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SUPPLEMENTAL MEMORANDUM OF DEDICATORY DOCUMENTS

Whereas, the Board of Trustees of WALDEN ON LAKE CONROE COMMUNITY IMPROVEMENT ASSOCIATION, INC., a Texas non-profit corporation (the "Corporation") has previously filed various Memoranda of Dedicatory Documents; and

Whereas, the Memoranda are recorded at Montgomery County Clerk's file No. 2000-010504; 2000-086359; 2005-043792; 2006-073735; and other locations; and

Whereas, the Corporation has deemed it necessary to file this Supplemental Memorandum of Dedicatory Documents regarding the Corporation; and

Whereas the Corporation has adopted and approved various policies, rules, regulations, elements, standards and statements related to their operation and governance within the Walden on Lake Conroe subdivision;

THEREFORE KNOW ALL MEN BY THESE PRESENTS, that the Corporation hereby files for record as Dedicatory Instruments the following written rules, regulations, policies, by-laws and/or guidelines related to the operation of the Corporation:

1. Walden on Lake Conroe Community Improvement Association, Inc. By-Laws (as Amended July 27, 2006).
2. Walden on Lake Conroe Community Improvement Association, Inc.'s Architectural Control Committee's Wall and Fence Policy (adopted August 24, 2006, effective August 24, 2006).
3. Walden on Lake Conroe Community Improvement Association, Inc.'s Policy RE: Coalitions Outside Formal Board Meetings (adopted August 24, 2006, effective beginning January 27, 2007).

This Memorandum is NOTICE TO THE PUBLIC of the existence and establishment of these by-laws, as amended, and adopted policies. Pursuant to the Texas Property Code, the document herein named and filed for record is intended to be a Dedicatory Document affecting the specific community defined within Walden on Lake Conroe. This is a SUPPLEMENTAL filing and does not replace or alter the filings previously made by the Corporation, except to the extent that the document identified as 1. above and attached hereto is an amendment of by-laws previously made and filed by the Corporation.

WITNESS MY HAND, to this document this 28th day of August, 2006.

Walden on Lake Conroe Community Improvement Association, Inc., a Texas non-profit corporation

BY: James H. Stilwell
James H. Stilwell, as Agent and Attorney in Fact

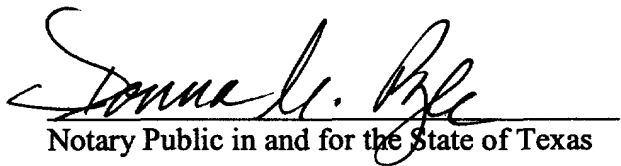
The State of Texas

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County of Montgomery

Before me, the undersigned authority, on this day personally appeared James H. Stilwell as Agent and Attorney in Fact for WALDEN ON LAKE CONROE COMMUNITY IMPROVEMENT ASSOCIATION, INC., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed same for the purposes therein expressed, in the capacity therein stated, and as the act and deed of said Corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 28th day of August, 2006.


Notary Public in and for the State of Texas



AFTER RECORDING, RETURN TO:
Walden on Lake Conroe, C.I.A.
Attn: Nancy Renfroe
13301 Walden Road
Montgomery, Texas 77356

(REVISED JULY 27, 2006)

**BY-LAWS OF
WALDEN ON LAKE CONROE
COMMUNITY IMPROVEMENT ASSOCIATION**

**ARTICLE I.
NAME AND LOCATION**

Section 1. The name of the Corporation is Walden On Lake Conroe Community Improvement Association, hereinafter referred to as "the Association" located at *13301 Walden Road, Montgomery, Texas 77356*.

Section 2. Meetings of Members and trustees may be held at such places either within or without the State of Texas, as may be designated and directed by the Board of Trustees.

**ARTICLE II.
DEFINITIONS**

Section 1. "Architectural Control Committee" shall mean that standing Committee appointed by the Board of Trustees and empowered to oversee and protect the general scheme and development of WALDEN ON LAKE CONROE for the benefit of all Members of the Association.

Section 2. "Association" shall mean and refer to Walden On Lake Conroe Community Improvement Association, a Texas Non-Profit Corporation, its successors and assigns.

Section 3. "Candidate Applicant" shall mean and refer to a Member, in good standing, of the Association who is standing for election to the position of a member of the Board of Trustees and has filed the appropriate candidate application containing the requisite candidate information and necessary signatures and has paid the appropriate filing fee.

Section 4. "Corporation" shall mean and refer to Walden On Lake Conroe Community Improvement Association.

Section 5. "Declarants" shall mean and refer to Jerry H. Deutser, Trustee and S. Conrad Weil, Jr., Trustee, the Declarants in the Declarations of Restrictions.

Section 6. "Declarations" shall mean and refer to the Declarations of Restrictions for Walden, Sections One, Two and Three and all additional Sections currently platted as a Section of Walden On Lake Conroe.

Section 7. "Elections Committee" shall mean that standing Committee appointed by the Board of Trustees and empowered to oversee and manage the general election of Trustees to the Board of Trustees and to suggest policies, procedures, rules, and regulations for the conduct of those elections.

Section 8. "Good Standing" shall mean and refer to the payment of all maintenance fees and special assessments which have been assessed and compliance with the Declarations and Restrictions for Walden, Sections One, Two and Three and all additional Sections currently platted as a Section of Walden On Lake Conroe together with all policies and procedures adopted by the Board of Trustees.

Section 9. "Lot" shall mean and refer to a plot of land subject to the jurisdiction of the Association as is more fully specified in the said Declarations of Restrictions.

Section 10. "Member" shall mean and refer to those persons who are the Owners, as such term is defined above, of property which is subject to a maintenance charge assessed by the Walden On Lake Conroe Community Improvement Association and are thus entitled to membership in the Association. The Association shall have only one class of voting membership.

Section 11. "Nominating Committee" shall mean that standing Committee appointed by the Board of Trustees and empowered to nominate Members for those positions and appointments deemed appropriate by the Board of Trustees.

Section 12. "Owner" shall mean and refer to the owner of a fee, undivided fee interest or other fee estate or a purchaser thereof under a contract of sale whether one or more persons or entities of any properties or portions thereof which are subject to a maintenance charge assessment by the Walden On Lake Conroe Community Improvement Association, but excluding those having such interest merely as security for the performance of any obligation and those having only an interest in the mineral estate.

Section 13. "Properties" or property shall mean and refer to that certain property and portions thereof, described in the Declarations of Restrictions for Walden On Lake Conroe Sections One, Two and Three, Subdivisions in Montgomery County, Texas, and any additional Sections or Reserves and portions thereof of Walden On Lake Conroe as may have been or may hereafter be platted into Subdivisions, condominiums, townhouse development, patio homes, residential lots, or similar residential divisions of real property known as Walden On Lake Conroe.

Section 14. The masculine and neuter pronouns used in this instrument shall include the masculine, feminine and neuter genders.

ARTICLE III.
MEETINGS OF MEMBERS

Section 1. Annual Meetings. The regular annual meeting of the Members of the Association shall be held at 10:00 a.m. on the fourth Saturday in January each year, or on such other day as designated by the Board of Trustees, at a place to be designated by the Board of Trustees.

Section 2. Special Meetings. Special meetings of the Members may be called upon the written request of one-fourth (1/4) of all of the Members who are entitled to vote.

Section 3. Notice of Meetings. Written notice of each special meeting of the Members shall be given by, or at the direction of, the Secretary or any person or persons authorized to call a meeting, by mailing a copy of such notice, postage paid, at least fifteen (15) days, but not more than fifty (50) 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 the notice. Such notice shall specify the place, day and hour of the meeting, and the purpose of the meeting. Notice of annual meetings shall not be required, but may be given in a like manner.

Section 4. Quorum. The presence at the meeting of the Members in person or by proxy of one-tenth (1/10) of the total votes of all Members shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented. The proxy shall be used solely for the purposes of obtaining a quorum and for voting on matters at the Annual Members' Meeting other than the election of Trustees.

ARTICLE IV.
BOARD OF TRUSTEES

Section 1. Board of Trustees. EFFECTIVE THE FOURTH SATURDAY OF JANUARY 2007, the Board of Trustees shall begin to transition from having fifteen (15) members, to having nine (9) members. The transition shall occur in the following fashion:

- (a) In the election occurring in 2006, three (3) Trustees shall be elected to the Board for a three (3) year term beginning the fourth Saturday of January 2007. From that point forward through 2007, the Board shall consist of a maximum of thirteen (13) Trustees.
- (b) In the election occurring in 2007, three (3) Trustees shall be elected to the Board for a three (3) year term beginning the fourth Saturday of January 2008. From that point forward through 2008, the Board shall consist of a maximum of eleven (11) Trustees.

- (c) In the election occurring in 2008, three (3) Trustees shall be elected to the Board for a three (3) year term beginning the fourth Saturday of January 2009. From that point forward through 2009, the Board shall consist of a maximum of nine (9) Trustees.
- (d) In each annual election thereafter, three (3) Trustees shall be elected to the Board for a three (3) year term, beginning the fourth Saturday of January following the election.

Section 2. Term of Office. Each Trustee elected, beginning with the election in 2006, shall serve a three (3) year term that begins the fourth Saturday of January following the election, or the date of the Annual Members meeting (whichever comes later). In the event of a vacancy or resignation of a Trustee, the Board of Trustees shall have the power and authority to appoint a replacement Trustee to serve the remainder of the position's unexpired term. The total number of Trustees utilized in defining a quorum, as defined by Article VI, Section 3, shall be the total authorized number of Trustees, without regard to vacancies.

Section 3. Election. Election of new Trustees to the Board of Trustees shall be made by as provided in Article V.

Section 4. Positions. Effective the fourth Saturday of January 2007, the Board of Trustees shall begin its transition to nine (9) members or positions, with the transition ending the fourth Saturday of January 2009 with a nine (9) position Board consisting of three (3) separate classes of three (3) Trustees each and serving staggered three (3) year terms.

Section 5. Removal. Trustees are removed or may be removed in the following circumstances:

- (a) Resignation (automatic – no vote needed).
- (b) No longer meeting qualifications of position (automatic – no vote needed).
- (c) Non-attendance at three (3) regular meetings of the association during a calendar year, unless an absence is excused by a majority vote of the Trustees present at a meeting (automatic – unless an absence is excused by majority vote).
- (d) Removal by two-thirds (2/3) vote of the Trustees present at a regular or special Board of Trustee's meeting (requires two-thirds (2/3) vote to give notice, and second two-thirds (2/3) vote to remove).

A proposal for removal of a Trustee shall be presented for a vote at any duly organized Board meeting and, upon a two-thirds (2/3) vote of Trustees present, written notice of the proposed removal shall be mailed to the Trustee's last known address by regular mail and certified mail, return receipt requested, requesting the Trustee to appear at the next duly organized meeting of the Board of Trustee's, if the Trustee so desires, to show cause why the Trustee should not be removed from office.

At the next duly organized Board of Trustee's meeting, the matter of the proposed removal of a Trustee shall be considered. The Trustee proposed for removal shall be given the opportunity to speak, if desired. After discussion by the Board of Trustees, upon a two-thirds (2/3) vote of the Trustees present, the Trustee shall be removed from office for the remaining term. Absent a two-thirds vote of the Trustees present, the Trustee shall

remain in office. Any vacancy created hereby shall be filled for the remaining term of office by the Board of Trustees.

Section 6. Compensation. No trustee shall receive compensation for any service he may render to the Association; provided, however, any trustee may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 7. Action Taken Without a Meeting. The trustees shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all of the trustees. Any action so approved shall have the same effect as though taken at a meeting of the trustees.

Section 8. Conflict of Interest. No trustee shall vote in any contract matter in which he, his direct beneficiary, or a company in which he is a principal owner is a signatory to the contract with the Community Improvement Association. This prohibition of voting shall not preclude such trustee from participating in discussion by the Board of adoption of such contract.

Section 9. Term Limitations. A Member shall not serve as a Trustee if that Member has previously served two (2) consecutive terms [of three (3) years each] immediately preceding his election to a third term; **PROVIDED HOWEVER** that any Trustee serving an unexpired term shall not have any portion of that unexpired term computed in calculating time served as a Trustee; and **PROVIDED FURTHER** that any Member who has not served as a Trustee within the preceding Three Hundred Sixty-Five (365) days to such election shall be eligible for election to the Board of Trustees.

Section 10. Ex Officio Members. (a) The immediately out-going President of the Board of Trustees shall serve as an ex-officio and non-voting member of the Board for one (1) year with the right to discuss and propose all matters; (b) Jerry H. Deutser and S. Conrad Weil, Jr., shall serve as an ex-officio and non-voting member of the Board of Trustees with the right to discuss and propose all matters; **PROVIDED** that nothing herein shall preclude Jerry J. Deutser or S. Conrad Weil, Jr., from serving as a Trustee on the Board of Trustees subject to the provisions of Section 9 hereof.

ARTICLE V. **ELECTION OF TRUSTEES**

Section 1. Annual Elections. At the Annual Election to be held the first Saturday of November 2006 and annually thereafter, the Members shall elect up to three (3) Trustees for a three year term.

Section 2. Filing for Candidacy/Candidate Application. Any Member of the Association, who is in good standing, may obtain an application from the Association to stand as a candidate for the position of Trustee. The Association shall make such candidate applications available during regular business hours during the calendar

month of September commencing September 2004. Such candidate application shall require the candidate's name, telephone number, street address, and street address of each property owned in Walden.

Section 3. Filing Deadline. No candidate application shall be distributed by the Association prior to 1 September. A candidate application may be delivered to the Association's office only during regular business hours or may be mailed postage prepaid to the Association's office and addressed as follows: *Walden on Lake Conroe C.I.A., 13301 Walden Road, Montgomery, Texas 77356*. No candidate application mailed to the Association's office shall be accepted by the Association if that candidate application is postmarked later than 30 September. No candidate application shall be received by the Association without all of the requisite candidate information. Only the candidate applications provided by the Association shall be employed in the election process and no other candidate application shall be accepted by the Association.

Section 4. Campaigning, Forms, Political Signs. All campaigning for the office of Trustee by any candidate applicant shall be limited to the period between 1 September and the first Saturday of November of each year beginning 2004. The Association shall arrange for two candidate applicant forums. One forum shall occur during the regular business week in the evening. The second forum shall occur on a Saturday. Both forums shall be scheduled during the month of October. The Association shall determine the rules and protocol for each such forum which shall include the length of each forum, the order of appearance, and the questions asked. The Association shall also designate several areas within the subdivision known as WALDEN ON LAKE CONROE for the posting, exhibiting, and placing of campaign posters. Each candidate applicant may place, post, and exhibit any election or campaign posters only within the designated areas. In all respects, each candidate applicant shall observe and comply with the applicable Deed Restrictions related to signs as well as all established policies and procedures which have been adopted by the Association.

Section 5. Voting. The Association shall hold a general election for the Trustee positions annually on the first Saturday of each November beginning in 2004. Only members in good standing are entitled to vote.

- (a) All Voting shall be by secret ballot.
- (b) In person voting shall occur at a location designated by the Board of Trustees. In the absence of a designation, in person voting shall take place at the Walden Administration Building, 13301 Walden Road.
- (c) Members who are voting in person shall be required to identify themselves and shall be entitled to one (1) vote per property owned.
- (d) Members may cast, in respect of each position, as many votes as they are entitled to cast under the provisions of the Declarations. Cumulative voting shall not be permitted. The persons receiving the largest number of votes shall be elected.
- (e) The hours of in person voting on the general election day shall commence at 8:00 am U.S. Central Standard Time and close at 6:00 pm U.S. Central Standard Time.

- (f) The Election Committee may recommend, and the Board of Trustees may approve an "in person early voting period" for a set duration and for specified hours.
- (g) The Election Committee may recommend, and the Board of Trustees may approve any additional method of voting, so long as all Members are offered the same voting method choices. All ballots shall be in the form promulgated by the Association.
- (h) Only those ballots received by the Association or their designated agent by the close of the poll on general election day shall count.

Section 6. Election and Assumption of Office. The candidate applicants receiving the most votes shall be elected to the open Trustee positions. Each candidate applicant elected to a Trustee position shall take office at the commencement of the Board of Trustee's meeting scheduled for the fourth Saturday in the following January.

Section 7. Rules, Procedure, Policies. The Board of Trustees is empowered and authorized to make any and all rules, regulations, policies and procedures necessary to effectuate the election process. The Board of Trustees shall receive and consider any and all suggestions made or proposed by the Elections Committee.

Section 8. Elections Committee. The Board of Trustees shall establish and appoint a standing Elections Committee of the Association.

- (a) The Elections Committee shall have three (3) or more members. One member shall be a Trustee who shall serve as Chairperson of the Elections Committee.
- (b) The Board of Trustees shall receive nominations from the Nominating Committee of Members of the Association for additional committee members who may be Trustees or Members. From those nominations, the Board of Trustees shall appoint no less than two (2) additional members to the Elections Committee. Elections Committee members serve a one (1) year term, with no limit on the number of terms they may serve.
- (c) The Elections Committee shall oversee the election process related to electing Trustee members. The Elections Committee may review and suggest election policies rules and procedures.
- (d) The Election Committee shall initially hear and resolve any and all questions, disputes, controversies arising as a result of any elections under this Article of the By-Laws. Any determination made by the Elections Committee of any such question, dispute, or controversy may be appealed to the entire Board of Trustees within twenty (20) days of such determination. The decision of the Board of Trustees shall be final.

Section 9. Dispute Resolution. The Board of Trustees as then constituted shall be the final arbiter of any and all questions, disputes, controversies arising as a result of any elections under this Article of the By-Laws. The said Board of Trustees shall resolve and determine all such matters and its resolution and determination shall be final, conclusive, and binding upon all Members and all candidate applicants.

ARTICLE VI.
MEETING OF TRUSTEES

Section 1. Regular Meetings. Regular meetings of the Board of Trustees shall be held at least annually with notice, at such place and hour as may be fixed from time to time by resolution of the Board.

Section 2. Special Meetings. Special meetings of the Board of Trustees shall be held when called by the President of the Association or by any trustee after not less than three (3) days' notice to each trustee, which such notice may be waived at or prior to such meeting.

Section 3. Quorum. A majority of the Trustee members shall constitute a quorum for the transaction of business. Every act or decision performed or made by a majority of the Trustees present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Trustees.

Section 4. Meetings and Records. Meetings shall be conducted and records shall be maintained in accordance with the Texas Non-Profit Corporation Act.

ARTICLE VII.
POWERS AND DUTIES OF THE BOARD OF TRUSTEES

Section 1. Powers. The Board of Trustees shall have power to:

- (a) Suspend the voting rights and right to the use of any facilities or services provided by the Association of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations and for violation of the applicable Deed Restrictions;
- (b) Exercise for the Association all powers, duties and authority vested in or designated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, the Declarations, and the Texas Non-Profit Corporation Act;
- (c) Declare the office of a member of the Board of Trustees to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Trustees;
- (d) Employ a manager, independent contractors, or such other employees as the Board may deem necessary, and to prescribe their duties and the terms of employment or service;
- (e) Exercise for the Association all powers, duties and authority necessary in the operation and management of, including, but not limited to the collection of Member accounts incurred at: i) the Walden On Lake Conroe Yacht Club; and ii) the Walden On Lake Conroe Racquet Club.
- (f) Exercise control, management, and oversight of all programs, staff, employees, funds, property, and assets of the Corporation, including the power to sell, mortgage, lease and contract;
- (g) Add to, change, modify, discontinue, alter, terminate any and all programs, amenities, staff, or facilities owned, managed or operated by the Corporation;

- (h) Maintain the harmony and uniformity of the subdivision and to enforce the deed restrictions affecting all sections of Walden On Lake Conroe;
- (i) Appoint, from time to time, select committee(s) for particular and specialized projects and activities, which committee(s) may consist of Members of the Corporation and Trustees but which committee(s) shall only provide recommendations and proposals but have no voting privileges on the Board of Trustees; and
- (j) Appoint an Election Committee consisting of one Trustee and two Members of the Association.

Section 2. Duties. It shall be the duty of the Board of Trustees 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 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) Hire, terminate, employ, set compensation and benefits, and supervise all officers, agents, and employees of this Association, and to ensure that their duties are properly performed;
- (c) To fix the amount of the annual assessment against properties subject to the jurisdiction of the Association and to take such actions as it deems appropriate to collect such assessments and to enforce the liens given to secure payment thereof;
- (d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) Procure and maintain such liability, hazard insurance, or other insurance as the Board may deem appropriate on any property or facilities owned by the Association any on any employer, contractor or activity;
- (f) Cause any officers or employees having fiscal responsibilities to be bonded, as the Board may deem appropriate;
- (g) Exercise oversight and management in all matters related to the operation of the Association, including, but not limited to all fiscal matters, employment issues, and property use and property disposition, and architectural control matters and policies;
- (h) Exercise, or cause to be exercised, such actions, policies, procedures, activities, or resolutions reasonably necessary to fulfill the powers granted in these By-Laws, the Articles of Incorporation, the applicable Deed Restrictions, and in the Texas Non-Profit Corporation Act; and
- (i) Oversee and manage the annual election of Trustees as provided by Article V of these By-Laws.

ARTICLE VIII.
OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president, who shall be at all times a member of the Board of Trustees; a vice president; a secretary; and a treasurer, and such other officers as the Board may from time to time create by resolution.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Trustees 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 for one (1) year, unless they shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. 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 at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Officers. No person shall simultaneously hold more than one office except the office of Vice President, Secretary, Treasurer and/or special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers of the Association are as follows:

PRESIDENT

- (a) The President shall preside at all meetings of the Board of Trustees and of the Association; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall sign all checks and promissory notes. Authority for any other person to sign checks and promissory notes may be granted by the Board of Trustees.

VICE PRESIDENT

- (b) 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.

SECRETARY

- (c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Trustees and of the Members, keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board of Trustees 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.

TREASURER

- (d) The Treasurer shall receive and deposit in appropriate bank account of all monies of the Association and shall disburse such funds as directed by resolution of the Board of Trustees; shall sign all checks and promissory notes of the Association; keep proper books of account; and keep accurate books and records of the fiscal affairs of the Association and to make the same available for inspection by Members of the Association during normal business hours. All duties of the Treasurer may be delegated to any other person by the Board of Trustees.

ARTICLE IX.
COMMITTEES

The Board of Trustees shall appoint an Elections Committee, a Nominating Committee, and an Architectural Control Committee as provided in these By-Laws and the respective Restrictions affecting each Section of Walden On Lake Conroe. The Board of Trustees may also appoint other committees and task forces as deemed appropriate and necessary to carrying out the work of the Board and the business of the Corporation.

ARTICLE X.
BOOKS AND RECORDS

The books, and records and papers of the Association shall at all times and during reasonable business hours be available to inspection by any Member. The Declarations, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI.
ASSESSMENTS

As more fully provided in the Declarations, each Member is obligated to pay the Association certain annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquent at the rate of six percent (6%) per annum, and the Association may bring an action at law against the Owners personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessment provided for herein by nonuse of any of the facilities or services provided by the Association or by abandonment of his Lot.

All annual assessments not paid in full within Forty-Five (45) days after the due date, shall be subject to a late charge of TWENTY-FIVE DOLLARS (\$25.00), which shall be added to the amount of the delinquent assessment. Such late charge may be imposed on each year's delinquent assessments.

In the event a lot owner becomes delinquent in the payment of any maintenance fees and a suit for the collection of those fees has been commenced in a court of competent jurisdiction, then any monies paid to and received by the Association or its agents shall be applied in the following order, sequence, and priorities:

1. payment of attorney's fees, filing fees, court costs, other costs and expenses incurred by Walden in the collection process;
2. then payment of accrued late charges, penalties, and accrued interest; and
3. the remainder to assessed and unpaid maintenance fees.

ARTICLE XII. **ARCHITECTURAL CONTROL COMMITTEE**

Section 1. Designation of Committee. The Association shall have an Architectural Control Committee (the "Committee") which shall consist of no fewer than three (3) Members who shall be natural persons, and who shall be appointed by the Board of Trustees of the Association and who shall have a term of appointment of three (3) years. The Board of Trustees shall have the exclusive right and power at any time and from time to time to create and fill vacancies on the Committee. The Board's discretion in such matters shall be absolute and not subject to review.

Section 2. Architectural Control Subcommittee. The Association shall have an Architectural Control Subcommittee (the "Subcommittee") which shall consist of no fewer than three (3) Members who shall be natural persons, and who shall be appointed by the Board of Trustees of the Association and who shall have a term of appointment of three (3) years with the initial Subcommittee to have one member appointed to a one (1) year term, the second member appointed to serve for a two (2) year term and the third member appointed to serve a three (3) year term. The Board of Trustees shall have the exclusive right and power at any time and from time to time to create and fill vacancies on the Committee. The Board's discretion in such matters shall be absolute and not subject to review. The Architectural Control Subcommittee shall assist the Architectural Control Committee by receiving, reviewing, considering, and recommending approval or disapproval of all architectural issues pursuant to the dedicatory documents affecting WALDEN ON LAKE CONROE **save and except** any and all new home construction and major additions or improvements which shall be reviewed by the Architectural Control Committee described in Section 1 above.

Section 3. Function of Architectural Control Committee. No Improvement (as defined in any of the Declarations which affect each Section of WALDEN ON LAKE CONROE) shall be commenced, erected, placed, maintained or permitted to remain on any portion of any lot or to any Improvements thereon until plans and specifications in such form and detail as the Committee may deem necessary shall be submitted and approved in writing by the Committee. The Committee shall implement and oversee all policies and procedures adopted by the Board of Trustees or found in the applicable Deed Restrictions and all work and recommendations of the

Architectural Control Subcommittee. The Committee shall have the power (a) to employ professional consultants to assist it in discharging its duties, (b) to charge any applicant a reasonable fee to defray its cost of reviewing such plans and specifications, (c) to delegate to the Architectural Control Subcommittee the receipt, review, consideration, and recommendations of approval or disapproval of all architectural issues pursuant to the dedicatory documents affecting WALDEN ON LAKE CONROE **save and except** any and all new home construction and major additions or improvements, and (d) to oversee, review, reconsider and approve or disapprove all architectural issues submitted to the Architectural Control Subcommittee. **SUBJECT TO the appeal procedures adopted by the Board of Trustees**, the decision of the Architectural Control Committee shall be final, conclusive and binding upon the applicant. "Improvement" shall mean and include all buildings, roof structures, parking areas, loading areas, trackage, fences, walls, hedges, mass plantings, poles, driveways, grading and site preparation work, concrete or asphalt pads, ponds, illumination, changes in any exterior color or shape, satellite dishes and other reception devices, utility connections, exterior construction or exterior Improvement that may not be included in any of the foregoing. "Improvement" shall include both original Improvements and all later changes and Improvements.

Section 4. Content of Plans and Specifications. Two (2) sets of written plans and specifications prepared by a licensed architect, the contractor or a licensed engineer shall be submitted to the Committee for approval **PRIOR** to commencement of construction. Upon submission of such plans and specifications the Committee shall issue a written receipt with date signifying such submission. Plans and specifications to be submitted and approved shall include, at a minimum, the following:

- (a) A topographical plot showing two foot contour grades and showing the location of all improvements, structures, walks, patios, driveways, fences and walls. Existing and finished grades shall be shown at lot corners and at corners of proposed Improvements. Lot details if any appreciable change in the lot contour is contemplated;
- (b) Exterior elevations, exterior materials, colors, textures and shapes;
- (c) Structural design, including soil test information upon request;
- (d) Landscaping plan, including walkways, fences and walls, elevation changes, watering systems, vegetation and ground cover;
- (e) Parking area and driveway sizes;
- (f) Screening, including size, location and method;
- (g) Utility connections;
- (h) Exterior illumination, including location and method;
- (i) Fire protection system, if any, to be provided;
- (j) Signs, including size, shape, color, location and materials;
- (k) Trash container storage locations and related screening;

- (l) Proposed use of Parcel and improvements thereon, and estimated building occupancy and parking load;
- (m) Such other matters as may be required by the Committee including but not limited to the grade, quality and composition of materials to be used; and
- (n) Such plans and specifications of all construction must meet the minimum requirements and provisions set forth and contained within (i) the International Residential Code and One and Two-Family Dwellings, 2000 edition and as amended, and (ii) the International Energy Conservation Code as amended.

Section 5. Rules, Regulations and Design Review Guidelines. Subject to the approval of the Board of Trustees, the Committee may promulgate such rules and regulations as it deems proper to govern the submission of plans and specifications, including a requirement of design submission in phases, as well as format and content. A copy of such rules and regulations shall be made available to all Owners upon request. Subject to the approval of the Board of Trustees, such rules and regulations may be amended at any time and from time to time as the Committee may see fit; **provided, however,** that once final approval has been given, no subsequent change in rules or regulations shall affect such approval.

Section 6. Basis of Approval. Approval of plans and specification shall be based, among other things, on adequacy of site dimensions, quality of materials, conformity and harmony of external design and of location with neighboring structures and sites, relation of finish grades and elevation to neighboring sites, conformity to both the specific and general intent of the restrictions and covenants set forth herein, and in conformity with existing neighborhood standards. If plans and specifications are not sufficiently complete or are otherwise adequate, the Committee may reject them totally or may approve them in part, conditionally or unconditionally, and reject the balance.

Section 7. Failure of Committee to Act. If the Committee fails to approve or disapprove plans or specifications or to reject them as being inadequate within thirty (30) days after proper written submission thereof, it shall be conclusively presumed that the Committee has approved such plans and specifications; **provided, however,** that the Committee shall have no right or power either by action or failure to act, to waive or grant any variances from the requirements set forth in the respective Declaration.

Section 8. Limitation of Liability. Neither the Association, the Committee, nor any of the Members thereof shall be liable in damages or otherwise to anyone submitting plans and specifications for approval or to any Owner affected by the Deed Restrictions by reason of mistake of judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disprove any plans or specifications.

Section 9. Conflicts. In the event of a conflict between the powers of the Architectural Control Committee set forth in the By-Laws and those set forth in the Declarations, the respective Declarations shall control.

Section 10. Deeds Restriction Officer. To facilitate and enforce the general scheme of development in WALDEN ON LAKE CONROE, the General Manager shall be empowered to employ one or more Deeds

Restrictions Officers. Such Officers' duties shall include, but not be limited to, verifying the conformity of all construction with the plans and specifications approved by the Committee as well as the general review of all Sections of WALDEN ON LAKE CONROE for compliance with the respective Declarations.

Section 11. Enforcement. The Committee is hereby authorized to enforce compliance with the respective Declarations and with the decisions of the Committee through any appropriate legal and equitable proceedings on behalf of and in the name of the Association.

Section 12. Reporting. Upon request, the Committee shall report all of its activities to the Board of Trustees which shall retain overall supervision and oversight.

Section 13. Approval for New Home Construction. The approval granted by the Architectural Control Committee shall expire on or before nine (9) calendar months after the date of posting and approval of the Compliance Bond described below in Section 14. After the expiration of the nine (9) month period and in the event construction is not completed, new Architectural Control Committee approval shall be required for any uncompleted work. Failure to obtain such approval shall be deemed a violation of the applicable Deed Restrictions as a failure to obtain approval prior to construction and a failure to complete construction within a reasonable time. Nothing in any approval granted by the Architectural Control Committee shall constitute any express or implied guarantee, warranty or representation by the Corporation as to the quality, integrity, outcome, or usefulness of the plans hereby approved.

Section 14. Approval for Improvements Other Than New Home Construction. The approval granted by the Architectural Control Committee shall expire on or before six (6) calendar months from the date of posting and approval or the Compliance Bond described below in Section 14. After the expiration of the six (6) month period and in the event construction is not completed, new Architectural Control Committee approval shall be required for any uncompleted work. Failure to obtain such approval shall be deemed a violation of the applicable Deed Restrictions as a failure to obtain approval prior to construction and a failure to complete construction within a reasonable time. Nothing in any approval granted by the Architectural Control Committee shall constitute any express or implied guarantee, warranty or representation by the Corporation as to the quality, integrity, outcome, or usefulness of the plans hereby approved.

Section 15. Compliance Bond. As a condition precedent to the effectiveness of the Architectural Control Committee approval described in this Article XII and to secure compliance with the terms of Architectural Control Committee approval letter, the committee may require any contractor and/or the lot owner shall execute and deliver to the Corporation a Compliance Bond which shall be in substantially the following form:

COMPLIANCE BOND

STATE OF TEXAS
COUNTY OF MONTGOMERY

That we, _____, as Principal (the Contractor),
and _____, as Surety, are hereby held and firmly
bound unto Walden on Lake Conroe Community Improvement Association, Inc. a Texas non-profit corporation
(sometimes called the "Obligee" and sometimes called "Walden"), in the penal sum of:

_____ Dollars \$ _____ for the payment whereof, the said
Principal and Surety bind themselves, their heirs, executors, administrators, and successors, jointly and severally,
firmly by these presents.

The conditions of this obligation are such that, whereas the Principal entered into a certain construction
contract whereby improvements are to be constructed upon Lot _____, Block _____, Section _____ of
Walden on Lake Conroe and also known as (street address) _____ Montgomery,
Texas 77356, which construction contract is incorporated herein for all purposes, with the lot owner; and which
has been approved by Walden's Architectural Control Committee as described in that one certain approval letter
dated _____ with control number _____. The Contract Documents shall be the Contract
for Improvements, Mechanic's and Material's Lien Contract, Contractor's Proposal, or other agreement between
the Contractor and Lot Owner and any related written documents presented to Walden's Architectural Control
Committee, and the Architectural Control Committee approval letter referenced herein.

Now, if the Principal shall faithfully perform the Construction Contract in accordance with the Contract
Documents, and shall fully indemnify, defend, and save harmless Walden on Lake Conroe Community
Improvement Association, Inc., a Texas non-profit corporation, TO THE EXTENT OF THE SAID PENAL SUM
from any and all costs, claims, expenses, damages, and attorney's fees which Walden may suffer as a result of the
Principal's default or failure to perform said construction in conformity and compliance with the said Contract
Documents including the said approval letter and shall fully reimburse and repay Walden all outlays and
expenses which Walden may incur in making good any such default, then this obligation shall be null and void,
otherwise it shall remain in full force and effect.

In the event Principal, his agents, or assigns are in default under the Contract Documents, Surety shall
within fifteen (15) days of written notice of that determination of such default take over and assume compliance
with such Contract Documents, or the Surety shall make other arrangement satisfactory with the Obligee for the
completion of the default but in no event shall the Surety's liability to Obligee exceed the penal sum stated in this
Compliance Bond.

The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration
or addition to the terms of the Contract Documents or to the specifications accompanying the same shall in any
wise affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time
alternation or addition to the terms of the Contract Documents or to the work or to the Work or to the
specifications.

IN WITNESS WHEREOF, the above bounden parties have executed this instrument this _____ day
of _____, 200____, the name and corporate seal of each party being hereto affixed, and these presents
duly signed by its undersigned representative pursuant to authority of its governing body. This Bond is
performable in Montgomery County, Texas.

PRINCIPAL:

Name: _____

Title: _____

SURETY:

Name: _____

Title: _____

The Architectural Control Committee of the Corporation shall have the authority to set the amount of the said Compliance Bond, which amount shall not be less than **ONE THOUSAND AND NO/100 DOLLARS (\$1,000.00)** nor more than **TWENTY THOUSAND AND NO/100 DOLLARS (\$20,000)**. Additionally the General Manager of the Corporation shall have the authority, within his sole discretion to waive the execution of the said Compliance Bond.

The Compliance Bond shall be in addition to any Application Fee which the Architectural Control Committee may require or set. The Compliance Bond shall indemnify and reimburse the Corporation for any and all costs, expenses, administrative fees, accounting fees, claims, attorney's fees, legal costs, contractor fees and expenses, incurred by the Corporation in ensuring compliance with the Architectural Control Committee approval letter.

ARTICLE XIII.
PROHIBITION OF TIMESHARE INTERESTS

Section 1. General Intent and Purpose. The purpose of this Article is to prohibit the use of any interests in a Timeshare Program as the basis for membership in the Walden On Lake Conroe Community Improvement Association. Furthermore, the purpose of this Article is to prohibit the use of any lot, common area, improvement, parcel, single family dwelling, multiple family dwelling, townhouse, patio home or any other property or land within the Walden On Lake Conroe community for Timeshare Programs, taking into account the impact of the development of such a Program on the existing development within the Walden On Lake Conroe community and the impact on the use and enjoyment of property within Walden On Lake Conroe by the development of Timeshare Programs at Walden On Lake Conroe. In addition, the further intent of this Article is to preserve the character of Walden On Lake Conroe and membership in the Corporation for intended owners of property being owners in a residential community of lower density than allowable through Timeshare Programs.

Section 2. Definitions. For the purpose of this Article, the following words shall have the meaning prescribed herein:

- (a) "**Accommodations**" means any lot, apartment, improvement, condominium or cooperative unit, townhouse, patio home, cabin, lodge, hotel or motel room, single family dwelling, multiple family dwelling, living unit, or any other private or commercial structure designed for occupancy by one or more individuals.
- (b) "**Person**" means one or more natural persons, corporations, partnerships, associations, trusts, clubs or other entities, or any combination thereof.
- (c) "**Purchaser**" means any person who is buying, who has bought or who acquires an interest in a Timeshare Interval or Timeshare Program.
- (d) "**Timeshare Estate**" means an ownership or a leasehold estate subject to a Timeshare Program, including tenants in common, interval ownership, joint ownership, timespan ownership or any other type of ownership or leasehold Timeshare Program.
- (e) "**Timeshare Interval**" means a Timeshare Estate or Timeshare Use.
- (f) "**Timeshare Program**" means any arrangement, plan, scheme, or similar device, whether by membership agreement, tenancy in common, joint tenancy, sale, lease, deed, rental agreement, license, right to use agreement or by any other means, whereby a Timeshare Interval is created and whereby the use, occupancy or possession of the Accommodation subject to such Timeshare Interval circulates among purchasers thereof according to a fixed or floating time schedule on a periodic basis occurring annually over any period of time in excess of one (1) year in duration.
- (g) "**Timeshare Use**" means any contractual or membership or use right of exclusive occupancy or use whereby a Timeshare Program is created, or exists, whether fixed for a specific period or not, which does not fall within the definition of a "Timeshare Estate", including, without limitation, a vacation license, prepaid hotel reservations, club membership, limited partnership, trust agreement or vacation bond.

Section 3. Prohibition of Timeshare Programs as Basis for Membership in Walden On Lake Conroe Community Improvement Association. Unless otherwise authorized, in writing, by the Board of Trustees of the Walden On Lake Conroe Community Improvement Association, any interests based upon a Timeshare Program shall not entitle the holder of such interest, whether by ownership or otherwise, to any membership interest whatsoever in the Walden On Lake Conroe Community Improvement Association and, as such, the holder thereof shall not be entitled to any membership rights of use to the Walden On Lake Conroe Community Improvement Association, including by way of example but not limitation, membership rights of use to the Walden On Lake Conroe Community Improvement Association. Furthermore, unless otherwise authorized by the Board of Trustees of the Walden On Lake Conroe Community Improvement Association, Timeshare Programs are expressly prohibited in any respect within the development and community of Walden On Lake Conroe.

Section 4. Miscellaneous. No participant, owner, user, occupant, tenant or other person involved in a Timeshare Estate, Timeshare Interval, Timeshare Program or Timeshare Use shall be considered an "Owner" as defined under these By-Laws or the Articles of Incorporation of the Walden On Lake Conroe Community Improvement Association, but instead shall solely be considered in accordance with the terms of this Article, subject to such exceptions as previously authorized by the Board of Trustees prior to the date of this Amendment to the By-Laws.

Section 5. Integration Clause. Despite anything to the contrary contained herein, this Article shall be read in the conjunction with the remaining parts of the By-Laws of the Walden On Lake Conroe Community Improvement Association.

Section 6. Savings Clause. If any Section, subsection, subdivision, paragraph, sentence, clause, phrase or word in this Article or any part hereof is for any reason held to be unconstitutional, invalid, ineffective or otherwise unenforceable by any court of competent jurisdiction, such decision shall not effect the validity of effectiveness of the remaining portions of this Article or any part thereof. The Corporation and its Board of Trustees, by adoption hereof, does hereby declare it has enacted each Section, subsection, subdivision, paragraph, sentence, clause, phrase or word of this Article irrespective of the enactment of any other and irrespective of the fact that one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, phrases or words be declared unconstitutional, invalid, ineffective or otherwise unenforceable.

ARTICLE XIV. **CORPORATE SEAL**

The Association shall have a seal in circular form having within its circumference the name of the Association and the word "Texas".

ARTICLE XV. **AMENDMENTS**

Section 1. Amendments. These By-Laws may be amended, 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 or by the Board of Trustees.

Section 2. Conflict. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declarations and these By-Laws, the Declarations shall control.

ARTICLE XVI. **MISCELLANEOUS**

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the initial fiscal year shall begin on the date of incorporation.

Section 2. Clubs and Rights of Use. The facilities which have historically been identified as the Walden On Lake Conroe Yacht Club (the "Yacht Club") and the Walden On Lake Conroe Racquet Club (the "Racquet Club") shall be deemed to be clubs, wholly owned by the Association, to be operated for the benefit of

Members of the Association, and separate and apart from other facilities of the Association. By virtue of being a Member of the Association, each Member shall also be a Member of the Yacht Club and the Racquet Club.

Section 3. Conflict. The 2006 Revised By-Laws shall supersede, modify, amend, and replace all preceding and prior By-Laws. And to the extent that the 2006 Revised By-Laws conflict with any prior or preceding By-Laws, then these 2006 Revised By-Laws shall control.

ARTICLE XVII. **INDEMNIFICATION**

Section 1. Indemnification. The Corporation shall indemnify any person who was, is or is threatened to be made a named defendant or respondent in a proceeding because the person is or was a trustee, General Manager, or Committee Member of one of the Corporation's Committees or, while a trustee of the Corporation, is or was serving at the request of the Corporation as an officer of the Corporation or as a trustee, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise only if it is determined in accordance with Section 5 below that the person:

- (a) conducted himself in good faith;
- (b) reasonably believed:
 1. in the case of conduct in an official capacity as a trustee of the Corporation, that such trustee's conduct was in the Corporation's best interests; and
 2. in all other cases, that such trustee's conduct was at least not opposed to the Corporation's best interests; and
 3. in the case of any criminal proceeding, had no reasonable cause to believe such trustee's conduct was unlawful.

The Corporation may indemnify any person who was, is or is threatened to be made a named defendant or respondent in a proceeding because the person is or was an officer, employee or agent of the Corporation to the same extent that it shall indemnify the trustees of the Corporation under this Section 1.

Section 2. Limitations on Indemnity. Except to the extent permitted by Section 4 below, no person shall be indemnified under Section 1 above in respect of a proceeding:

- (a) in which the person is found liable on the basis that personal benefit was improperly received by such person, whether or not the benefit resulted from an action taken in the person's official capacity; or
- (b) in which the person is found liable to the Corporation.

Section 3. When Person is Liable. The termination of a proceeding by judgment, order, settlement or conviction or on a plea of *nolo contendere* or its equivalent shall not be of itself determinative that the person did not meet the requirements set forth in Section 1 above. A person shall be deemed to have been found liable in respect of any claim, issue or matter only after the person shall have been so adjudged by a court of competent jurisdiction after exhaustion of all appeals therefrom.

Section 4. Indemnification Coverage. A person shall be indemnified under Section 1 above against judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses actually incurred by the person in connection with the proceeding; but, if the person is found liable to the Corporation or is found liable on the basis that personal benefit was improperly received by the person, the indemnification (a) shall be limited to reasonable expenses actually incurred by the person in connection with the proceeding and (b) shall not be made in respect of any proceeding in which the person shall have been found liable for willful or intentional misconduct in the performance of such person's duty to the Corporation.

Section 5. Determination of Right to Indemnity. A determination of indemnification under Section 1 above shall be made:

- (a) by a majority vote of a quorum consisting of trustees who at the time of the vote are not named defendants or respondents in the proceeding;
- (b) if such a quorum cannot be obtained, by a majority vote of a committee of the Board of Trustees designated to act in the matter by the affirmative vote of a majority of the full Board of Trustees, consisting solely of two or more trustees who at the time of the vote are not named defendants or respondents in the proceeding; or
- (c) by special legal counsel selected by the Board of Trustees or a committee of the Board of Trustees by vote as set forth in Subsection (a) or (b) of this Section 5, or, if such a quorum cannot be obtained and such a committee cannot be established, by the affirmative vote of a majority of the full Board of Trustees.
- (d) In the instance that 2/3 of the Trustees are unavailable to make the determination, the determination shall be made by a special committee of past presidents of the Board of Trustees available and willing to serve, of no fewer than three past presidents.

Section 6. Other Determinations. Authorization of indemnification and determination as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification and determination as to reasonableness of expenses shall be made in the manner specified by Section 5C. above for the selection of special legal counsel.

Section 7. Expenses. Reasonable expenses incurred by a person who was, is or is threatened to be made a named defendant or respondent in a proceeding may be paid or reimbursed by the Corporation in advance of the final disposition of the proceeding and without the determination specified in Section 5 above or the authorization or determination specified in Section 6 above, after the Corporation receives a written affirmation by the person of his

good faith belief that such person has met the standard of conduct necessary for indemnification under this Article and a written undertaking by or on behalf of the person to repay the amount paid or reimbursed if it is ultimately determined that he or she has not met that standard or if it is ultimately determined that indemnification of the person against expenses incurred by such person in connection with that proceeding is prohibited by Section 4 above.

Section 8. Modifications. The provisions of this Article shall be modified to the extent the Texas Non-Profit Corporation Act may be amended in the future, but in the case of such amendment, only to the extent such amendment permits the Corporation to provide broader indemnification rights than such Act permitted the Corporation to provide prior to such amendment.

Section 9. Non-exclusive Rights. The right to indemnification and the advancement and payment of expenses conferred in this Article shall not be exclusive of any other right that a person indemnified pursuant to this Article may have or hereafter acquire under any law (common or statutory), provision of the Articles of Incorporation or these Bylaws, agreement, vote of disinterested trustees or otherwise.

Section 10. Interpretation. If this Article or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each trustee, and may indemnify any other person indemnified pursuant to this Article, as to costs, charges, expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any proceeding to the fullest extent permitted by an applicable portion of this Article that shall not have been invalidated and to the fullest extent permitted by applicable law.

Section 11. Prior Resolution on Indemnification. These provisions shall be effective immediately, superceding that Resolution dated January 18, 1992, and shall apply to all present and future litigation as defined in Section 4.

IN WITNESS WHEREOF, these Amended By-Laws of the Corporation are hereby certified by the Board of Trustees of Walden On Lake Conroe Community Improvement Association, Inc. on this 24th day of August, 2006, as the true and correct Amended By-Laws of the Corporation.

EXECUTED EFFECTIVE the 27th day of July, 2006.

ATTEST:

WALDEN ON LAKE CONROE
COMMUNITY IMPROVEMENT
ASSOCIATION, INC.

Michael J. Pigliacelli
Mike Pigliacelli, Secretary

Dan Fryman
Dan Fryman, President

**WALDEN ON LAKE CONROE
COMMUNITY IMPROVEMENT ASSOCIATION, INC.
ARCHITECTURAL CONTROL COMMITTEE**

WALL AND FENCE POLICY

**Adopted August 24, 2006
Effective August 24, 2006**

I. Purpose:

The Board of Trustees of the Walden on Lake Conroe Community Improvement Association wishes to maintain the established standards of the Deed Restrictions (as applicable to each platted section of Walden), Policies, Design Guidelines, and any other legally recorded requirements of the Architectural Control Committee (ACC). The Deed Restrictions Article III item addressing Fencing (Walls, Fences, Hedges, Piers, and Bulkheads) is specific to each section and will be enforced as it applies to that Section of Walden. In all cases, if there is a conflict with Texas State Statutes or building codes, statute or code will take precedent over the Deed Restriction. Article IV, Section 4: Minimum Construction Standards states that “[t]he Architectural Control Committee may from time to time promulgate an outline of minimum acceptable construction standards.” These Standards shall not conflict in any ways with the Deed Restriction but otherwise apply, as allowed, to amplify and clarify existing deed restrictions.

II. Policy:

Prior to installing a fence, the following items must be submitted to the Architectural Control Committee (ACC) for review and approval:

- A site plan showing the property lines, location of all buildings and structures, and the proposed location of the fence.
- A drawing, photograph, brochure, or written description of the fence. The descriptive information should include, as a minimum, fence height, materials, and general design description.
- Fence color and finish information.

A. Protective Screening:

1. The ACC must approve or disapprove in writing all walls and fence plans submittals. No walls or fences shall be constructed unless the plan for said wall or fence has been approved in writing by the ACC.
2. All walls and fences must conform to the **IRC 2003** or the most recent code mandated by the State of Texas for municipalities.
3. No walls or fencing shall be erected or maintained nearer to the front of any lot than allowed by the Deed Restrictions for the specific section where the lot is located.
4. On corner lots, no fence is permitted nearer to the side street property line than the platted building line.

5. All walls and fences, used as protective screening on any lot, shall be no less than 6 feet and no more than 8 feet. The wall or fence shall be constructed of ornamental iron, wood, or masonry. The ACC may approve materials that have the finished appearance of ornamental iron, wood, or masonry. The ACC, at its discretion, may request that an actual sample of the fence or wall material be submitted for review.
6. If a fence has, as part of its design, a finished side and a structural side (i.e. typical wood fence), the finished side must be viewed from the exterior of the fenced area and the structure side must be viewed from the interior of the fenced area.

B. Swimming Pool and Water Feature enclosures:

1. "Water features" are defined as any man-made structure containing water, such as a pool, pond or waterfall that is deep enough to present a drowning hazard.
2. The Architectural Control Committee (ACC) must approve all walls and fences used as pool and or water feature enclosure in writing.
3. All walls and fences used as pool and/or water feature enclosures must conform to the **IRC 2003** or most recent edition of the code mandated by the state for municipalities.
4. The **Health and Safety Code, Chapter 757: Pool Yard Enclosures** is recommended by the ACC to be used as a guideline for design of enclosures around pools and water features.
5. A pool or water feature enclosures shall be at least four feet, but not more than 6 feet tall, and must be constructed of ornamental iron, wood, or masonry. The ACC may approve materials that have the finished appearance of ornamental iron, wood, or masonry. The ACC, at its discretion, may request that an actual sample of the fence or wall material be submitted for review.
6. The ACC may approve the installation of chain link fences to enclose swimming pools located anywhere on a lot provided the fence is not be visible from the street, waterfront or golf course. A chain link fence shall not be visible to any adjoining property.

C. Waterfront and Golf Course Lots:

1. The rear yards of Waterfront lots in Sections 2 through 6 may be fenced. The fence height is recommended by the ACC to be no more than 4 feet tall and of an open design as not to block views of adjoining properties.
2. The rear yards of Waterfront lots in Section 7 shall not have any view of the lake obstructed by any structure therefore any fence must be of an open design as viewed from the home interior or deck.
3. The rear yards of Waterfront or Golf Course lots in Sections 9 through 17 may not be fenced closer to the rear property line than the back of the house unless such fence is used to enclose a small patio that is integral part of the house structure, or the fence is used to enclose a pool/water feature. The fence shall be an "open" design as not to block any view. ACC approval is required before any fence or other structure is built in the rear yards of any lot in these Sections.

4. Fences installed in the rear yards of Waterfront or Golf Course lots in Sections 9 through 17 shall be 4 feet tall, black, and constructed of ornamental iron; except the ACC may approve other materials that have the finished appearance of ornamental iron.
5. The rear yards of Waterfront lots in the Estates of Walden (Section 19) may be fenced. Fences must be 5 feet tall and or ornamental iron of a design that conforms to the ACC's pre-determined plan for such improvements. ACC approval is required.

D. Colors or Finishes:

No walls or fences shall be erected on any lot in Sections 9 through 19 (Estates) until the ACC has approved, in writing, the colors and finishes to be used in construction. The colors and finishes used for the wall or fence should compliment the colors and finishes of the residential structure. Finishes that enhance the natural beauty of materials should be used whenever possible. All ornamental iron shall be black unless otherwise approved by the ACC.

E. Compliance Requirements:

1. Upon recording of this document, these shall be the wall and fence policies of Walden on Lake Conroe. All future walls and fences constructed shall comply with this policy.
2. All existing fences on significant repair or replacement must be approved by the ACC and be in compliance with this policy.
3. All existing fences found not in compliance with this policy will have the property owner given notice. Any significant repair/replacement of the fence or change in ownership of the property will require the wall or fence to be brought into compliance with this policy.

**WALDEN ON LAKE CONROE
COMMUNITY IMPROVEMENT ASSOCIATION, INC.
POLICY RE: COALITIONS OUTSIDE FORMAL BOARD MEETINGS**

**Adopted August 24, 2006
Effective January 27, 2007**

I. General:

The Board of Trustees is to conduct meetings and make decisions guided by the By-Laws of Walden on Lake Conroe C. I. A. In Article VI, Section 3 of the By-Laws, it states: “[a] majority of the Trustee members shall constitute a quorum for the transaction of business. Every act or decision performed or made by a majority of the Trustees present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Trustees.” This policy is in response to the concern of some homeowners that coalitions of Trustees of the Boards may make decisions outside formal meetings of the Board.

II. Purpose:

To provide guidance to Trustees to limit the possibility of coalitions forming among Trustees, inhibiting the free and open discussion of issues by the entire Board.

III. Policy:

A. There should never be more than three (3) members of the Board of Trustees serving on any one committee of Walden on Lake Conroe Community Improvement Association, Inc. (“WCIA”).

B. No Trustee or Trustees should circumvent the By-Laws by meeting in numbers of a quorum or more at any time for the purpose of secret deliberations or for making binding decisions regarding the affairs of WCIA.

C. Decisions made in a regular or special Board meeting because of such secret deliberations, straw votes, or commitments to vote a certain way, made outside of regular or special Board meetings, where there is a quorum of Trustees present, may not be valid.

D. Any Trustee found by the Board to be in violation of this policy may be removed by the Board or the President, as the By-Laws allow, as an officer, committee chair, or committee member.

E. Before a Trustee votes on a matter, the Trustee should exercise independent judgment concerning that matter. After seeking advice from others, the Trustee should decide how to vote independently based on his or her own understanding of the situation. A Trustee should not vote one way or the other based solely on some other Trustee’s vote. A Trustee should not vote for something he or she does not understand.

162-11-1881

FILED FOR RECORD

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Mark Timball
COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

STATE OF TEXAS
COUNTY OF MONTGOMERY
I hereby certify this instrument was filed in
File Number Sequence on the date and at the time
stamped herein by me and was duly RECORDED in
the Official Public Records of Real Property at
Montgomery County, Texas.

AUG 28 2006



Mark Timball

County Clerk
Montgomery County, Texas