

North Country Estates
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BYLAWS

of the

NORTH COUNTRY ESTATES

(NCE)

HOMEOWNER'S ASSOCIATION

EFFECTIVE DATE: _October 16, 2007

FM 979 & North Country Drive
BRYAN, TEXAS 77808

The good life, Texas style

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North Country Estates

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1.	ASSOCIATION LOCATION AND PURPOSE	4
1.1.	Location	4
1.2.	Purpose	4
2.	MEMBERSHIP ADMINISTRATION	4
2.1	Membership Requirements.....	4
2.2	Membership Voting	4
2.3	Membership Termination.....	4
2.4	Phase Eligibility.....	4
2.5	Books and Records.....	4
2.6	Fiscal Year.....	5
2.7	Waiver of Notice.....	5
2.8	Invalidity Clause	5
3.0	MEETINGS OF MEMBERS	5
3.1	Annual Meeting.....	5
3.2	Place of Meeting.....	5
3.3	Annual Meeting Notification and Information Packet	5
3.3.1	Meeting Notice	5
3.3.2	Meeting Information Packet.....	5
3.4	Quorum Requirements	5
3.5	Action Without A Quorum	6
4.0	BOARD OF DIRECTORS (BOD) ADMINISTRATION.....	6
4.1	BOD Responsibilities:	6
4.1.1	Budget Management	6
4.1.2	Dues Assessment.....	6
4.1.3	Acceptable Expenditures	6
4.1.4	BOD Spending Limits	6
4.1.5	Deed Restriction Management.....	7
4.1.6	Common Areas.....	7
4.1.7	Committee Management.....	7
4.1.8	Other Duties	7
4.2	BOD Composition	7
4.3	BOD Term of Office.....	7
4.4	BOD Elections	7
4.5	BOD Vacancies and Removal.....	8
4.6	BOD President.....	8
4.7	BOD Vice-President	8
4.8	BOD Treasurer.....	8
4.9	BOD Secretary	8
4.10	BOD Director-at-Large.....	8
4.11	Indemnification	9
5.0	BOD MEETINGS.....	9
5.1	Regular Meetings	9
5.2	Special Meetings.....	9
5.3	Special Meeting Notice.....	9
5.4	BOD Meeting Quorum.....	9
5.5	BOD Open Meetings	9
6.0	COMMITTEES AND PHASE CAPTAINS	10

North Country Estates

--- A deed protected community ---

6.1 Standing and Temporary Committees	10
6.1.1 Committee Management	10
6.1.2 Architectural Compliance Committee	10
6.2 Chairperson	10
6.3 Committee Vacancies	10
6.4 Committee Quorum	10
6.5 Committee Rules	10
6.6 Phase Captains	10
7.0 CONTRACTS, CHECKS, DEPOSITS, AND FUNDS	10
7.1 Contracts	10
7.2 Checks, Drafts, and Orders for Payment	11
7.3 Deposits	11
7.4 Gifts	11
8.0 ASSOCIATION DUES	11
8.1 Establishing Dues	11
8.2 Extended fees to individuals of based on services rendered	11
8.3 Payment of Dues	11
8.4 Delinquent Dues	11
9.0 ADMENDMENTS	12
10.0 DEFINITIONS	12

North Country Estates

--- A deed protected community ---

1. ASSOCIATION LOCATION AND PURPOSE

1.1. Location

The principal location (main intersecting roads) of the North Country Estates (NCE) Home Owners Association (hereinafter referred to as the Association), a non-profit, non-charitable, non-political corporation, registered with the Texas Secretary of State, shall be at FM 974 and North Country Drive, Brazos County, Bryan, Texas.

1.2. Purpose

The purpose of the Association is to maintain the quality of life for the members of the Association, exercise prudent management authority in the application of Deed Restrictions, function as a unified voice to government agencies and adjacent home owners associations, and to help protect the security and investment of the homeowners. In the event of any conflict between these Bylaws and the Deed Restrictions of the NCE, the Deed Restrictions shall take precedence.

2. MEMBERSHIP ADMINISTRATION

2.1 Membership Requirements

The fee simple owner of each lot in the North Country Estates, Bryan, Texas, shall automatically have required membership in the Association by the Deed Restrictions filed upon the recorded titles, as well as by the establishment of this Homeowners Association outlined herein. The North Country Development, LLC, the original developer of the NCE, and other builders are excluded from membership in the Association. Membership in the Association is strictly limited to the primary owners (other than the developer or builder) of lots in the said NCE. These Bylaws may be amended by a simple majority of the voting members present either in person or by proxy.

2.2 Membership Voting

Each member of the Association shall be entitled to one (1) vote for every full lot owned when voting on matters before the membership, and the vote shall be cast as a whole unit and no fraction thereof. Proxies shall apply only at a specified meeting. Absentee votes shall apply only to specific matters specified on the absentee ballot and shall not apply to any other matters, or the disbandment of the Association.

2.3 Membership Termination

Membership in the Association shall end upon termination of ownership of all of the member's real property in the North Country Estates Subdivision.

2.4 Phase Eligibility

Lot owners in Phases 1 through 9 attained required membership in the Association by a secret-ballot voting process conducted in accordance with required Texas Statutes regarding major actions of a non-profit corporation. Lot owners in Phases 10 and higher attained required membership by declared requirements in the recorded Deed Restrictions upon purchase of any NCE lot(s). Lot owners in Phases 5A and 5B shall attain membership in the 16.82 acres Private Reserve Tract, known as Lake Heron, by the Deed Restrictions filed for those Phases (see Section 10.5).

2.5 Books and Records.

The Association shall keep correct and complete books and records of accounts and shall keep minutes of Membership and BOD meetings, as well as committee meetings having any of the authority of the BOD. In addition, a record listing the names and addresses of the Association members shall be kept by the Secretary of the BOD. Members are solely responsible for providing the Secretary with written notice of any change in their address (either postal or electronic) or

North Country Estates

--- A deed protected community ---

membership status. Any member or his agent may inspect all books and records of the Association for any proper purpose at any reasonable time.

2.6 Fiscal Year

The fiscal year of the Association shall coincide with the calendar year.

2.7 Waiver of Notice

Whenever any notice is required to be given under the provisions of a) the Texas Nonprofit Corporation Act, b) the Articles of Incorporation of the Association, c) the Bylaws of the Association, or d) the North Country Estates Deed Restrictions, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

2.8 Invalidity Clause

The invalidity, violation, abandonment, waiver of, or failure to enforce anyone or more of, or any part of, the provisions of this document shall in no way affect or impair the remaining provisions or parts thereof which shall remain in full force and effect.

3.0 MEETINGS OF MEMBERS

3.1 Annual Meeting

The Annual Membership Meeting shall be held on the 3rd Tuesday in October each year. If this date falls upon a state or Federally recognized holiday, or if weather, war or other events effectively limits either meeting place availability, safety of members or any other reasonable limitation, the BOD may select the next appropriate available date pursuant to sections 3.2 and 3.31 of these Bylaws. The purpose of the meeting shall be to a) elect Directors to the Board, b) approve of a budget for the coming year, c) receive BOD and Committee reports, d) and transact other business that may come before the meeting. All Membership Meetings shall be conducted following Roberts Rules of Order.

3.2 Place of Meeting

The BOD may designate any reasonable place within Brazos County Texas for a meeting place.

3.3 Annual Meeting Notification and Information Packet

3.3.1 Meeting Notice

Notice of the Annual Membership Meeting shall be given not less than 30 days before the meeting (see Section 3.1). This notification may be either by postal letter, email (provided the member has agreed to email notification and such is registered with the Association Secretary – see below), or by signs posted around the subdivision. The BOD may elect to distribute a simple website URL for email approved members to review and download forms and meeting information. All notification mediums shall be considered delivered when the appropriate action has been taken (deposited in postal mail with postage to the last known mailing address, or to the last known email address – the currency of address/email information is the responsibility of the member).

3.3.2 Meeting Information Packet

A meeting information packet shall be composed of the following: a) the meeting agenda, b) a member proxy form, c) the proposed budget for the following year as compared to the current year, d) any vote information and forms, e) and other information the BOD feels of importance to members. The information shall state the place, date and time of the Annual Membership Meeting.

3.4 Quorum Requirements

A quorum is attained when 25% of the membership is represented by a total of the members present at the meeting plus proxies (submitted by those not in attendance), with the exception of the required majority for changing these Bylaws (see Section 10.1). If a quorum is not present at any

North Country Estates

--- A deed protected community ---

meeting of members, then the meeting shall be adjourned without any action being taken, except for the suspension and reconvening of the meeting from time-to-time for the purpose of attaining a quorum. Such suspended meetings shall occur within a 90-day time period of the initial meeting, and the new date, time, and location announced to those present.

3.5 Action Without A Quorum

In the event a quorum cannot be attained for an Annual Membership Meeting, then the meeting shall be closed with no business being conducted. Immediately upon adjournment of the Annual Meeting, a Special Membership Meeting shall be convened. Those in attendance, plus proxies, shall constitute a quorum for the purpose of electing Directors, and nothing else.

3.6 Special Meetings

Special Membership Meetings may be called at any reasonable time during the year to address matters that should not be delayed to the Annual Membership Meeting. A Special meeting can be called by either the President of the BOD, a majority of the BOD, or by a petition of members representing not less than 25% of the votes of the members in good standing (see Section 2.2).

4.0 BOARD OF DIRECTORS (BOD) ADMINISTRATION

4.1 BOD Responsibilities:

The following duties are entrusted to the daily management of the BOD, and others as amended by the membership from time to time.

4.1.1 Budget Management

Based upon the calendar year, the BOD shall adopt a proposed budget for the following year, and present it at the Annual Membership Meeting (held 3rd Tuesday of October) for discussion and membership vote (approval by a simple majority of eligible voters present and by proxy). The proposed budget shall be sent to the members in the information packet for the Annual Meeting, outlining the previous year's budget by line item as compared to the New Year's budget by line item along with all other fiscal details. The BOD may make changes in the proposed budget during the Annual Membership meeting that reflects the majority of the member's preference before conducting the budget vote. Once approved, the new budget will commence on January 1st of the following year.

4.1.2 Dues Assessment

After membership approval of the annual budget, the BOD will divide the total expenses across a value representing 90% of all eligible lots to establish the annual dues that are due by Jan 1st and payable not later than Jan 31st. All carryover funds, excluding those specifically earmarked for association management improvement projects, will be used to reduce the total expenses factor prior to determining the dues assessment. Annual dues may be adjusted upward for a given Phase if it is determined that a particular Phase desires a benefit and are willing to fund it in total, and at least 75% of the owners in the Phase votes for the benefit. Also, if a given Phase has no benefit in a proposed improvement project, the Board may adjust the dues downward for that Phase after considering any comments received from the HOA membership.

4.1.3 Acceptable Expenditures

Under no circumstances shall any funds, whether from dues, fines or gifts be used for political campaigns, organizational charities, non-profit organizations, food, or for individual members. Acceptable expenditures are strictly limited to the physical maintenance of Association assets, liability insurance, and direct conductance of Association business.

4.1.4 BOD Spending Limits

The BOD cannot commit any recurring expenditures that would extend beyond 24 months or 15% of the annual membership dues without a majority vote of the membership in good standing. The exception to this requirement is the initial incorporation expenditures necessary for routine

North Country Estates

--- A deed protected community ---

maintenance of Association assets present at the time of incorporation, liability insurance, or the maintenance of Association property gained after incorporation following authorization by the majority vote of the membership. In the event the association membership fails to approve a new budget, the BOD is strictly prohibited from accepting new expenses not specifically listed in this section. The BOD is expressly prohibited from accepting property including real estate without approval of the membership, if said acceptance would create any a potential liability to association for more than 24 months or more than 10% of the annual membership dues collected in the prior year. Approval of such gifts may occur at the annual membership meeting or via a special membership meeting outline in section 3.2.

4.1.5 Deed Restriction Management

The BOD shall provide deed restriction management according to legally filed documents by the North Country Estates, LLC. The BOD shall establish standardized procedures for the management of deed restrictions and inform the members of these procedures. The BOD shall clarify any ambiguous terminology regarding deed restrictions with definitions and guidelines that reflects the input and will of the membership.

4.1.6 Common Areas

Manage the common entrance areas, and other common areas that may be developed from time to time.

4.1.7 Committee Management

Appoint committee members and oversee activities of established committees as defined herein.

4.1.8 Other Duties

The BOD shall perform other responsibilities as voted upon by a simple majority of the membership. This authorization will be in effect for a period not to exceed one year from time of authorization unless no quorum is achieved at the Annual Membership meeting, at which any unexpired authorization will remain in effect until such time a quorum is achieved at a Special Membership or Annual Membership meeting.

4.2 BOD Composition

The BOD shall consist of five (5) Directors having the following positions: President, Vice-President, Treasurer, Secretary, and Director-at-large. No Director may hold more than one (1) office on the BOD. Each Director must be an Association member in good standing, meaning that he or she is qualified as an Association member (see Section 2.1), is not delinquent in payment of dues (see Section 8.3), and has no unresolved deed restriction violations. Failure to remain a member in good standing shall be grounds for removal from office. No more than two (2) members of the BOD shall come from a single phase of North Country Estates, and no more than one (1) member from a household. All BOD members must list a lot within North Country Estates as their principal address.

4.3 BOD Term of Office

Except for the first year of the Association, the term of office for Directors shall be two (2) years; the BOD shall decide which positions will have a one-year term length for the first year of incorporation. Thereafter, Directors shall be elected in alternating years, with three (3) new Directors elected in odd-numbered years and two (2) new Directors elected in even-numbered years.

4.4 BOD Elections

The BOD shall be elected by the membership at the Annual Meeting (see Section 3.1). A Nominating Committee appointed by the President of the then-current BOD shall make nominations of new Directors. Association members may make other BOD nominations at the Annual Meeting. Immediately following the Annual Membership Meeting, the newly elected BOD shall convene and elect each of the four (4) Officer positions for the next year. The fifth Director shall serve as Director-At-Large. At BOD meetings, the Directors shall vote by secret ballot only when electing Officers. All other voting shall be by open ballot. Two additional BOD members can be authorized by the

North Country Estates

--- A deed protected community ---

membership at any future annual membership meeting, using a simple majority vote, upon completion and sale of 75% of lots associated with phases 12 and 5b. These directors will be elected at large and be defined as Director at Large 2 and Director at Large 3. These BOD positions will remain in effect until such time as a Special Membership meeting outlined in Section 9.0 removes the positions. The BOD will annually define the role of these directors.

4.5 BOD Vacancies and Removal

Upon a vacancy occurring on the BOD, the remaining BOD members, shall appoint the new Director after seeking nominations from the membership. The period of nominations shall be not less than 10 days or more than 14 days following the BOD announcement of a call for nominations. No action to fill a BOD vacancy will be made if the remaining term is less than 120 days from the Annual Meeting. A Director may be removed by the members of the Association, with or without cause, when not less than 33% of the membership approves of such action at either a Special Membership Meeting, or without a meeting by obtaining a valid petition with the required signatures.

4.6 BOD President

The President of the BOD shall be the principal executive Officer of the Association and shall preside over all of the business and affairs of the Association, including presiding over all Membership and Board meetings. The President may delegate the meeting Chair to a designated representative. He/she shall sign, with the Secretary or any other designated Director, any contracts, or other instruments that the BOD has authorized to be executed, except in cases where the signing and execution of such instruments is expressly delegated (by the BOD, the Bylaws, or Statute) to some other Director or agent of the Association. In general, he/she shall perform all duties incident to the office of President and such other duties as may be prescribed by the BOD. The President is limited to two (2) years within any five (5) year time frame, provided there are other Directors who are willing to fill the position.

4.7 BOD Vice-President

In the absence of the President, the Vice-President shall perform the duties of the President and, when so acting, shall have all the powers of and be subject to all restrictions on the President. The Vice-President shall perform such other duties as may be assigned to him/her by the President or by the BOD.

4.8 BOD Treasurer

The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association, supervise the receipt of, and the issuing of receipts for, moneys due and payable to the Association from any source whatsoever, and ensure that all such moneys are deposited in the name of the Association in such banks or other depositories as directed by the BOD, and perform all the duties incident to the office of Treasurer and such other duties as may be assigned to him/her by the President or by the BOD.

4.9 BOD Secretary

The Secretary shall record and file the minutes of the meetings of the members and of the BOD; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; insure that notification signage is posted at the NCE entrances (see Section 3.4) not less than fourteen (14) days before subject meeting; be custodian of the Association's records; keep a register of the post office and electronic addresses of each Association member as furnished by such member to the Secretary; and perform all duties incident to the office of Secretary and such other duties as may be assigned to him/her by the President or by the BOD.

4.10 BOD Director-at-Large

The Director-at-large shall preside over the Deed Compliance Committee, and have other duties as prescribed by the President or by the BOD.

North Country Estates

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4.11 Indemnification

The Association shall indemnify any Director, Officer, Phase Captain, or member of a committee duly appointed pursuant to the Articles or Bylaws who was or is threatened to be named a defendant or respondent in any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative, or investigative, and any inquiry or investigation that could lead to such an action, suit, or proceeding by reason of the fact that such person is or was a Director, Officer, or member of such a committee of the Association, against all judgments, penalties, fines, settlements, and reasonable expenses actually incurred by the person in connection with any such proceeding to the fullest extent allowed by law.

5.0 BOD MEETINGS

5.1 Regular Meetings

The BOD shall schedule regular quarterly meetings on the second Tuesday of February, May, August and November. The BOD may elect to alter this meeting date or add supplemental meetings to better meet the schedules of the BOD members and business matters. However, quarterly meeting date changes must be determined not less than 60 days in advance with notification of the membership as outlined these Bylaws.

5.2 Special Meetings

In addition to regular BOD meetings, Special BOD Meetings may be called by or at the request of the President or any three (3) Directors. In the notification of the meeting (see Section 5.3), the agenda shall list the specific topic(s) for discussion/action, and no other business shall be conducted at the meeting that is not on the agenda.

5.3 Special Meeting Notice

Notice of a BOD Special Meeting (see Section 5.2) shall be given at least one (1) week prior to the meeting by phone or by email to all BOD Members. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except when a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not properly called or convened. A suitable public announcement of BOD Special Meetings to inform the membership of said meetings shall be posted at the primary entrances to NCE.

5.4 BOD Meeting Quorum

A majority of the BOD shall constitute a quorum for the transaction of business at any meeting of the BOD. If fewer than three (3) of the Directors are present at such meeting, then the meeting shall be adjourned without further notice, or suspended until a specific date and time for the purpose of attaining a quorum to conduct the scheduled business.

5.5 BOD Open Meetings

With the exception of electing Officers, all BOD meetings shall be opened to the membership. Only Directors shall have a vote and discussion role during the meeting. Members may request up to 10 minutes of meeting time if requested to the BOD President in writing one (1) day prior to the meeting. Member discussion is limited to Association business, and must be presented in a civil manner. The President may limit total time to 30 minutes, however time set aside for membership discussion shall not exceed one (1) hour, unless waived by the BOD. Any business performed by the BOD outside of an open meeting, with the exception of electing Officers, shall be considered null and void.

North Country Estates

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6.0 COMMITTEES AND PHASE CAPTAINS

6.1 Standing and Temporary Committees

6.1.1 Committee Management

The BOD, by majority resolution, may designate one (1) or more Standing Committees or Temporary Committees, each of which may include one (1) or more Directors. The committees, to the extent provided in said resolution, shall have and exercise the authority of the BOD in the management of the Association. However, the designation of such committees and the delegation of authority thereto shall not operate to relieve the BOD or any individual Director of any responsibility imposed on the BOD or on any individual Director. The BOD may abolish any committee, not specifically listed in this section as a permanent committee, when it is the BOD determines it is in the best interests of the Association. All Standing committees and Temporary committees will be reviewed annually during the BOD November meeting as to their continued viability and need. The BOD must reconfirm committee membership and committee authority at this meeting. All Temporary committees will automatically expire one day prior to the Annual Membership meeting.

6.1.2 Deed Compliance Committee

The Deed Compliance Committee will be comprised on the Director at Large and four additional members not serving on the BOD. Exclusive of the Director at Large, who will serve as chair of this Committee, the four additional members, selected by the BOD will serve two-year terms. The inaugural selected Deed Compliance Committee members will determine which two members have an initial one-year term and who will serve full two-year terms. This committee will review all compliance disputes, approve building plans and insure compliance of deed restrictions. Membership may appeal all decisions of the Architectural Compliance Committee to the Committee or to the BOD. In such cases, the BOD will serve as the final appeal. The BOD may remove any Committee member, with the exception of the Director at Large, with a 60% of the full BOD.

6.2 Chairperson

One (1) member of each committee shall be appointed chairperson of the committee by the President, or at the discretion of the President, by the members appointed to the committee.

6.3 Committee Vacancies

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

6.4 Committee Quorum

Unless otherwise provided in the BOD resolution establishing a committee, a majority of the whole committee shall constitute a quorum, and the act of a majority of the committee members present at a meeting at which a quorum is present shall be the act of the committee.

6.5 Committee Rules

Each committee may adopt rules for its own government, as long as such rules are consistent with these Bylaws and with any rules or policies adopted by the BOD.

6.6 Phase Captains

The BOD shall appoint Phase Captains to serve as a liaison between Association members and the BOD and to perform such duties as specified by the BOD.

7.0 CONTRACTS, CHECKS, DEPOSITS, AND FUNDS

7.1 Contracts

The BOD may authorize any agent of the Association to enter into a contract or to execute and deliver an instrument in the name of and on behalf of the Association for legitimate business purposes of the

North Country Estates

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Association and its members. Such authority may be either general or confined to specific instances, at the direction of the BOD based upon the approved membership budget.

7.2 Checks, Drafts, and Orders for Payment

All checks, drafts, or orders for payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by any two (2) of the following members of the BOD: President, Vice President, or Treasurer. If required by the BOD, all Directors or agents authorized to disburse Association funds shall give a bond for the faithful discharge of their duties in such sum and with such surety as the BOD shall direct to protect the membership interest.

7.3 Deposits

All funds of the Association shall be deposited to the credit of the Association in such U.S. Federally insured banks, or other depositories equally insured as the BOD may select.

7.4 Gifts

The BOD, in harmony with section 4.1.3, may accept on behalf of the Association any contribution, gift, bequest, or other donation for any general or specific purpose of the Association.

8.0 ASSOCIATION DUES

8.1 Establishing Dues

The amount of membership dues payable to the Association shall be established by the BOD based upon the annual budget approved by simple majority vote at the Annual Membership meeting. Dues shall be payable on each full lot; members with more than one (1) lot shall pay for each lot owned. Association members shall have one (1) vote for each lot. The BOD may elect to utilize a discount program for dues when a given member elects to use cost saving communications or payment methods, as defined and approved by the BOD. The BOD must use reasonable discounting values that accurately reflect potential or realized savings to the association.

8.2 Extended fees to individuals based on services rendered

The Board of Directors is hereby authorized to exercise a single or multiple fees based on costs incurred by the Association to provide billing, meeting announcements, meeting minutes, or other business related information, forms, third-party payment of dues and fees through private clearinghouses or extended services to a single, or sub-majority of the Association membership. Fees will be determined by the newly elected Board of Directors at their first meeting and distributed to the membership via electronic and other means. The primary purpose of this clause is to promote efficient use of electronic forms of communications and thereby reduce the costs of mailing, copying, and handling. Additionally, the Board of Directors may elect to receive dues and fees via a third party clearinghouse, upon which the additional costs the Associations would bear will be charged to the member.

8.3 Payment of Dues

Dues shall be due by January 1st each year, and shall be payable not later than January 31st. Dues of a new member shall begin on the first day of the month following purchase of real property in the North Country Estates and shall be prorated for the remainder of the year. All payments received by the association will be applied to the most recent outstanding balance(s).

8.4 Delinquent Dues

Payment of dues shall be deemed delinquent and immediately collectable upon failure to pay not later than the payable date (see Section 8.2). Members who have outstanding dues are considered Not in Good Standing. The BOD shall collect any and all delinquent dues by whatever means necessary and in accordance with these Bylaws, the North Country Estate Deed Restrictions, and the laws of the State of Texas. Members Not in Good Standing are subject to all court filing fees, collection fees, or other costs incurred by the Association in attempts to collect delinquent dues. The BOD may impose

North Country Estates

--- A deed protected community ---

interest costs as allowed by Statutes to all delinquent dues. Additionally, dues over 24 months in arrears may be assessed a fine annually not to exceed the annual dues.

9.0 ADMENDMENTS

Power of Members to Amend Bylaws

The Bylaws of the Association may be amended, repealed, revised or replaced by an affirmative vote of more than 50 percent of the vote of the Association's members (see Section 2.2) at a meeting called for the purpose. All proposed changes must be presented to the membership, whether by the BOD or an individual member at the time of the meeting announcement. Amendments or motions outside of the spirit of the initial proposed change will be ruled out of order and no action will be taken on these amendments or motions. Any such changes shall become effective on the date of adoption. Changes to these Bylaws shall conform to the Deed Restrictions of the North Country Estates and to the laws of the State of Texas.

10.0 DEFINITIONS

The following words when used in this instrument shall have the following meanings:

10.1 "North Country Estates" shall mean NORTH COUNTRY ESTATES HOME OWNER'S ASSOCIATION, its successors and assigns and also shall apply to all phases of NORTH COUNTRY ESTATES per the plat filed of record in the Official Records of Brazos County, Texas.

10.2 "Lot" or "Parcel" shall mean those plots of land shown on the map or plat of the Subdivision filed of record with the Clerk of Brazos County, Texas, with the exception of those plots of land designated as Reserve Tracts (if any), and reservations herein after made, if any.

10.3 "Owner" shall mean and refer to the record owner, whether one (1) or more persons or entities of the fee simple title to any lot in the Subdivision, or any part or interest therein, but shall not mean or refer to any mortgagee, under any applicable theory of mortgage, unless and until such mortgagee has acquired legal title pursuant to foreclosure or any proceeding in lieu of foreclosure. The term "Owner" shall further include any person or entity claiming title to any lot or portion thereof by adverse possession, any person or entity leasing, renting or otherwise occupying any lot or part thereof, and any person or entity claiming interest in a lot or part thereof under a contract of sale. See exclusions in Section 2. MEMBERS.

10.4 "Representative" shall mean a person, persons, elected to or appointed by the board of NORTH COUNTRY ESTATES HOME OWNERS ASSOCIATION set forth herein and/or in said document

10.5 "Lake Heron." In addition to the Homeowners Association, Phases 5A and 5B, being lake property owners, may also form a Lake Owners Association regarding the use and development of the property known as the Private Reserve Lake Tract and Phase 5A Deed Restrictions, and the subsequent, to be filed, Phase 5B Deed Restrictions. This tract is composed of 16.82 acres as recorded in the North Country Estates Master Planning document and includes the lake, dam, and surround acreage that forms the lake tract commonly known as Heron Lake. The Lake Owners Association shall develop acceptance criteria and inspection procedures in conjunction with the developer to help insure quality infrastructure upon acceptance from the developer. Also, the Lake Owners shall define covenants and bylaws for the life-cycle management of the Private Reserve Lake tract, as well as any and all access to the reserve.