meeting of Directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the Directors.

ARTICLE SIX

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

- (a) To exercise for the Association all powers, duties and authority vested in or delegated to this Association not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the of Covenants, Conditions and Restrictions;
- (b) To authorize the officers to enter into one or more management agreements with third parties in order to facilitate efficient operation of the property. It shall be the primary purpose of such agreement to provide for the administration, management, repair and maintenance of the common areas, and the receipt and disbursement of funds as may be authorized by the Board of Directors. The terms of said management agreements shall be determined by the Board of Directors to be in the best interests of the Association, and shall be subject in all respects to the Articles of Incorporation, these Bylaws and the Declaration of Covenants, Conditions and Restrictions.

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

- (a) To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the Members or at any special meeting, when such statement is requested in writing by one-fourth (1/4) of the Class A Members who are entitled to vote;
- (b) To supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) As more fully provided herein and in the Declaration of Covenant, Conditions and Restrictions, to fix the amount of the annual assessment against each

Single Family Lot at least thirty (30) days in advance of each annual assessment;

- (d) To issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) To cause the Common Areas to be maintained.

ARTICLE SEVEN

OFFICERS

Section 1. Officers. The officers of this Association shall be a President, a Vice President, a Secretary, a Treasurer and other officers as may be elected in accordance with the provisions of this Article. The offices of Secretary and Treasurer may be held by the person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to this Section.

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

Section 3. Term. The officers of this Association shall be elected annually by the Board and **each shall hold office until his/her term expires**, unless he/she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the officer's term he replaces.

Section 6. Duties.

- (a) **President.** The President shall be the principal executive officer of the Association and shall in general supervise and control all of the business and affairs of the Association. He shall preside at all meetings of the Members and of the Board of Directors. He shall see that orders and resolutions of the Board are carried out, shall co-sign all checks and promissory notes in his capacity for the Association, and shall perform all duties incident to the office of President and such other duties as may be required of him by the Board of Directors.
- (b) **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 of Directors.

- (c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members; serve notice of the meetings of the Board of Directors 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 of Directors.
- (d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall be authorized to sign or co-sign all checks and promissory notes in his capacity for the Association; shall keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE EIGHT

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member with voting rights. The Declaration of covenants, conditions and Restrictions, the Articles of Incorporation and the Bylaws of the Association shall be available any for inspection by Member with voting rights at the principal office of the Association, where copies may be purchased at reasonable costs.

ARTICLE NINE

ASSESSMENTS

Section 1. Covenants for Assessments. The Declarant for each Lot owned by it, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association:

- (a) Annual Assessments, partial Annual Assessments or charges, and
- (b) Special assessments for unexpected repair or replacement, such assessments to be fixed, established and collected from time to time as hereinafter provided.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of (a) maintaining the private streets as shown on the plat, all common walls or fences now existing or hereafter erected on the property, (iii) all common landscaping and mowing incident thereto, (iv) the security gate at the entrance to the subdivision, (v) cost of security guards at the entrance gate, (b) promoting the general welfare of the Owners, and (c) carrying out the purposes of the Association as stated in its Articles of Incorporation. Expenditures for any such purposes shall be permissive and not mandatory, and the decision of the Association shall be final so long as made in good faith.

Section 3. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any unexpected repair or replacement; provided, however, any such special assessment must be approved by a majority of the total eligible votes of the membership of the Association

as defined in Article Section 1, voting in person or by proxy, at a meeting duly called for such purpose, written notice of which shall be sent to all members not less than thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 4. Commencement Date of Annual Assessment. The first partial assessment provided for herein shall commence upon the sale of the seventy seventh (77) Lot in Phase I, and shall continue thereafter annually from year to year. The annual assessment for future phase of development within the Association shall commence upon January 1 of the year immediately following completion and city acceptance of the new phase of development.

Section 5. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Single Family Lots.

Section 6. Due Date of Assessments. The first partial annual assessment shall be due and payable within thirty (30) days of receipt of written notice, and shall be considered delinquent not paid within thirty (30) days. Thereafter annual assessments shall become due and payable on January 1 of each year and delinquent if not paid by January 31 of such year. The due date and delinquent date of any special assessment under Article IX, Section 3, shall be fixed in the resolution authorizing such assessment.

Section 7. Owner's Personal Obligation for Payment of Assessments. The annual and special assessments provided for herein shall be the personal and individual debt of each respective Owner, and no Owner may exempt itself from liability therefore.

In the event of default in the payment of any such assessment, the Owner shall be obligated to pay interest at the rate of ten percent (10%) per annum on the amount of the assessment from the due date thereof, together with all costs and expenses, including reasonable attorneys' fees.

Section 8: Assessment Lien and Foreclosure. All sums assessed in the provided in Article IX but unpaid, shall, together with the interest as provided in Article IX, Section 7 hereof and the cost of collection, including reasonable attorneys' fees, thereupon becoming a continuing lien and charge on the property covered by such assessment, which shall bind such property in the hand of the Owner, his heirs, devisees, personal representatives, and assigns. The aforesaid lien shall be superior (prior) to all other liens and encumbrances, except only for:

- (a) All taxes and special assessments levied by and taxing authorities; and
- (b) All liens securing sums due or to become due under any duly recorded mortgage vendor's lien or deed of trust.

The Association shall have the power to subordinate the aforesaid assessment lien to any other lien, such power being entirely discretionary with the Association. To evidence the aforesaid assessment, lien, the Association shall prepare a written notice of assessment lien setting forth the amount of the unpaid indebtedness, the name of the Owner of the property covered by such lien and any officer of the Association and shall be recorded in the Office of the County Clerk of Collin County, Texas. Such lien for payment from the date that such payment becomes delinquent and may be enforced by the foreclosure of the defaulting Owner's property subsequent to the recording of a notice of assessment lien as provided above, or the Association may institute suit against the Owner personally obligated to pay the assessment and/or for foreclosure of the aforesaid lien judicially. Each Owner, by acceptance of a deed to any Lot and the improvements thereon, expressly vests in the Association or its agents, a power of sale in connection with said lien. The Association shall have the power to bid on the property at foreclosure or other legal sale and to acquire, hold, lease, mortgage, convey or otherwise

deal with the same. Upon the written request of any mortgagee holding a prior lien on any part of the property, the Association shall report to said mortgagee any unpaid assessments remaining unpaid for longer than thirty (30) days after the same are due.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any recorded mortgage of mortgages granted or created by the Owner of any Lot to secure the payment of monies advanced and used for the purpose of purchasing and/or construction improvements on such Lot. Sale or transfer of any Lot and the improvements thereon shall not affect the assessment lien; provided, however, that the sale or transfer of any Lot and the improvements, thereon pursuant to a foreclosure, a deed in lieu of foreclosure, assignment in lieu of foreclosure under such purchase money or improvement mortgages, or deeds of trust shall extinguish the lien of such assessments as to payments thereof coming due prior to such sale or transfer, except for claims for its pro-rata share of such assessments. No sale or transfer shall relieve such Lot and the improvements thereon, or the Owners thereof, from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Open Spaces Exempt. All "open spaces" as shown on the Plat be exempt from the assessments and lien created herein.

ARTICLE TEN

MERGERS

To the extent by law, the Association may participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of the total vote of both classes cast by Members, voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be given to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting. No consolidation or merger shall have the effect of relieving the Association of its legal obligations.

ARTICLE ELEVEN

WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the Texas Non-Profit Corporation Act or under the provisions of the Articles of Incorporation of the Bylaws of the Association, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to giving of such notice.

ARTICLE TWELVE

AMENDMENT TO BYLAWS

Section 1. Method. These Bylaws may be altered, amended or repealed and new Bylaws may be adopted, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy.

Section 2. Conflicts. In the case of any conflict between the Article of Incorporation and these

Bylaws, the Articles shall control; and the case of any conflict between the Declaration of Covenants, Conditions and Restrictions and these Bylaws, the Declaration shall control.

ARTICLE THIRTEEN

PURPOSES

The purposes for which the Association is organized are:

- (a) To provide architectural control in the construction and certain maintenance of dwellings and other structures in the Preston Springs, an addition to the City of Plano, Collin County, Texas, and to insure the achievement of a uniformly high standard of quality for housing in said addition;
- (b) To provide for the management, disposition, maintenance, preservation and beautification of the recreation and areas in said addition;
- (c) To provide for the maintenance of a private street, screening wall, grounds, security gates and guards;
- (d) To promote the health, safety and welfare of the residents of said addition.

ARTICLE FOURTEEN

MISCELLANEOUS

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

I certify that the foregoing is a true and correct copy of the Bylaws of Preston Springs Homeowners' Association, Inc., adopted by the directors of said corporation on the _____ day of _____ 2005.

Secretary