

**MINUTES OF THE
MEETING OF THE BOARD OF DIRECTORS OF THE
VILLAGES OF TOWN CENTER OWNERS ASSOCIATION, INC.
NOVEMBER 27, 2001**

A meeting of the Board of Directors of the Villages of Town Center Owners Association, Inc. was held at 7:00 p.m. at 4913 Columbarry Dr East, Rosenberg, Texas pursuant to Waiver of Notice attached hereto as Exhibit "A".

Directors in attendance were Diane Andrews, David Long and Sharon Dozier. Also in attendance were Jim Leland of Hoover, Bax and Slovacek Attorney's at Law and Sabrina Stampley CMCA, PCAM and Tim Frey representing Planned Community Management Inc.

A quorum being established the meeting was called to order at 7:05 p.m.

The first order of business was a discussion with Jim Leland regarding an annexation request from Tofigh Shirazi the former developer for the community. Mr. Shirazi had previously met with Ms. Dozier, Ms. Stampley and Mr. Frey wherein he presented a plan to develop an additional 200 lots that he would like to annex into the Villages of Town Center Community.

Mr. Leland indicated that he had reviewed all relative information sent to him by PCMI, which included a Special Warranty Deed, the Use Agreement and the proposed agreement from Mr. Shirazi. He stated that in his review of the documents he noted that the recreational facilities were deeded to the Association in October 1998, the Use Agreement was executed at some point and time after that and no new consideration was given when the Agreement was signed. He also pointed out that Mr. Shirazi in executing the Use Agreement had signed on behalf of both the Developer and the Association. In his opinion given the aforementioned items he felt the Association could argue that the Use Agreement was null and void.

Mr. Leland stated that there are pros and cons of annexing additional properties. Annexation would permit Villages of Town Center to have control over the architectural integrity of the new areas as well as it would provide additional revenue to the community. He also pointed out that the proposed agreement from Mr. Shirazi states that upon successful completion of the annexation Mr. Shirazi will give the Association \$15,000. He asked the Board to also keep in mind however that there would be additional expense burden to the Association with the addition of the new sections.

PCMI indicated that they were currently obtaining cost at the request of Ms. Dozier for various maintenance issues that needed to be addressed throughout the community such as lighting repairs, pool plastering, storage unit at pool area, repairs to fencing and jogging/walking path. The Board felt that the \$15,000 being offered by Mr. Shirazi while it could assist the community it would not put them in a financial position in their opinion to adequately maintain their existing property much less take on additional expense.

After due discussion the Board requested that Mr. Leland generate a letter back to Mr. Shirazi stating that the Association will move forward with attempting the annexation process in consideration for some additional amount which will be determined after receiving the related cost associated with each of the above referenced items. PCMI will provide the Board with the cost upon their receipt and the Board will determine the amount Mr. Leland will request in his letter.

The Board approved several properties be turned over to the attorney for pursuit of legal action for deed restriction violations. (See list attached as Exhibit "B".)

Ms. Stampley provided a brief review of the properties at the attorney for maintenance fee collection.

The next topic of discussion was the minutes from the previous meeting. After due discussion the minutes were approved as presented.

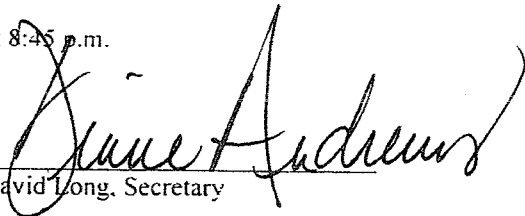
Plaintiff's Exhibit I

PCMI was asked to review the By-Laws to determine the process for amending them. There are several items that have been discussed previously such as increasing the Board, notice requirements and quorum requirements.

At this time Ms. Dozier tendered her resignation from the Board of Directors effective immediately. Ms. Andrews agreed to serve as President and Mr. Long agreed to serve as Secretary/Treasurer.

PCMI was asked to send out a notice to the residents letting them know there is an open position on the Board of Directors.

There being no further business the meeting was adjourned at 8:45 p.m.


David Long, Secretary