

MANAGEMENT CERTIFICATE FOR
LAKEMONT COMMUNITY ASSOCIATION, INC.

STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

1. Name of Subdivision: Lakemont
2. Name of Homeowners Association: Lakemont Community Association, Inc.
3. Recording Data for Subdivision: See Exhibit "A"
4. Recording Data for Declaration: See Exhibit "A"
5. Name and mailing address of Association: Lakemont Community Association, Inc., 5295 Hollister St., Houston, Texas 77040-6205.
6. The association's designated representative is: Association Management, Inc., 5295 Hollister St., Houston, Texas 77040-6205; Main Phone Number: 713-932-1122; Fax: 713-932-6059.
7. Other information the Association considers appropriate for the governing, administration or operation of the subdivision and homeowners association: Articles of Incorporation and By-Laws (see Exhibit "B")

Prospective purchasers are advised to independently examine all dedicatory instruments and governing documents for Lakemont, as well as performing a physical inspection of the property and common areas, prior to purchase.

LAKEMONT COMMUNITY ASSOCIATION, INC.

By: *P. Brown*
Print Name: Peter Brown
Print Title: Managing Agent

STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

This instrument was acknowledged and signed before me on this the 6th day of January, 2010 by Peter Brown, the Managing Agent of the Lakemont Community Association, Inc. on behalf of the Association.

Misty Gulling Gutierrez
Notary Public - State of Texas

After Recording, Return To:
Stephanie Quade
Roberts Markel P.C.
2800 Post Oak Blvd., 57th Floor
Houston, TX 77056

CP: 02989-00001 Doc# 5

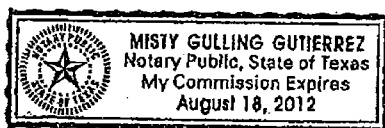


EXHIBIT "A"

LAKEMONT, a subdivision located in Fort Bend County, Texas, and any other section or subdivision which may have been, or may be, annexed thereto and made subject to the authority of the Association, which section(s) were originally encumbered by restrictive covenants filed of record in Fort Bend County, Texas as follows:

RECORDING DATE	FORT BEND COUNTY CLERK'S FILE NO.	DOCUMENT DESCRIPTION
12/09/02	2002134886	Lakemont Community Association, Inc. Declaration of Covenants, Conditions and Restrictions for Lakemont Sections Two, Three and Four a Subdivision in Fort Bend County, Texas
03/13/03	2003032959	First Amended Lakemont Community Association, Inc. Declaration of Covenants, Conditions and Restrictions for Lakemont Sections Two, Three and Four a Subdivision in Fort Bend County, Texas
03/13/03	2003032960	Residential Architectural Guidelines for Lakemont Community Association
06/26/03	2003085552	Lakemont Community Association, Inc. Supplementary Declaration of Covenants, Conditions and Restrictions and Annexation of Lakemont Sections Five and Six
11/06/03	2003156763	Lakemont Community Association, Inc. Supplementary Declaration of Covenants, Conditions and Restrictions and Annexation of Lakemont Section Seven
12/12/03	2003172172	Lakemont Community Association, Inc. Supplementary Declaration of Covenants, Conditions and Restrictions and Annexation of Lakemont Sections Eight and Nine
12/12/03	2003172173	Lakemont Community Association, Inc. Supplementary Declaration of Covenants, Conditions and Restrictions and Annexation of Lakemont Section One
03/25/04	2004034341	Lakemont Community Association, Inc. Supplementary Declaration Of Covenants, Conditions and Restrictions and Annexation of Lakemont Section Thirteen
03/25/04	2004034342	Lakemont Community Association, Inc. Supplementary Declaration of Covenants, Conditions and Restrictions and Annexation of Lakemont Section Ten
05/12/04	2004057416	Lakemont Community Association, Inc. Supplementary Declaration of Covenants, Conditions and Restrictions and Annexation of Lakemont Section Fourteen
05/12/04	2004057417	Lakemont Community Association, Inc. Supplementary Declaration of Covenants, Conditions and Restrictions and Annexation of Lakemont Section Twelve
06/22/04	2004075381	Lakemont Community Association, Inc. Supplementary Declaration of Covenants, Conditions and Restrictions and Annexation of Restricted Reserve "B" Lakemont Section Four
09/17/04	2004113152	Lakemont Community Association, Inc. Supplementary Declaration Of Covenants, Conditions and Restrictions and Annexation of Lakemont Section Eleven

RECORDING DATE	FORT BEND COUNTY CLERK'S FILE NO.	DOCUMENT DESCRIPTION
02/03/05	2005013724	Lakemont Community Association, Inc. Amended and Supplementary Declaration of Covenants, Conditions and Restrictions and Annexation of 12.51 Acres I.G.N.R.R. Co. Survey (A-363) and the William Stanley Survey (A599) Fort Bend County, Texas
02/28/05	2005156273	Lakemont Community Association, Inc. Supplementary Declaration of Covenants, Conditions and Restrictions and Annexation of Lakemont Terrace Section Three
02/28/05	2005156274	Lakemont Community Association, Inc. Supplementary Declaration of Covenants, Conditions and Restrictions and Annexation of Lakemont Terrace Section One
02/28/05	2005156275	Lakemont Community Association, Inc. Supplementary Declaration of Covenants, Conditions and Restrictions and Annexation of Lakemont Terrace Section Two
05/11/05	2005054537	Lakemont Community Association, Inc. Supplementary Declaration of Covenants, Conditions and Restrictions and Annexation of 12.202 Acres
05/11/05	2005054539	Lakemont Community Association, Inc. Supplementary Declaration of Covenants, Conditions and Restrictions and Annexation of Lakemont Terrace Section One and Lakemont Terrace Section Two
05/11/05	2005054540	Lakemont Community Association, Inc. Supplementary Declaration of Covenants, Conditions and Restrictions and Annexation of Lakemont Trace Section One
06/20/05	2005071479	Lakemont Community Association, Inc. Supplementary Declaration of Covenants, Conditions and Restrictions and Annexation of Lakemont Cove Section One
02/21/06	2006020421	Lakemont Community Association, Inc. Supplementary Declaration of Covenants, Conditions and Restrictions and Annexation of Lakemont Court Section One
02/21/06	2006020422	Lakemont Community Association, Inc. Supplementary Declaration of Covenants, Conditions and Restrictions and Annexation of Lakemont Terrace Section Three
02/21/06	2006020423	Lakemont Community Association, Inc. Supplementary Declaration of Covenants, Conditions and Restrictions and Annexation of Lakemont Meadows Section Three
08/11/06	2006098833	Lakemont Community Association, Inc. Supplementary Declaration of Covenants, Conditions and Restrictions and Annexation of Lakemont Cove Section Two
07/23/07	2007091029	Lakemont Community Association, Inc. Supplementary Declaration of Covenants, Conditions and Restrictions and Annexation of Lakemont Manor Section One
07/23/07	2007091030	Lakemont Community Association, Inc. Supplementary Declaration of Covenants, Conditions and Restrictions and Annexation of Lakemont Cove Section Three

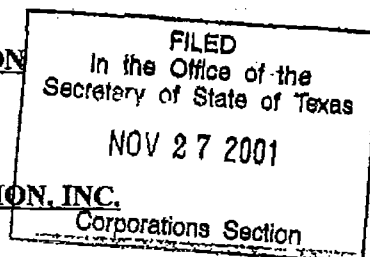
RECORDING DATE	FORT BEND COUNTY CLERK'S FILE NO.	DOCUMENT DESCRIPTION
02/22/08	2008018732	Lakemont Community Association, Inc. Supplementary Declaration of Covenants, Conditions and Restrictions and Annexation of Lakemont Ridge Section One
03/26/08	2008031472	First Amendment Lakemont Community Association, Inc. Supplementary Declaration of Covenants, Conditions and Restrictions and Annexation of Lakemont Ridge Section One
03/26/08	2008031482	First Amendment Lakemont Community Association, Inc. Supplementary Declaration of Covenants, Conditions and Restrictions and Annexation of Lakemont Cove Section Three
12/28/09	2009134208	202.006 Certification: Lakemont Fine Policy of the Lakemont Community Association, Inc.
12/29/09	2009134929	Application of Payments Policy of the Lakemont Community Association, Inc.

EXHIBIT "B"

ARTICLES OF INCORPORATION

OF

LAKEMONT COMMUNITY ASSOCIATION, INC.



I, the undersigned, being of the age of eighteen years or more, acting as incorporator of a corporation under the Texas Non-Profit Corporation Act., Tex. Civ. Stat. Ann. art.1396-01, et seq., as it may be amended, do hereby adopt the following Articles of Incorporation for such corporation:

Article 1. Name. The name of the Corporation is Lakemont Community Association, Inc. ("Corporation or "Association").

Article 2. Duration. The Corporation shall have perpetual duration.

Article 3. Applicable Statute. The Corporation is a non-profit corporation organized pursuant to the provisions of the Texas Non-Profit Corporation Act, Article 1396-1.01, et seq.

Article 4. Purposes and Powers. The Corporation does not contemplate pecuniary gain or benefit, direct or indirect, to its members. In way of explanation and not of limitation, the purposes for which it is formed are:

(a) to be and constitute the Association to which reference is made in the Declaration of Covenants, Conditions and Restrictions for Lakemont, recorded or to be recorded in the Office of the County Clerk of Fort Bend County, Texas, as it may be amended from time to time (the "Declaration"), to perform all obligations and duties of the Association, and to exercise all rights and powers of the Association, as specified therein, in the By-Laws, and as provided by law; and

(b) to provide an entity for the furtherance of the interests of the owners of property subject to the Declaration.

In furtherance of its purposes, the Corporation shall have the following powers, which, unless indicated otherwise by the Declaration or By-Laws, may be exercised by the Board of Directors:

(a) all of the powers conferred upon non-profit corporations by common law and the statutes of the State of Texas in effect from time to time;

(b) all of the powers necessary or desirable to perform the obligations and duties and to exercise the rights and powers set out in these Articles, the By-Laws, or the Declaration, including, without limitation, the following:

(i) to fix, levy, and collect assessments and other charges to be levied against the property subject to the Declaration and to enforce payment thereof by any lawful means;

(ii) to manage, control, operate, maintain, preserve, repair, and improve the common area and facilities, and any property subsequently acquired by the Corporation, or any property owned by another, for which the Corporation, by rule, regulation, Declaration, or contract, has a right or duty to provide such services;

(iii) to enforce covenants, conditions, or restrictions affecting any property to the extent the Association may be authorized to do so under the Declaration or By-Laws;

(iv) to engage in activities which will actively foster, promote, and advance the common interests of all owners of property subject to the Declaration;

(v) to buy or otherwise acquire, sell, or otherwise dispose of, mortgage, or otherwise encumber, exchange, lease, hold, use, operate, and otherwise deal in and with real, personal, and mixed property of all kinds and any right or interest therein for any purpose of the Corporation, which shall include the power to foreclose its lien on any property subject to the Declaration by judicial or nonjudicial means;

(vi) to borrow money for any purpose subject to such limitations as may be contained in the By-Laws;

(vii) to enter into, make, perform, and enforce contracts of every kind and description, and to do all other acts necessary, appropriate, or advisable in carrying out any purpose of the Association, with or in association with any other association, corporation, or other entity or agency, public or private;

(viii) to act as agent, trustee, or other representative of other corporations, firms, or individuals, and as such to advance the business or ownership interests in such corporations, firms, or individuals;

(ix) to adopt, alter and amend or repeal such By-Laws as may be necessary or desirable for the proper management of the affairs of the Association; provided, however, such By-Laws may not be inconsistent with or contrary to any provisions of the Declaration; and

(x) to provide or contract for services benefitting the property subject to the Declaration, including, without limitation, garbage removal and any and all supplemental municipal services as may be necessary or desirable.

The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other and further rights and powers which may now or hereafter be allowed or permitted by law; provided, none of the objects or purposes herein set out shall be construed to authorize the Corporation to do any act in violation of the Texas Non-Profit Corporation Act, and all such objects or purposes are subject to said Act.

The powers specified in each of the paragraphs of this Article 4 are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph or provision of this Article 4.

Article 5. Definitions. All capitalized terms used in these Articles of incorporation shall be defined in the same manner as defined in the Declaration, which definitions are incorporated herein by this reference.

Article 6. Membership. The Corporation shall be a membership corporation without certificates or shares of stock. All Members (as defined in the Declaration), which shall be the Declarant and all Owners (the terms Declarant and Owner are defined in the Declaration) are members of the Association. The members shall be divided into classes and entitled to a vote in accordance with the By-Laws and Declaration.

Article 7. Board of Directors. The business and affairs of the Corporation shall be conducted, managed, and controlled by a Board of Directors. The Board may delegate such operating authority to such companies, individuals, or committees as it, in its discretion, may determine. The Board shall consist of no less than three (3) and no more than five (5) members. The initial Board of Directors shall consist of the following three (3) members:

Liz Dantone
550 Greens Road, Suite 100
Houston, Texas 77067

Nan Peavey
550 Greens Road, Suite 100
Houston, Texas 77067

David Lowe
550 Greens Road, Suite 100
Houston, Texas 77067

The method of election, removal and filing of vacancies, and the term of office and number of directors shall be as set forth in the By-Laws.

Article 8. Liability of Directors. Indemnification. To the fullest extent permitted by Texas statutes, as the same exist or as they may hereafter be amended (but, in the case of any such amendment,

only to the extent that such amendment permits broader limitation than permitted prior to such amendment), a director or the Corporation shall not be liable to the Corporation for monetary damages for an act or omission in the director's capacity as a director. Any repeal or amendment of this Article 8 by the Corporation shall be prospective only and shall not adversely affect any limitation on the personal liability of a director of the Corporation existing at the time of such repeal or amendment.

The Corporation may indemnify a person who was, is, or is threatened to be made and named defendant or respondent in litigation or other proceedings because the person is or was a director or other person related to the Corporation as provided by the provisions of the Texas Non-Profit Corporation Act governing indemnification. The Board of Directors shall have the power to define the requirements and limitations for the Corporation to indemnify directors, officers, members and others related to the Corporation as provided in the provisions of the Texas Non-Profit Corporation Act governing indemnification.

Article 9. Dissolution. The Corporation may be dissolved only as provided in the By-Laws, and by the laws of the State of Texas. Any dissolution shall be subject to the terms of Article 11 hereof, if applicable.

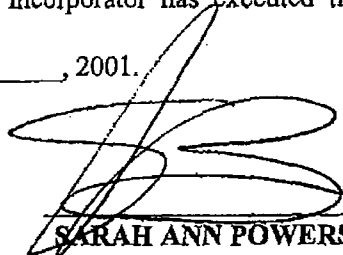
Article 10. Amendments. Subject to the provisions of the Texas Non-Profit Corporation Act, these Articles of Incorporation may be amended with the approval of the Board of Directors and members holding two-thirds (2/3) of the votes represented in person or by proxy at a meeting and the approval of the Class "B" member, so long as such membership exists. No amendment shall conflict with the Declaration nor shall any amendment be effective to impair or dilute any rights of members that are granted by the Declaration.

Article 11. Registered Agent and Office. The initial registered office of the Corporation is 550 Greens Road, Suite 100, Houston, Texas 77067, and the initial registered agent at such address is Nan Peavey.

Article 12. Incorporator. The name and address of the incorporator is as follows:

Sarah Ann Powers
Hoover, Bax & Slovacek, L.L.P.
5847 San Felipe, Suite 2200
Houston, Texas 77057

IN WITNESS WHEREOF, the undersigned incorporator has executed these Articles of Incorporation this 26 day of November, 2001.



SARAH ANN POWERS, Incorporator

Corporations Section
P.O. Box 13697
Austin, Texas 78711-3697



Geoffrey S. Connor
Assistant Secretary of State

Office of the Secretary of State

**CERTIFICATE OF INCORPORATION
OF**

Lakemont Community Association, Inc.
Filing Number: 800030309

The undersigned, as Secretary of State of Texas, hereby certifies that Articles of Incorporation for the above named corporation have been received in this office and have been found to conform to law.

Accordingly, the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law, hereby issues this Certificate of Incorporation.

Issuance of this Certificate of Incorporation does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 11/27/2001

Effective: 11/27/2001



A handwritten signature in black ink, appearing to read "G. Connor".

Geoffrey S. Connor
Assistant Secretary of State

**BY-LAWS
OF
LAKEMONT COMMUNITY
ASSOCIATION, INC.**

**BY-LAWS OF
LAKEMONT COMMUNITY ASSOCIATION, INC.**

ARTICLE I

NAME, PURPOSE, MEMBERSHIP, APPLICABILITY, AND DEFINITIONS

Section 1. Name and Purpose. The name of the Association shall be Lakemont Community Association, Inc. (the "Association"). The purpose of the Association is to be the property owners association for a residential and commercial subdivision for the benefit of this land and each owner of any part of this land.

Section 2. Membership. The Association shall have two (2) classes of membership, Class "A" and "B", as is more fully set forth in that Declaration of Covenants, Conditions, and Restrictions for Lakemont Sections Two, Three and Four (the "Declaration"), the terms of which pertaining to membership are specifically incorporated by reference herein.

Section 3. Definitions. The words used in these By-Laws shall have the same meaning as set forth in the Declaration, unless the context shall prohibit.

ARTICLE II

ASSOCIATION: MEETINGS, QUORUM, VOTING, PROXIES

Section 1. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the members as may be designated by the Board of Directors, either in the Community or as convenient thereto as possible and practical.

Section 2. First Meeting and Annual Meetings. The first annual meeting of the Members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held once a calendar year thereafter, on a day and at an hour determined by the Board of Directors.

Section 3. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of a majority of the Board of Directors or upon a petition signed by at least fifty percent (50%) of the Class "A" members. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting, except as stated in the notice.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail or to cause to be delivered to the Owner of record of each Lot a notice of each annual or special meeting of the Association stating the purpose of the special meeting, as well as the time and place where it is to be held. If an Owner wishes notice to be given at an address other than his or her or its Lot, he or she or it shall have designated by notice in writing to the Secretary such other address. The mailing or delivery of a notice of meeting in the manner provided in this Section shall be considered service

of notice. Notices shall be served not less than ten (10) nor more than thirty (30) days before a meeting.

Section 5. Waiver of Notice. Waiver of notice of a meeting of the members shall be deemed the equivalent of proper notice. Any member may, in writing, waive notice of any meeting of the members, either before or after such meeting. Attendance at a meeting by a member, whether in person or by proxy, shall be deemed waiver by such member of notice of the time, date, and place thereof, unless such member specifically objects to lack of proper notice at the time the meeting is called to order.

Section 6. Voting. The voting rights of the members shall be as set forth in the Declaration, and such voting rights are specifically incorporated herein. The Declaration provides that any member delinquent in the payment of any assessment due may not be entitled to exercise the rights and privileges of membership, including but not limited to the right to vote.

Section 7. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing, dated, and filed with the Secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his or her or its Lot, or upon receipt of notice by the Secretary of the death or judicially declared incompetence or dissolution of a member, or of written revocation, or upon the expiration of eleven (11) months from the date of the proxy.

Section 8. Quorum. The presence, in person or by proxy, of ten percent (10%) of the Owners of Lots to which eligible votes appertain shall constitute a quorum at all meetings of the Association. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

Section 9. Voting by Mail. The Board of Directors may authorize members to vote by mail on the election of directors and officers or on any other matter that may be voted on by the members.

ARTICLE III BOARD OF DIRECTORS: NUMBER, POWERS, MEETINGS

A. Composition and Selection.

Section 1. Governing Body: Composition. The affairs of the Association shall be governed by a Board of Directors (the "Board"). There is no requirement that Directors reside in the Community or be members of the Association for as long as the Declarant is appointing Directors. Thereafter the Directors should be a member or spouse of a member.

Section 2. Directors Appointed by Declarant. The Directors shall be selected by the Declarant acting in its sole discretion and shall serve at the pleasure of the Declarant, so long as the Class "B" membership exists as set forth in the Declaration, unless the Declarant shall earlier surrender this right to select Directors. The names of the initial Directors selected by the Declarant are set forth in the Articles of Incorporation of the Association.

Section 3. Number of Directors. The Board shall initially consist of three (3) members, and the Board shall have the authority to increase this number by amending these By-Laws.

Section 4. Nomination of Directors. Directors may be nominated by a Nominating Committee, if such a committee is established by the Board. Directors may also be nominated from the floor if the election is held at a meeting or by mail if the election is being conducted by mail. All candidates shall have a reasonable opportunity to communicate their qualifications to the members and to solicit votes.

Section 5. Election and Term of Office. Notwithstanding any other provision contained herein:

(a) Not later than thirty (30) days after the Class "B" membership terminates, or no later than thirty (30) days after the Declarant surrenders its right to select Directors, if such surrender occurs prior to the termination of the Class "B" membership, the Association shall call a special meeting to be held at which members shall elect five (5) new Directors for initial terms, or such higher number of directors as these By-Laws then call for.

(b) Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles of Incorporation and the Declaration. The persons receiving the largest number of votes shall be elected.

(c) At annual meetings of the membership after such special meeting, Directors shall be elected. All eligible members of the Association shall vote on all Directors to be elected, and the candidate(s) receiving the most votes shall be elected; provided, however, those Directors serving at the time of the first few annual meetings after the termination of the Class "B" membership shall serve the remainder of their initial terms as set forth below:

The initial term of two Directors shall be one (1) year from the special meeting, and the initial term of three Directors shall be two (2) years from the special meeting. However, if necessary, each such initial term shall be extended to terminate at the next annual meeting of the Members which occurs after the expiration of their relevant term of office. At the expiration of the initial term of office of each respective member of the Board of Directors, a successor shall be elected to serve for a term of two (2) years. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the Association.

(d.) The Declarant, in its sole discretion, may call meetings earlier than required herein and/or may permit Class "A" members to elect a larger number of Directors than required herein at any meeting of the Membership.

Section 6. Removal of Directors. At any regular or special meeting of the Association duly called, any one or more of the members of the Board of Directors may be removed, with or without cause, by a majority vote of the Class "A" members (however this action must have the concurrence of the Class "B" member for so long as such Class "B" membership exists) and a successor may then and there be elected to fill the vacancy thus created. A Director whose removal has been proposed by the Owners shall be given at least ten (10) days' notice of the calling of the meeting and the purpose thereof and shall be given an opportunity to be heard at the meeting. Additionally, any Director who has three (3) consecutive unexcused absences from Board meetings may be removed by a majority vote of the Directors at a meeting, a quorum being present. This Section shall not apply to Directors appointed by Declarant.

Section 7. Vacancies. Vacancies in the Board of Directors caused by any reason, excluding the removal of a Director by vote of the Association, shall be filled by a vote of the majority of the remaining Directors, even though less than a quorum, at any meeting of the Board of Directors. Each Person so selected shall serve the unexpired portion of the term.

B. Meetings.

Section 1. Organization Meetings. The first meeting of the members of the Board of Directors each year shall be held within thirty (30) days following each annual meeting of the membership at such time and place as shall be fixed by the Board.

Section 2. 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 four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter. Notice of the regular schedule shall constitute sufficient notice of such meetings.

Section 3. Special Meetings. Special meetings of the Board shall be held when requested by the President, Vice President or by any two (2) Directors, with not less than three (3) days notice.

Section 4. Waiver of Notice. The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 5. Quorum. A majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

Section 6. Compensation. No Director shall receive any compensation for any service rendered to the Association. Any director may, however, be reimbursed for actual expenses incurred in the performance of duties as a director.

Section 7. Open Meetings. All meetings of the Board shall be open to all members, but members other than Directors may not participate in any discussion or deliberation unless expressly so authorized by the Board.

Section 8. Executive Session. The Board may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

Section 9. Action Without a Formal Meeting. Any action to be taken at a meeting of the Directors or any action that may be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all of the Directors. Such consent may be executed by multiple counterparts, fax signatures or by E-mail.

C. Powers and Duties.

Section 1. Powers. The Board shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by the Declaration, Articles, or these By-Laws directed to be done and exercised exclusively by the members. In addition to the duties imposed by these By-Laws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to and be responsible for the following, in way of explanation, but not limitation:

- (a) preparation and adoption of an annual budget in which there shall be established the contribution of each Owner to the common expenses;
- (b) making assessments to defray the common expenses, establishing the means and methods of collecting such assessments, and establishing late fees and the period of the installment payments of the annual assessment;
- (c) providing for the operation, care, upkeep, and maintenance of all areas which are the maintenance responsibility of the Association, including but not limited to the gates restricting ingress and egress into the Community and the private streets and/or permanent access easements within the Community;
- (d) designating, hiring, and dismissing the personnel necessary for the operation of the Association and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;
- (e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association;
- (f) adopting and amending rules and regulations governing the use of the Common Open Areas;
- (g) opening of bank accounts on behalf of the Association and designating the signatories required;
- (h) enforcing by legal means the provisions of the Declaration, these By-Laws, and the rules and regulations adopted by it, and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;
- (i) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;
- (k) paying the cost of all services rendered to the Association or its members which are not directly chargeable to Owners;
- (l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, and specifying the maintenance and repair expenses and any other expenses incurred; and

(m) contracting with any Person for the performance of various duties and functions. The Board shall have the power to enter into common management agreements with trusts, condominiums, or other associations. Any and all functions of the Association shall be fully transferable by the Board, in whole or in part, to any other entity.

Section 2. Management Agent. The Board may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board shall authorize.

Section 3. Borrowing. The Board shall have the power to borrow money for the purpose of repair, restoration, improvement, or purchase of the Property and facilities thereon without the approval of the members of the Association,

ARTICLE IV OFFICERS

Section 1. Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer. Any two or more offices may be held by the same Person, excepting the offices of President and Secretary. The President and Treasurer shall be elected from among the members of the Board of Directors.

Section 2. Election, Term of Office, and Vacancies. Except for the Initial Directors, the officers of the Association shall be elected annually by the Board at the organizational meeting of the Board following each annual meeting. A vacancy in any office arising because of death, resignation, removal, or otherwise, may be filled by the Board for the unexpired portion of the term.

Section 3. Removal. Any officer may be removed by the Board whenever, in its judgment, the best interests of the Association will be served thereby. In the event of death, resignation or removal of a director, a successor shall be selected by the remaining members of the board and shall serve for the unexpired term.

Section 4. President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association and of the Board. The President shall have all the general powers and duties which are incident to the office of the president of a corporation organized under the Texas Non-Profit Corporation Act.

Section 5. Vice President. The Vice President shall act in the President's absence and shall have all powers, duties, and responsibilities provided for the President when so acting.

Section 6. Secretary. The Secretary shall keep or cause to be kept, the minutes of all meetings of the Association and of the Board of Directors and shall have charge of such books and papers as the Board of Directors may direct and shall, in general, perform all duties incident to the office of the secretary of a corporation organized in accordance with Texas law.

Section 7. Treasurer. The Treasurer shall have the responsibility for the Association's funds and securities and shall be responsible for keeping or causing to be kept, full and accurate financial records and books of account showing all receipts and disbursements, for preparing or causing to be prepared, all required financial statements and tax returns, and for the deposit of all monies and other valuable effects in the name of the Association or the managing agent in such depositories as may from time to time be designated by the Board of Directors.

Section 8. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE V COMMITTEES

Section 1. General. Committees to perform such tasks and to serve for such periods as may be designated by the Board are hereby authorized. Each committee shall be composed and shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors. The Board shall appoint an Architectural Review Committee, as provided in the Declaration, and a Nominating Committee as provided in these By-Laws.

ARTICLE VI MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of the Association shall be determined by resolution of the Board. In the absence of such a resolution, the fiscal year shall be the calendar year.

Section 2. Parliamentary Rules. *Roberts Rules of Order* (current edition) shall govern the conduct of all Association proceedings, when not in conflict with Texas law, the Articles of Incorporation, the Declaration, these By-Laws, or a ruling made by the Person presiding over the proceeding.

Section 3. Conflicts. If there are conflicts or inconsistencies between the provisions of Texas law, the Articles of Incorporation, the Declaration, and these By-Laws, the provisions of Texas law, the Declaration, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.

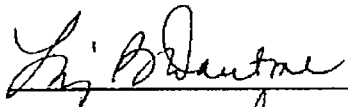
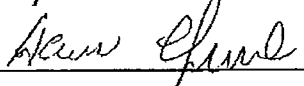
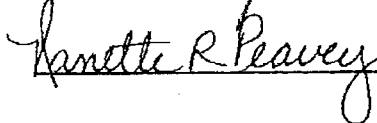
Section 4. Amendment. The provisions of the Declaration applicable to amendment of that instrument shall apply to any amendment to these By-Laws. In addition, these By-Laws may be amended by the Board of Directors.

**ARTICLE VII
INDEMNIFICATION**

The Association shall indemnify its directors, officers, employees, and agents to the full extent permitted by the laws of the State of Texas

Also, the Association shall limit the liability of its directors to the Association to the full extent permitted by the laws of the State of Texas

IN WITNESS WHEREOF, WE BEING ALL THE Directors of the LAKEMONT COMMUNITY ASSOCIATION, INC. have hereunto executed and consented to these By-Laws, effective on the dates indicated below.

<u>Name of Director</u>	<u>Signature</u>	<u>Date of Execution</u>
Liz B. Dantone	 _____	<u>12/20/02</u>
David C. Lowe	 _____	<u>12/20/02</u>
Nanette R. Peavey	 _____	<u>12/20/02</u>

After Recording please return to:
Friendwood Development Company
550 Greens Parkway, Suite 100
Houston, TX 77067-4526

Attn: Liz Dantone