

BYLAWS
OF
OAK POINT PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE ONE

Name and Location

The name of the corporation is OAK POINT PROPERTY OWNERS ASSOCIATION, INC., a Texas non-profit corporation (hereinafter referred to as the "Association"). The principal office of the Association shall be located at the office of its registered agent in Dallas County, Texas, but meetings of Members and Directors may be held at such places within the Counties of Dallas or Brown as may be designated by the Board of Directors.

ARTICLE TWO

Definitions

The definitions in the Articles of Incorporation shall have the same meanings herein.

ARTICLE THREE

Membership

Section 1. Every person or entity who is now or hereafter becomes an Owner shall automatically be and must remain a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

Section 2. The sole qualification for membership shall be the ownership of a Lot. No initiation fees, costs or dues shall be assessed as a condition of membership except such regular and special assessments as authorized under the Articles of Incorporation of the Association and the Declaration.

Section 3. The rights of membership are subject to the payment of regular and special assessments levied by the Association, the obligation of which assessments is imposed against each Owner of, and becomes a lien upon, the Lot against which such assessments are made as provided by the Declaration.

Section 4. The membership rights of any person whose interest in the Lot is subject to assessment, whether or not he or she be personally obligated to pay such assessment, may be suspended by action of the Board of Directors during the period when the assessment remains

unpaid; but, upon payment of such assessment, an Owner's rights and privileges shall be automatically restored. If the Board of Directors has adopted and published rules and regulations governing the use of the Property and the personal conduct of any person thereon, the directors may, in their discretion, suspend the rights of any such person for violation of such rules and regulations for a period not to exceed sixty (60) days.

ARTICLE FOUR

Voting Rights

The Association shall have one class of voting membership as described in the Declaration. Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership. When more than one person holds such interest or interests in a Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they, among themselves, may determine, but in no event shall more than one (1) vote be cast with respect to any such Lot.

ARTICLE FIVE

Association Purposes and Powers

The Association does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are:

- (a) to provide for the acquisition, construction, management, maintenance and care of the Property;
- (b) to provide for and assist in maintenance, preservation and architectural control of the Property and to promote the health, safety and welfare of the Owners and residents of the Property;
- (c) to borrow money (if necessary) and to acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association, subject to the terms and provisions of, and limitations and prohibitions within, the Texas Miscellaneous Corporation Laws Act and the Texas Non-Profit Corporation Act;
- (d) to cause the Property to be maintained, operated, regulated and administered in accordance with any applicable terms and conditions of the Declaration;
- (e) to exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as may be set forth in the Declaration;

- (f) to fix, levy, collect and enforce payment by any lawful means, all charges or assessments provided for by the terms of the Declaration and to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Owners, including any licenses, taxes or governmental charges which may be levied or imposed against the Property or any other property owned by the Association; and
- (g) insofar as permitted by law, to do any other thing that, in the opinion of the Board of Directors, will promote the common benefit and enjoyment of the Owners; provided, however, that no part of the net earnings of the Association shall inure to the benefit of or be distributable to any Member, director or officer of the Association, or any private individual (except that reasonable compensation may be paid for services rendered to or for the Association relating or pertaining to one or more of its purposes); and provided further that no part of the activities of the Association shall include carrying on propaganda, or otherwise attempting to influence legislation, or participating in, or intervening in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.

ARTICLE SIX

Board of Directors

Section 1. The business and affairs of the Association shall be initially managed by a board of three (3) directors. The number of directors may thereafter be changed in accordance with the Articles of Incorporation and the Bylaws of the Association, but shall in no event be less than three (3) nor more than five (5) individuals. Directors need not be Members of the Association. The directors shall be elected at the annual meeting of the Members, except as provided in Section 2 of this Article, and each director elected shall hold office for a term of ~~one~~^{two} (2) years or until his or her successor is elected and qualified.

Section 2. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of the remaining directors though less than a quorum of the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office. Any directorship to be filled by reason of an increase in the number of directors shall be filled at any annual meeting of the Members or at a special meeting of the Members entitled to vote called for that purpose. Any director may be removed from the Board of Directors, with or without cause, by a majority vote of the Members, present or represented by an appropriate proxy, at an annual meeting of the Members or at a properly called special meeting of the Members present or represented by an appropriate proxy.

Section 3. The Board of Directors may exercise all such powers of the Association and do all such lawful acts and things as are not by statute or by the Declaration or by the Articles of Incorporation or by these Bylaws directed or required to be exercised or done by the Members. The

Board of Directors, for the benefit of the Association, the Property and the Owners, may provide, and may pay for, out of the maintenance fund(s), the following:

- (a) care, preservation and maintenance of the Property and the furnishing and upkeep of any desired personal property for use in or on the Property;
- (b) security arrangements;
- (c) taxes, insurance and utilities (including, without limitation, electricity, gas, water and sewer charges) which pertain to the Property only;
- (d) the services of a person or firm to manage the Association or any separate portion thereof, to the extent deemed advisable by the Board of Directors, and the services of such other personnel as the Board of Directors shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board of Directors or by the manager;
- (e) legal and accounting services; and
- (f) any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, taxes or assessments which the Board of Directors is required to obtain or pay for pursuant to the terms of the Declaration or which, in its option, shall be necessary or proper for the operation or protection of the Association or for the enforcement of the Declaration.

Section 4. The Board of Directors shall have, in addition to all powers of the Association not precluded by (i) statute, (ii) the Articles of Incorporation, (iii) these Bylaws or (iv) the Declaration, the following additional rights, powers and duties (but not the requirement):

- (a) to execute all declarations of ownership for tax assessment purposes with regard to the property owned by it as an incorporated entity;
- (b) to borrow funds to pay costs of operation, secured by assignment or pledge of rights against delinquent Owners;
- (c) to increase, decrease, amend or modify the maintenance fee schedule applicable to each and all of the Lots, the time and method of collection and any and all matters and aspects of any kind or character whatsoever arising out of or related to the maintenance fees;
- (d) to enter into contracts, maintain one or more bank accounts and to have all the powers necessary or incidental to the operation and management of the Association;

- (e) to protect or defend the Property from loss or damage by suit or otherwise, to sue or defend in any court of law on behalf of the Association and to provide adequate reserves for repairs and replacements;
- (f) to make reasonable rules and regulations for the operation of the Property and to amend them from time to time;
- (g) to make available to each Owner after the end of each year an annual report;
- (h) to adjust the amount, collect and use any insurance proceeds to repair damaged property or replace lost property; and if proceeds are insufficient to repair damaged property or replace lost property, to assess the Members to cover the deficiency; and
- (i) to enforce the provisions of the Declaration and any rules made thereunder and to enjoin and seek damages from any Owner for violation of such provisions and rules.

Section 5. The Board of Directors shall have the exclusive right to contract for all goods, services and insurance, and the exclusive right and obligation to perform the function of the Board of Directors, except as otherwise provided herein.

Section 6. The Board of Directors, on behalf of the Association, shall have full power and authority to contract with any Owner for performance on behalf of the Association of services which the Association is otherwise required to perform pursuant to the terms hereof, such contracts to be upon such terms and conditions and for such consideration as the Board may deem proper, advisable and in the best interests of the Association.

Section 7. Directors shall not receive salaries for their services.

ARTICLE SEVEN

Meetings of the Board of Directors

Section 1. Meetings of the Board of Directors, regular or special, must be held within the Counties of Dallas or Brown, State of Texas, as the Directors deem advisable.

Section 2. The first meeting of each newly-elected Board of Directors shall be held at such time and place as shall be fixed by the vote of the Members present or represented by an appropriate proxy at the annual meeting of the Members and no notice of such meeting shall be necessary to the newly-elected Board of Directors, or in the event no time or date is fixed by the Members or such meeting is not held at the time and place so fixed by the Members, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided

for special meeting of the Board of Directors, or as shall be specified in a written waiver signed by all of the directors.

Section 3. Regular meetings of the Board of Directors shall be held on the first day of March of each year without notice, at such place and hour as may be fixed from time to time by resolution of the Board, or if none, by the President. Should the meeting fall upon a legal holiday, then the meeting shall be held at the same time on the next day which is not a legal holiday.

Section 4. Special meetings of the Board of Directors shall be held when called by the President or by any two (2) directors. Written notice of special meetings of the Board of Directors shall be given to each director at least three (3) days before the date of the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 5. A majority of the directors shall constitute a quorum for the transaction of business and the act of the majority of the directors present in person or by proxy at a meeting at which a quorum is present shall be the act of the Board of Directors, unless a greater number is required by the Articles of Incorporation or the Declaration. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting until a quorum shall be present.

Section 6. A director may vote in person or by proxy executed in writing by the Director or by his or her duly authorized attorney-in-fact filed with the Secretary. No proxy shall be valid after three (3) months from the date of its execution unless otherwise provided in the proxy. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and in no event shall it remain irrevocable for a period of more than three (3) months from the date of its execution.

Section 7. The Board of Directors may hold a meeting by telephone conference-call in which all Directors participating in the meeting can hear each other. Participation of a person in a conference-call meeting constitutes presence of that person at the meeting.

Section 8. Any decision required or permitted to be made at a meeting of the Board of Directors, may be made without a meeting. A decision without a meeting may be made if a written consent to the decision is signed by all of the Directors. The original signed consents shall be placed in the minute book and kept with the Association's records.

Section 9. The Board of Directors, by resolution adopted by a majority of the whole Board, may designate two (2) or more directors to constitute an executive committee, which committee, unless its authority shall otherwise be expressly limited by such resolutions, shall have all of the authority of the Board of Directors with regard to the business and affairs of the Association except where action of the Board of Directors is specified by statute. Vacancies in the membership of the committee shall be filled by the Board of Directors at a regular or special meeting of the Board of Directors. The executive committee shall keep regular minutes of its proceedings

and report the same to the Board when required. The designation of such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed upon them by law.

ARTICLE EIGHT

Officers

Section 1. The officers of the Association shall consist of a President, one or more Vice Presidents, a Secretary and a Treasurer, each of whom shall be elected by the Board of Directors. Any two or more offices may be held by the same person, except that the President and Secretary shall not be the same person.

Section 2. The Board of Directors, at its first meeting after each annual meeting of Members, shall choose a President, one or more Vice Presidents, a Secretary and a Treasurer, none of whom need be a Member or a director.

Section 3. The Board of Directors may also appoint, from time to time, such other officers and assistant officers or agents as may be deemed necessary by the Board of Directors.

Section 4. The Officers of the Association shall hold office until their successors are chosen and qualified. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever, in its judgement, the best interests of the Association will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Any vacancy occurring in any office of the Association by reason of death, resignation, removal or otherwise shall be filled by the Board of Directors.

President

Section 5. The President shall be the chief executive officer. The President shall preside at all meetings of the Members and of the Board of Directors, and shall have such other powers and duties as usually pertain to such office or as may be delegated by the Board of Directors. Unless the Board of Directors shall otherwise delegate such duties, the President shall have general and active management of the business of the Association, and shall see that all orders and resolutions of the Board of Directors are carried into effect.

Section 6. The President shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the Association, except where required or permitted by law to be otherwise signed and executed, and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Association.

Vice President

Section 7. The Vice Presidents, in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the President, perform the duties and exercise the powers of the President. They shall also perform such other duties and have such other powers as the Board of Directors shall prescribe.

Secretary

Section 8. The Secretary shall attend all meetings of the Board of Directors and all meetings of the Members, and record all the proceedings of the meetings of the Board of Directors in a book to be kept for that purpose. He or she shall give, or cause to be given, notice of all meetings of the Members and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the President, under whose supervision he or she shall be. The Secretary shall keep in safe custody the seal of the Association, if any, and when authorized by the Board of Directors, affix the same to any instrument requiring it, and when so affixed, it shall be attested by his or her signature.

Section 9. Any Assistant Secretaries, in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary. They shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

Treasurer

Section 10. The Treasurer shall have the custody of the corporate funds and securities, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories and as may be designated by the Board of Directors.

Section 11. The Treasurer shall disburse the funds of the Association as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors at its regular meetings, or when the Board of Directors so requires, an account of all his or her transactions as Treasurer and of the financial condition of the Association.

Section 12. If required by the Board of Directors, the Treasurer shall give the Association a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his or her office and for the restoration to the Association, in case of his or her death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his or her possession or under his or her control belonging to the Association.

Section 13. Any Assistant Treasurers, in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer. They shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

Section 14. Officers shall receive such reasonable compensation for services rendered to the Association as are determined appropriate by the Board of Directors.

ARTICLE NINE

Committees

Section 1. The Board of Directors, by resolution adopted by a majority of the directors, may designate and appoint one or more committees, each of which shall consist of at least one director, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the Association. Unless otherwise provided herein, each committee shall consist of two or more individuals designated by the Board of Directors. The committees shall be appointed by the Board of Directors to serve from the date of such appointment until the close of the next annual meeting of the Members.

Section 2. It shall be the duty of each committee to receive complaints from Members on any matter involving Association functions, duties and activities within its field or responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

ARTICLE TEN

Meetings of Members

Section 1. Meetings of the Members for the election of directors are to be held in the County of Brown, State of Texas.

Section 2. Annual meetings of Members shall be held on the first Tuesday in March, if not a legal holiday, and if a legal holiday, then the next business day.

Section 3. Special meetings of the Members shall be held when called by, (i) the President, (ii) by any two (2) directors, or (iii) by written request of Members holding twenty-five (25%) percent of the votes entitled to be cast, represented in person or by proxy. Written notice of special meetings of the Members shall be given to each Member at least fifteen (15) days before the date of the meeting. Neither the business to be transacted at, nor the purpose of, any special meeting of the Members need be specified in the notice of such meeting.

Section 4. Members holding twenty-five (25%) percent of the votes entitled to be cast, represented in person or by proxy, shall constitute a quorum. The vote of the majority of the votes entitled to be cast by the Members present shall be the act of the Members.

Section 5. Each Member may cast as many votes as he or she is entitled to exercise under the terms and provisions of these Bylaws on each matter submitted to a vote at a meeting of Members, except to the extent that the voting rights of any Member have been suspended in accordance with these Bylaws or the Declaration. At such election of directors, every Member entitled to vote at such election shall have the right to vote.

Section 6. A Member may vote in person or by proxy executed in writing by the Member or by his or her duly authorized attorney-in-fact and filed with the Secretary. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and in no event shall it remain irrevocable for a period of more than eleven (11) months from the date of its execution. Every proxy shall automatically cease upon sale by the Member of his or her Lot.

Section 7. The officer or agent having charge of the Association books shall make, at least ten (10) days before each meeting of Members, a complete list of the Members entitled to vote at such meeting or any adjournment thereof, with the address of each, which list, for a period of ten (10) days prior to such meeting, shall be kept on file at the principle office of the Association or such other location which has been designated by the Board of Directors and shall be subject to inspections by any Member at any time during the usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Member during the whole time of the meeting.

Section 8. The Board of Directors may fix, in advance, a date, not exceeding sixty (60) days preceding the date of any meeting of Members, as a record date for the determination of the Member entitled to notice of, and to vote at, any such meeting and any adjournment thereof. In such case, such Members and only such Members shall be entitled to such notice of, and to vote at, such meetings and any adjournment thereof, notwithstanding any change of membership on the books of the Association after such record date is fixed as aforesaid.

ARTICLE ELEVEN

Books, Papers and Notices

Section 1. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to the inspection of any Member.

Section 2. Notices to directors and Members shall be in writing, shall specify the time and place of the meeting and shall be delivered personally or mailed to the directors or Members at their addresses appearing on the books of the Association. Notices by mail shall be deemed to be

given at the time when same shall be mailed. Notice to directors may also be given by telegram.

Section 3. Whenever any notice is required to be given to any Member or director under the provisions of statute or the Declaration or of the Articles of Incorporation or these Bylaws, 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 equivalent to the giving of such notice.

Section 4. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE TWELVE

General Provisions

Section 1. The fiscal year of the Association shall be fixed by resolution of the Board of Directors.

Section 2. The corporate seal, if any, shall have inscribed thereon the name of the Association. The seal may be used by causing it or a facsimile thereof to be impressed or affixed to any document or instrument in order to validate, effectuate or authorize the matters contained within said instrument of behalf of the Association.

Section 3. These Bylaws may be amended at any regular or special meeting of the Members by a majority of the total votes entitled to be cast, or the power to alter, amend or repeal the Bylaws or to adopt new Bylaws may be delegated to the Board of Directors by such vote. Notwithstanding the above, those provisions of the Bylaws which are governed by the Articles of Incorporation of the Association may not be amended except as may be provided in the Articles of Incorporation of the Association or as required by applicable law; and provided further, that any matter stated herein to be, or which is in fact, governed by the Declaration may not be amended except as may be provided in such Declaration.

Section 4. The Articles of Incorporation may be amended in the following manner:

The Board of Directors shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of Members, which may be either an annual or special meeting. Written notice setting forth the proposed amendment or a summary thereof shall be given to each Member entitled to vote at such meeting within the time and in the manner provided in these Bylaws for the giving of notice of meetings of Members. The proposed amendment shall be adopted upon receiving at least two-thirds (2/3) of the total votes entitled to be cast.


Section 5. In the case of any conflict between the Articles of Incorporation of the Association and these Bylaws, The Articles of Incorporation shall control; and in the case of any

conflict between the Declaration and these Bylaws, the Declaration shall control.

IN WITNESS WHEREOF, we, being all of the initial directors of Oak Point Property Owners Association, Inc., a Texas non-profit corporation, have hereunto set our hands the 12th day of March, 1998.


CHARLES E. SCHRAM, III


PATRICK J. RAMSIER


RANDAL BROWN

