

Brazos County, Texas

**By-Laws of
The Traditions Homeowners Association, Inc.**

Exhibit "C"
To
Declaration of Covenants, Conditions and Restrictions for The Traditions

January 2004

BY-LAWS
OF
THE TRADITIONS HOMEOWNERS ASSOCIATION, INC.

(A Texas Non-Profit Corporation)

ARTICLE I
IDENTITY

1. The name of this corporation is The Traditions Homeowners Association, Inc. (the "Association").
2. The principal office of the Association shall be located at 2100 Traditions Boulevard, Bryan, TX 77807. The address of the principal office may be changed at the discretion of the Board of Directors.
3. These By-Laws are being adopted in connection with that certain DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE TRADITIONS, and any amendments or supplements thereto, as recorded in the Office of the County Clerk of Brazos County, Texas (the "Declaration"). All capitalized terms used but not otherwise defined herein shall be given the meanings ascribed to such terms in the Declaration.

ARTICLE II
MEMBERSHIP

1. **MEMBERS.** Membership shall be appurtenant to and may not be separated from ownership of any Lot or Home, and ownership of a Lot or Home shall be the sole qualification for such membership. Membership shall continue until the Member transfers or conveys his, her or its Lot or Home or the interest is transferred by operation of law, at which time the membership shall automatically be conferred upon the transferee. Such membership may be evidenced by the issuance of a membership certificate which shall be deemed automatically canceled when the membership terminates as provided herein. There shall be two classes of membership, Class A membership, (which shall refer to all Owners except the Class B Member, if any), and Class B membership (which shall mean and refer to Declarant). The Class B Membership shall terminate upon the Class B Control Period Expiration Date, as defined in Article XVI below. Upon termination of the Class B Membership, Declarant shall be a Class A Member entitled to Class A votes for each Lot or Home which it owns.
2. **VOTING RIGHTS.** Each Member shall have one vote for each Lot or Home owned, except that two Lots or Homes may be combined to form one Lot or Home in accordance with the provisions of the Declaration, in which event the Owner shall have a total of only one vote. Any such votes may be cast in person or by proxy executed in writing and filed with the Secretary or Assistant Secretary of the Association. When more than one Person holds an interest in any Lot or Home, the vote for such Lot or Home shall be exercised as those Owners of such Lot or Home themselves determine and notify the Secretary or an Assistant Secretary of the Association prior to any meeting. In the absence of such notice, the vote appurtenant to such Lot or Home shall be suspended in the event more than one person seeks to exercise it. Such a suspended vote shall be counted for the purpose of calculating a quorum, but such a suspended vote shall not be cast with regard to voting matters of the Association until the Persons owning such Lot or Home determine how such vote shall be cast and so advise the Secretary or Assistant Secretary of the Association.

ARTICLE III
MEETINGS

1. ANNUAL MEETING. The annual Members' meeting shall be held at a date and time determined by the Board of Directors from time to time, provided that there shall be an annual meeting every calendar year and, to the extent possible, no later than thirteen (13) months after the last preceding annual meeting. Unless determined otherwise by the Board of Directors, the annual meeting shall be held at (i) the principal office of the Association; or (ii) such other place within Brazos County as designated by the President of the Association. The meeting shall be held at such a time as the Directors shall determine from time to time. The purpose of such meeting shall be the election of Directors (after the Class B Control Period Expiration Date) and the transaction of other business authorized to be transacted by Members. The order of business shall be as determined by the Board of Directors.

2. SPECIAL MEETINGS. Special meetings may be called by a majority of the Board of Directors, or by written request of a majority of the voting rights of the Members, for any purpose and at any time within Brazos County. Business transacted at all special meetings shall be confined to the objects and action to be taken, as stated in the notice of the meeting.

3. QUORUM. The presence of Members or proxies entitled to cast over one-half (1/2) of all the votes of the Association shall constitute a quorum at an annual or special meeting. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be the presence in person or by proxy of Members having one-third (1/3) of the total votes of the Association. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. A majority of the votes entitled to be cast by Members represented at an annual or special meeting may adjourn the meeting to a future date, provided that the different date, time or place is announced at the meeting. A majority of all votes entitled to be cast by the Members represented at a meeting where a quorum is present shall decide any question brought before the meeting, except when a lesser or greater vote is otherwise specifically required by the Declaration, Articles of Incorporation or these By-Laws.

ARTICLE IV
NOTICE

1. ANNUAL MEETING. Written notice of the annual meeting shall be mailed or delivered by the Secretary, the manager hired by the Association, or such other person as the Board of Directors shall direct to deliver such notice, not less than fifteen (15) nor more than forty-five (45) days before the date of such meeting, to each Member at his or her address as listed in the Association records. Notice of an annual meeting need not include a description of the purpose or purposes for which the meeting is called.

2. SPECIAL MEETINGS. Notice of special meetings of the Members shall be mailed or delivered by the Secretary at least two (2) days before such meeting to each Member at his or her address as listed in the Association records, stating the purpose of such meeting.

3. WAIVER. Members may take action by written agreement, without conducting meetings, on all matters for which action may be taken at a meeting if the action is taken by the Members entitled to vote on such action and having not less than the minimum number of votes necessary to authorize such action at a meeting at which all Members entitled to vote on such action were present and voted. Nothing herein is to be construed to prevent Members from waiving notice of meetings or acting by written agreement without meetings.

ARTICLE V
BOARD OF DIRECTORS

1. INITIAL BOARD OF DIRECTORS. The initial members of the Board of Directors shall be those persons set forth in the Articles of Incorporation, who shall serve until the Class B Control Period Expiration Date, as described in the Declaration, or until replaced by Declarant. After the completion of terms of the initial Board of Directors, the Golf Club Owner shall at all times thereafter have the right, but not the obligation, to designate at least one (1) member of the Board of Directors.

2. BOARD ELECTIONS. At the first annual meeting of Members immediately succeeding the Class B Control Period Expiration Date, and at each annual meeting thereafter, the Board of Directors shall be elected by the Members of the Association and such Directors shall serve until their successors are duly elected, qualified and seated or until they are removed in the manner elsewhere provided, or until they resign, whichever first occurs. The procedure for electing Directors by the Member(s) shall be by written and sealed ballot and by a plurality of the votes cast, each person voting being entitled to cast his or her vote(s) for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting.

3. POWERS. All of the powers and duties of the Association existing under the Declaration, the Articles of Incorporation and these By-Laws shall be exercised exclusively by the Board of Directors, subject only to approval by Members of the Association when such approval is specifically required. The Board of Directors shall have all of the common law and statutory powers of a non-profit corporation under the laws of the State of Texas, together with any powers granted to it pursuant to the terms of these By-Laws, the Articles of Incorporation of the Association, and the Declaration. Such powers shall include but not be limited to:

A. Preparing and adopting, in accordance with the Declaration, an annual budget establishing each Owner's share of the Common Expenses;

B. The power to fix, levy and collect Assessments against Lots, Homes or Neighborhoods, as provided for in the Declaration.

C. The power to expend monies collected for the purpose of paying the expenses of the Association.

D. The power to manage, control, operate, maintain, repair and improve the Common Areas and to maintain the lawns of the Lots or Homes.

E. The power to purchase supplies, material and lease equipment required for the maintenance, repair, replacement, operation and management of the Common Areas and the maintenance of the lawns of the Lots or Homes.

F. The power to insure and keep insured the Common Areas and the improvements constructed thereon, as provided in the Declaration.

G. The power to employ the personnel required for the operation and management of the Association, Common Areas, and the maintenance of the lawns of the Lots or Homes; and providing for compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties.

H. The power to pay utility bills for utilities serving the Common Areas.

I. The power to pay all taxes and assessments which are liens against the Common Areas.

J. The power to establish and maintain a reserve fund for capital improvements, repairs and replacements.

K. The power to improve the Common Areas and the lawns of the Lots or Homes, subject to the limitations of the Declaration.

L. The power to control and regulate the use of the Common Areas by the Owners, and to promote and assist adequate and proper maintenance of the Property.

M. The power to make reasonable rules and regulations and to amend the same from time to time.

N. The power to enforce by any legal means the provisions of the Articles of Incorporation, the By-Laws, the Declaration and the rules and regulations promulgated by the Association from time to time.

O. The power to borrow money for any reason and to collateralize the Common Areas and any and all personal property thereon or owned by the Association, and to select depositories for the Association's funds, and to determine the manner of receiving, depositing, and disbursing those funds and the form of checks and the person or persons by whom the same shall be signed.

P. The power to enter into a long term contract with any person, firm, corporation or management agent of any nature or kind to provide for the maintenance, operation, repair and upkeep of the Common Areas and the maintenance of the lawns of the Lots or Homes. The contract may provide that the total operation of the managing agent, firm or corporation shall be at the cost of the Association. The contract may further provide that the managing agent shall be paid from time to time a reasonable fee.

Q. The power to contract for the management of the Association and to delegate to the manager all of the powers and duties of the Association, except those matters which must be approved by Owners.

R. The power to establish additional officers and/or directors of the Association and to appoint all officers provided in the By-Laws, except as otherwise provided in these By-Laws.

S. The power to appoint committees as the Board of Directors may deem appropriate.

T. The power to collect delinquent Assessments by suit or otherwise to abate nuisances and to fine, enjoin or seek damages from Owners for violation of the provisions of the Declaration, the Articles of Incorporation, the By-Laws or the rules and regulations.

U. The power to bring suit and to litigate on behalf of the Association and the Owners (subject to the terms of the Declaration).

V. The power to adopt, alter and amend or repeal the By-Laws of the Association as may be desirable or necessary for the proper management of the Association.

W. The power to possess, employ and exercise all powers necessary to implement, enforce and carry into effect the powers as described above and in the Declaration.

X. The foregoing enumeration of powers shall not limit or restrict the exercise of others and further powers which may now or hereafter be permitted by law.

4. FUNDS AND TITLES TO PROPERTIES. All funds and title to all properties acquired by the Association and the proceeds thereof shall be held for the benefit of the Owners in accordance with the provisions of the Declaration. No part of the income, if any, of the Association shall be distributed to the Owners, Directors, or Officers of the Association.

5. NUMBER. The number of Directors shall be designated by resolution of the Board of Directors from time to time, but shall in no event be less than three (3) Directors. Except for those Directors appointed or elected by Declarant, each Director shall be a Member of the Association. A Director elected to the Board of Directors (other than those Directors appointed by Declarant) shall hold office until the first annual meeting subsequent to the election of such Director and, thereafter, the term of office shall be for one (1) year and subject to annual reelection.

6. VACANCY. Prior to the Class B Control Period Expiration Date, any vacancy in the Board of Directors shall be filled by a majority vote of the remaining Directors. In the event of a vacancy occurring in the Board of Directors for any reason whatsoever after the Class B Control Period Expiration Date, the remaining Directors shall elect a person to serve as a Director for the unexpired portion of the term of the former Director; provided, however, that in the event a vacancy is created by the removal or resignation of any Director appointed by Declarant after the Class B Control Period Expiration Date, such vacancy may be filled by Declarant if Declarant is permitted by the Articles of Incorporation to appoint a Director at such time. In the event that there are no remaining members of the Board of Directors, the vacancies shall be filled by persons elected by the Members of the Association at a special meeting of the Members called for that purpose.

7. REMOVAL. Prior to the Class B Control Period Expiration Date, any Director may be removed with or without cause by Declarant. Any Director may be removed from office at any time, with or without cause, by the vote or agreement in writing by a majority of all votes of the Members of the Association at a special meeting of the Members called for that purpose. The procedures for removal by the Members shall be in accordance with applicable Texas law.

8. COMPENSATION. No compensation shall be paid to Directors for their services as Directors, provided that nothing herein contained shall be construed to preclude any Director from serving the corporation in any other capacity and receiving compensation therefor. In that case, however, the compensation must be approved in advance by the Board of Directors and the Director to receive such compensation shall not be permitted to vote on his or her compensation. The Board of Directors shall have the right to set and pay all salaries or compensation to be paid to Officers, employees, agents or attorneys for services rendered to the Association.

9. REGULAR MEETING. A regular meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of the membership. Additional regular meetings may be held as provided by resolution of the Board of Directors. All regular meetings of the Board of Directors shall be open to all Members.

10. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the President or a majority of the Directors for any purpose and at any time or place. Notice thereof stating the purpose shall be mailed or delivered at least two (2) days before such meeting, to each Director at his

or her address as listed in the Association records unless such notice is waived. All special meetings of the Board of Directors shall be open to all Members.

11. QUORUM AND VOTING. A majority of Directors shall constitute a quorum. If a quorum is not present, a majority of those present may adjourn the meeting. Notice of any adjourned meeting shall be given to the Directors who were not present at the time of adjournment and, unless the time and place of the adjourned meeting are announced at the time of the adjournment, to the other Directors. A majority vote of the Directors shall decide any matter before the Board, unless a greater or lesser vote is specifically required in the Articles of Incorporation, these By-Laws or the Declaration.

12. NOTICE. Notice of all Board of Directors meetings shall be posted in a conspicuous place in the community, as required by the applicable provisions of the Texas Code. If notice is not posted in a conspicuous place in the community, notice of each Board meeting must be mailed or delivered to each Member at each Member's residence in the community at least seven (7) days in advance of the meeting. An assessment may not be levied at a Board of Directors meeting unless the notice of the meeting includes a statement that assessments will be considered and the nature of the assessment. Written notice in accordance with this paragraph shall also be provided with respect to meetings of any committee when a final decision will be made regarding the expenditure of Association funds, and with respect to meetings of the Architectural Review Board, to the extent required by applicable Texas law.

ARTICLE VI OFFICERS

1. NUMBER. The officers shall include a President, Vice-President, Secretary and Treasurer, each of whom shall be elected by the Board of Directors. Such assistant officers as deemed necessary may be elected by the Board of Directors. The President and Secretary may not be the same person. Officers must be Members of the Association (or a person exercising the membership rights of an Owner who is not a natural person). All officers shall act without compensation unless otherwise provided by resolution of the Board of Directors.

2. ELECTION AND TERM. Each officer shall be elected annually by the Board of Directors at the first directors' meeting following the annual Member meeting and shall hold office until his or her successor shall have been elected and duly qualified, unless removed by the Board.

3. PRESIDENT. The President shall be the principal executive officer of the Association and shall supervise all Association affairs. The President shall preside at all Member and Board of Directors meetings and sign all documents and instruments on behalf of the Association.

4. VICE-PRESIDENT. In the President's absence, the Vice-President shall perform the President's duties and, in such capacity, shall have all the powers and responsibilities of the President. The Vice-President shall, moreover, perform such duties as may be designated by the Board of Directors.

5. SECRETARY AND ASSISTANT SECRETARY. The Secretary shall (a) countersign all documents and instruments on behalf of the Association; (b) record the minutes of meetings of Members and Directors; (c) give notices required by these By-Laws; and (d) have custody of, maintain and authenticate the records of the Association, other than those maintained by the Treasurer. The Assistant Secretary, if any, is authorized to perform the same duties as the Secretary.

6. TREASURER. The Treasurer shall (a) have custody of all funds of the Association; (b) deposit such funds in such depositories as may be selected as hereinafter provided; (c) disburse funds; and

(d) maintain financial records of the Association, which shall be available for inspection by any Member during business hours on any week day.

7. REMOVAL. Any officer may be removed by a majority vote of the Board of Directors called for that particular purpose, and the vacancy shall be filled by a majority vote of Directors at the same meeting.

ARTICLE VII BOOKS AND RECORDS

1. RECORDS TO BE MAINTAINED. The Association shall keep records of minutes of all meetings of the Board of Directors and Members, a record of all actions taken by the Board of Directors and Members without a meeting, and a record of all actions taken by a committee of the Board of Directors in place of the Board of Directors on behalf of the Association. A vote or abstention from voting on each matter voted upon by each Director present at a Board of Directors meeting must be recorded in the Board minutes. Copies of the minutes of all meetings of the Board of Directors and Members must be maintained for at least seven (7) years. The Association shall also keep a copy of the following records: (a) its Articles of Incorporation and all amendments thereto currently in effect; (b) its By-Laws and all amendments thereto currently in effect; (c) a list of the names and business street addresses of its current Directors and Officers; (d) its most recent annual report delivered to the Department of State; (e) a copy of the Declaration and a copy of each amendment thereto; (f) a copy of the current rules and regulations of the Association (if any); (g) a current roster of all Members and their mailing addresses and parcel identifications; (h) a copy of all of the Association's insurance policies (which policies must be retained for at least seven (7) years); (i) copies of any plans, specifications, permits and warranties related to any improvements constructed on the Common Areas or other property that the Association is obligated to maintain, repair or replace; (k) a current copy of all contracts to which the Association is a party, including, without limitation, any management agreement, lease, or other contract under which the Association has any obligation or responsibility; (l) copies of all bids received for work to be performed for the Association within the last year; and (m) the financial and accounting records described in Article IX, Section 6 of these By-Laws.

2. INSPECTION AND COPYING OF RECORDS. Any books, records and minutes may be in written form or in any other form capable of being converted into written form within a reasonable time. The official records shall be open for inspection and available for photocopying by Members or their authorized agents at reasonable times and places within ten (10) business days after receipt of a written request for access. The Association may adopt reasonable written rules governing the frequency, time, location, notice and manner of inspections and may impose fees to cover the costs of providing copies of the official records, including, without limitation, the costs of copying.

ARTICLE VIII MANAGER AND EMPLOYEES

The Board of Directors may employ the services of a manager and other employees and agents to actively manage, operate, and care for the Common Areas and may specify such powers, duties, and compensation as the Board may deem appropriate and provide by resolution. Managers, employees and agents shall serve at the pleasure of the Board of Directors.

ARTICLE IX
CONTRACTS AND FINANCES

1. CONTRACTS. The Board of Directors may authorize any Officer or agent to enter into any contract or execute and deliver any instrument in the name or on behalf of the Association, and such authority may be general or limited.

2. LOANS. No loans shall be contracted for on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors.

3. CHECKS. All checks, drafts or other orders for payment of money, notes, or other evidences of indebtedness issued in the name of the Association shall be signed by such Officers or agents of the Association and in the manner as shall from time to time be determined by resolution of the Board of Directors.

4. DEPOSITS. All funds of the Association not otherwise employed shall be deposited from time to time in banks, trust companies, or other depositories as the Board of Directors may select.

5. FISCAL YEAR. The first fiscal year of the Association shall begin on the day the Articles of Incorporation of the Association are filed with the Department of State for the State of Texas and shall end on December 31 of the same year. Thereafter, a fiscal year shall be the consecutive twelve calendar-month period ending on December 31st.

6. FINANCIAL RECORDS. The Association shall maintain financial and accounting records in accordance with generally accepted accounting practices which shall be open to inspection and copying by Members at reasonable times in accordance with Section 2 of Article VII of these By-Laws. Such records shall include (a) a record of receipt and expenditures and accounts for each Member, which accounts shall designate the name and address of the Member, the due dates and amount of each Assessment, the amounts paid upon the account, and the balance due; (b) a copy of the then current annual budget of the Association; (c) financial reports of the Association, showing the actual receipts and expenditures of the Association; (d) all tax returns, other financial reports and financial statements of the Association; and (e) any other records that identify, measure, record or communicate financial information. All financial and accounting records shall be maintained by the Association for a period of at least three (3) years and shall be available to the public for inspection and copying during normal business hours. The Association may charge for the reasonable expense of preparing a copy of a record or report.

7. FINANCIAL REPORTING. Based on the financial records in Section 6 above, the Association shall prepare an annual financial report on the financial activity of the Association for the preceding year. The report must conform to accounting standards as promulgated by the American Institute of Certified Public Accountants and must include a statement of support, revenue, and expenses and changes in fund balances, a statement of functional expenses, and balance sheets for all funds.

ARTICLE X
AMENDMENTS

These By-Laws may be amended or repealed by new By-Laws upon a majority vote of the Board of Directors; provided, however, that at no time shall the By-Laws conflict with the terms of the Declaration and the Articles of Incorporation. No modification of or amendment to the By-Laws shall be valid unless set forth in or annexed to an amendment to the Declaration and duly recorded in the official records of Brazos County.

ARTICLE XI
REGULATIONS

The Board of Directors may adopt such uniform rules and regulations governing the operation of the Common Areas as may be deemed necessary and appropriate to assure the enjoyment of all Members and to prevent unreasonable interference with the use of such areas. Such regulations shall be consistent with applicable law, the Declaration, the Articles of Incorporation, and these By-Laws. A copy of such regulations shall be furnished to each Member and shall be posted and made available in the offices of the Association.

ARTICLE XII
ANNUAL BUDGET

1. ADOPTION BY THE BOARD. The Board of Directors shall annually adopt the budget for the Association. The budget must reflect the estimated revenues and expenses for that year and the estimated surplus or deficit as of the end of the current year. The budget must set out separately all fees or charges for recreational amenities, whether owned by the Association, Declarant or another person.
2. REPORTING TO MEMBERS. The Association shall provide to each Member a copy of the annual budget or a written notice that a copy of the budget is available upon request at no charge to the Member.

ARTICLE XIII
COLLECTION OF ASSESSMENTS

Assessments for the payment of Common Expenses shall be made and collected in the manner provided in the Declaration. To the extent authorized by the Declaration, the Association may also collect assessments for any other association within The Traditions Community.

ARTICLE XIV
FINES AND OTHER SANCTIONS

The Association may charge reasonable fines and impose other sanctions for the failure of a Member or his or her tenants, guests or invitees to comply with any provisions of the Declaration, Articles of Incorporation, the By-Laws or rules and regulations adopted by the Association. The procedures for the imposition of fines and other sanctions are set forth in the Declaration.

ARTICLE XV
COMMITTEES

1. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate one or more committees comprised from among its members which, to the extent provided in such resolution, shall have and exercise the authority of the Board of Directors in the management of the Association; provided, however, that no such committee shall have the authority to (a) approve or recommend to Members actions or proposals required to be approved by the Members, (b) fill vacancies in the Board of Directors or any committee, or (c) adopt, amend or repeal By-Laws. The designation of such committees and the delegation of authority thereto shall not operate to relieve the Board of Directors or any individual director of any responsibility imposed by law.
2. Other committees not having and exercising the authority of the Board of Directors in the management of the Association may be designated by a resolution adopted by a majority of the Directors

present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be Association Members.

3. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided for original appointments.

4. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the entire committee shall constitute a quorum, and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

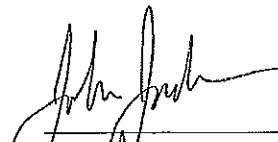
5. Each committee may adopt rules for its own governance not inconsistent with these By-Laws or with rules adopted by the Board of Directors.

ARTICLE XVI
DECLARANT'S CONTROL

Notwithstanding anything contained herein to the contrary, Declarant shall have full right and authority to manage the affairs and to elect a majority of the Directors of the Association (who need not be Owners) until the Class B Control Period Expiration Date. The "Class B Control Period Expiration Date" shall mean the earlier of (i) the date upon which all Homes and/or Lots in the Community, as ultimately planned and as fully developed, have been conveyed by Declarant (and all other Persons, if any, holding the rights of Declarant) to Owners; or (ii) when, in its discretion, Declarant so determines and declares in an instrument recorded in the official records of Brazos County, Texas.

The foregoing were adopted as the By-Laws of The Traditions Homeowners Association, Inc., a non-profit corporation under the laws of the State of Texas, at the first meeting of the Board of Directors on the 3rd day of March, 2004.

By:



_____, President

Attest:



_____, Secretary