

Henderson County
Mary Margaret Wright
County Clerk
Athens, TX 75751

Instrument Number: 2022-00020413

As

Recorded On: 11/04/2022 12:51 PM Recordings - Land

Parties: OAK LANDING PROPERTY OWNERS ASSOCIATION

To: PUBLIC

Number of Pages: 48 Pages

Comment:

(Parties listed above are for Clerks reference only)

****Examined and Charged as Follows:****

Total Recording: 210.00

File Information:

Document Number: 2022-00020413

Receipt Number: 2022-22042

Recorded Date/Time: 11/04/2022 12:51 PM

Recorded By: Janice Hankins

*****DO NOT REMOVE. THIS PAGE IS PART OF THE INSTRUMENT*****

Any provision herein which restricts the Sale, Rental, or use of the described REAL PROPERTY
because of color or race is invalid and unenforceable under federal law.

I hereby certify that this instrument was filed and duly recorded
in the Official Records of Henderson County, Texas



Mary Margaret Wright

County Clerk
Henderson County, Texas

Record and Return To:

OAK LANDING PROPERTY OWNERS
908 OAKLANDING CIRCLE

SEVEN POINTS, TX 75143



**NOTICE OF FILING MANAGEMENT CERTIFICATE AND DEDICATORY
INSTRUMENTS
FOR OAK LANDING PROPERTY OWNERS ASSOCIATION**

STATE OF TEXAS

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COUNTY OF HENDERSON

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This NOTICE OF FILING OF MANAGEMENT CERTIFICATE AND DEDICATORY INSTRUMENTS FOR OAK LANDING PROPERTY OWNERS ASSOCIATION, a Texas non-profit corporation is made in accordance with Texas Property Code Section 202.006 (“**Notice**”) this 25th day of October, 2022, by Oak Landing Property Owners Association (the “**Association**”).

The Association is the property owners’ association created to manage and regulate the subdivision more particularly described in: Declaration of Restrictive Covenants for Oak Landing Subdivision, dated January 7, 1987, recorded January 7, 1987, in Volume/Book 1184, Page 226 et seq, Real Property Records of Henderson County, Texas (the “**Declaration**”), which development is more particularly described in Plat recorded in Cabinet D, Slide, 179, Plat Records Henderson County, Texas.

Texas Property Code Section 202.006 provides that a property owners’ association must file each dedicatory instrument governing the association that has not been previously recorded in the real property records of the county where the development is located.

The Association desires to file of record with this Notice the attached Management Certificate and copies of the Dedicatory Instruments attached hereto: Articles of Incorporation of Oak Landing Property Owners Association (filed with the Secretary of State November 23, 1987), Bylaws of Oak Landing Property Owners Association (dated November 23, 1987), Assessment Collection Policy, Payment Plan Policy, Document Retention Policy, and Records Production and Copying Policy. All of the aforementioned Bylaws and Policies have been adopted by the Association’s Board of Directors.

NOW, THEREFORE, the Management Certificate and the Dedicatory Instruments attached hereto are true and correct copies of the originals and are hereby filed of record in the Real Property Records of Henderson County, Texas, in accordance with the requirements of Texas Property Code Section 202.006, and Section 209.004.

EXECUTED as of October 31st, 2022.

OAK LANDING PROPERTY OWNERS ASSOCIATION, a Texas nonprofit corporation

By: Virginia Payne
Name: Virginia Payne
Title: Secretary

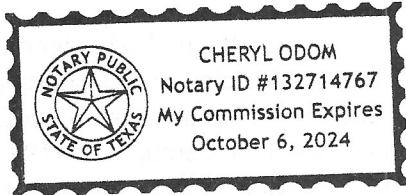
STATE OF TEXAS

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COUNTY OF HENDERSON

BEFORE ME, the undersigned, a Notary Public in and for the State of Texas, on this day personally appeared Virginia Payne, Secretary of Oak Landing Property Owners Association known to me to be the person and Officer whose name is subscribed to the foregoing instrument and acknowledged to me that she executed it for the purposes and consideration expressed, and in the capacity stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 31st day of October 2022.



Cheryl Odom
Notary Public – State of Texas
My Commission Expires 10-6-24

FILED
In the Office of the
Secretary of State of Texas

NOV 23 1987

ARTICLES OF INCORPORATION
OF
OAK LANDING
PROPERTY OWNERS ASSOCIATION

Corporations Section

We, the undersigned natural persons of the age of eighteen (18) years or more, at least two (2) of whom are citizens of the State of Texas, acting as Incorporators of a corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE I

The name of the corporation is OAK LANDING PROPERTY OWNERS ASSOCIATION.

ARTICLE II

The corporation is a non-profit corporation.

ARTICLE III

The duration of the corporation shall be perpetual.

ARTICLE IV

The purpose or purposes for which the corporation is organized are to act as agent for the property owners of Oak Landing Subdivision, a development in Henderson County, Texas, established pursuant to Declaration of Restrictive Covenants recorded in Volume 1184, Page 226, of the Deed Records of Henderson County, Texas (the "Declaration") and for any and all other property which is accepted by this Corporation for similar purposes, those purposes being as follows:

(a) To exercise all of the power and privileges and perform all of the duties and obligations of the Corporation as set forth in the Declaration;

(b) To affix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; and, as agent, pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of this Corporation including all licenses, taxes or governmental charges levied or imposed against the property of this Corporation and to make disbursements, expenditures and payments on behalf of the said property owners as required by the

Declaration and the Bylaws of the Corporation; and to hold as agent for said property owners reserves for periodic repairs and capital improvements to be made as directed by the property owners acting through the Board of Directors of the Corporation;

(c) To acquire by gift, purchase or otherwise, to own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or to otherwise dispose of real or personal property in connection with the affairs of this Corporation subject to the limitations set forth in the Declaration;

(d) To borrow money, to mortgage, pledge or hypothecate any and all of its real or personal property as security for money borrowed or debts incurred subject to the limitations set forth in the Declaration;

(e) To provide general sanitation and cleanliness of common areas;

(f) To provide upkeep and maintenance of common areas as provided in the Declaration;

(g) To enter into and perform any contract and to exercise all powers which may be necessary or convenient to the operation, management, maintenance and administration of the affairs of Oak Landing Subdivision in accordance with the Declaration;

(h) To have and to exercise any and all powers, rights and privileges a corporation organized under the Non-Profit Corporation Law of the State of Texas, as such law is now in effect or may at any time hereafter be amended.

ARTICLE V

The post office address of its initial registered office is 106 Kaufman Street, P. O. Box 1201, Mabank, Texas 75147, and the name of its registered agent at such address is L. R. Stryker.

ARTICLE VI

The number of Directors of the Corporation shall be fixed by the Bylaws of the Corporation but shall not be less than three (3). The number of Directors constituting the initial Board of Directors is three (3), and the names and addresses of the persons who are to serve as the initial Board of Directors are:

<u>Name</u>	<u>Address</u>
L. R. Stryker	106 Kaufman Mabank, Texas 75147
Ross M. Hamilton	Route 9, Box 570 Kemp, Texas 75143
Tim R. Johnson	P. O. Box 402 Mabank, Texas 75147

ARTICLE VII

The name and address of each Incorporator is:

L. R. Stryker	106 Kaufman Mabank, Texas 75147
Ross M. Hamilton	Route 9, Box 570 Kemp, Texas 75143
Tim R. Johnson	P. O. Box 402 Mabank, Texas 75147

ARTICLE VIII

Each and every Owner of a Lot shall automatically become, and must remain, a Member in good standing of the Corporation during such Owner's period of ownership of such Lot. Such membership shall be appurtenant to each Lot and may not be severed from or held separately therefrom.

A Member of the Corporation shall be considered to be a Member in good standing and eligible to vote if such Member:

(a) Has, not less than seven (7) days prior to the taking of any vote by the Corporation, fully paid all assessments or other charges levied by the Corporation then due and payable, as such assessments or charges are provided for in the Declaration;

(b) Does not have a lien filed by the Corporation against his Lot; and

(c) Has discharged other obligations to the Corporation as may be required of Members hereunder.

The Board shall have sole responsibility and authority for determining the good standing status of any Member at any time, and shall make such determination with respect to all Members prior to a vote being taken by the Corporation on

any matter. The Board shall have the right and authority, in its sole discretion, to waive the seven (7) days prior payment requirement established herein and require only that such payment be made at any time before such vote is taken if the Board shall determine, in its own judgment, that extenuating circumstances exist which have prevented a particular Member from meeting any or all of the three requirements stated herein at or before seven (7) days in advance of any vote. Any Member not conforming with the provisions of this Article shall be declared by the Board to be not a Member in good standing and unless the time requirement required hereunder is specifically waived by the Board in writing prior to any particular vote being taken, shall be disqualified from voting on matters before the Corporation until such time as Member in good standing status is attained and so declared by the Board.

The Corporation shall have only one (1) class of voting membership.

Where more than one person or entity holds an interest in any Lot, all such persons collectively shall be a single Member, and the vote for such Member shall be exercised as the several parties shall determine among themselves.

The membership of a person or entity in the Corporation shall terminate automatically whenever such person or entity ceases to be an Owner, except that such termination shall not release or relieve any such person or entity from any liability or obligation incurred under or in any way connected with the Corporation or the Declaration during the period of ownership, nor impair any rights or remedies which the Corporation or any other Owner has with regard to such former Owner.

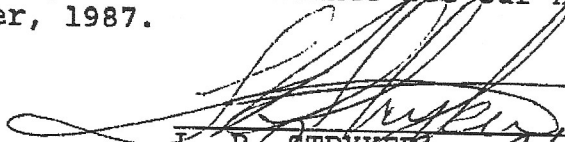
ARTICLE IX

The Corporation is a non-profit corporation, without capital stock, organized solely for the purposes specified in Article IV; and no part of its property, whether income or principal, shall ever inure to the benefit of any Director, officer, or employee of the Corporation, or of any individual having a personal or private interest in the activities of the Corporation nor shall any such Director, officer, employee or individual receive or be lawfully entitled to receive any profit from the operations of the Corporation except a reasonable allowance for salaries or other compensation for personal services actually rendered in carrying out one or more of its stated purposes.

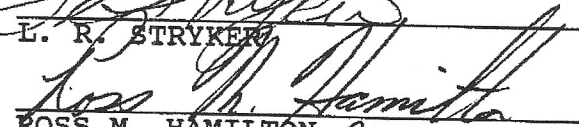
ARTICLE X

The affairs of the Corporation shall be managed by the Board of Directors.

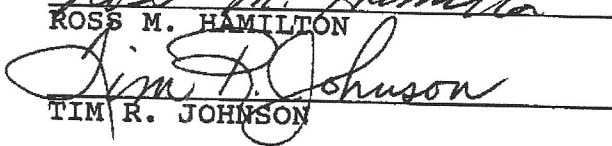
IN WITNESS WHEREOF, we have hereunto set our hands this 20th day of November, 1987.



 L. R. STRYKER



 ROSS M. HAMILTON

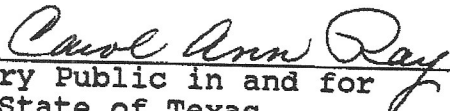


 TIM R. JOHNSON

STATE OF TEXAS)
)
 COUNTY OF HENDERSON)

I, CAROL ANN RAY, a Notary Public, do hereby certify that on the 20th day of November, 1987, personally appeared before me, L. R. Stryker, Ross M. Hamilton, and Tim R. Johnson, who being by me first duly sworn, declared that they are the persons who signed the foregoing instrument as Incorporators, and that the statements therein contained are true.

SUBSCRIBED AND SWORN TO BEFORE ME, this 20th day of November, 1987.



 Notary Public in and for
 The State of Texas

My commission expires:
2-27-89



CAROL ANN RAY, Notary Public
 in and for the State of Texas
 My Commission Expires 2-27-89

BYLAWS
OF
OAK LANDING
PROPERTY OWNERS ASSOCIATION
(A Texas Non-Profit Corporation)

ARTICLE I

1.01. Definitions. The words defined in the Declaration of Restrictive Covenants for Oak Landing Subdivision recorded in Volume 1184, Page 226, of the Deed Records of Henderson County, Texas (the "Declaration"), shall have the same meaning in these Bylaws.

ARTICLE II

2.01. Name. The name of the corporation shall be OAK LANDING PROPERTY OWNERS ASSOCIATION (hereinafter called the "Association").

ARTICLE III
OFFICES

3.01. Registered Office. The registered office of the Association shall be as designated with the Secretary of State of the State of Texas, as it may be changed from time to time.

3.02. Other Offices. The Association may also have offices at such other places both within and without the State of Texas as the Board of Directors may from time to time determine or the business of the Association may require.

ARTICLE IV
PURPOSES AND PARTIES

4.01. Purposes. The purpose or purposes for which the Association is organized are to act as agent for the Owners of Oak Landing Subdivision and for any and all other property which is accepted by this Association for similar purposes, those purposes being as follows:

(a) To exercise all of the power and privileges and perform all of the duties and obligations of the Association as set forth in the Declaration;

(b) To affix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the

terms of the Declaration; and, as agent, pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of this Association including all of the business of this Association including all licenses, taxes or governmental charges levied or imposed against the property of this Association and to make disbursements, expenditures and payments on behalf of the Owners as required by the Declaration and the Bylaws of the Association; and to hold as agent for the Owners reserves for periodic repairs and capital improvements to be made as directed by the Owners acting through the Board of Directors of the Association;

(c) To acquire by gift, purchase or otherwise, to own, hold, improve, build upon, operate, maintain, convey, sell, lease transfer, dedicate for public use or to otherwise dispose of real or personal property in connection with the affairs of this Association subject to the limitations, if any, set forth in the Declaration;

(d) To borrow money, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred subject to the limitations, if any, set forth in the Declaration;

(e) To provide general sanitation and cleanliness of Common Areas and Landscape Areas;

(f) To provide upkeep and maintenance of Common Areas and of lots as provided in the Declaration;

(g) To enter into and perform any contract and to exercise all powers which may be necessary or convenient to the operation, management, maintenance and administration of the Affairs of Oak Landing Subdivision in accordance with the Declaration; and

(h) To have and to exercise any and all powers, rights and privileges a corporation organized under the Non-Profit Corporation Law of the State of Texas, may now or hereafter exercise.

4.02. Parties. All present or future Owners, tenants, future tenants of any lot, or any other person who might use in any manner the facilities of the Property are subject to the provisions and any regulations set forth in these Bylaws. The mere acquisition, lease or rental of all or any portion of a lot or the mere act of occupancy of all or any portion of a lot will signify that these Bylaws are accepted, approved, ratified, and will be complied with.

ARTICLE V
MEMBERSHIP, MEMBER IN GOOD STANDING,
VOTING RIGHTS, VOTING, QUORUM, PROXIES

5.01. Membership. Each and every Owner of a lot, or a subdivision portion thereof, shall automatically become, and must remain, a Member in Good Standing of the Association during such Owner's period of ownership of such lot. Such membership shall be appurtenant to each lot and may not be severed from or held separately therefrom. The membership of a person or entity in the Association shall terminate automatically whenever such person or entity ceases to be an Owner, except that such termination shall not release or relieve any such person or entity from any liability or obligation incurred under or in any way connected with the Association or the Declaration during the period of ownership, nor impair any rights or remedies which the Association or any other Owner has with regard to such former Owner.

5.02. Member in Good Standing. A Member of the Association shall be considered to be a Member in Good Standing and eligible to vote if such Member:

(a) Has, not less than seven (7) days prior to the taking of any vote by the Association, fully paid all assessments or other charges levied by the Association then due and payable, as such assessments or charges are provided for hereunder;

(b) Does not have a lien filed by the Association against its lot;

(c) Has discharged other obligations to the Association as may be required of Members hereunder; and

(d) Has met the proof of ownership requirement, if any, provided for in Section 12.01 of these Bylaws.

The Board shall have sole responsibility and authority for determining the Good Standing status of any Member at any time, and shall make such determination with respect to all Members prior to a vote being taken by the Association on any matter. The Board shall have the right and authority, in its sole discretion, to waive the seven (7) days prior payment requirement established herein and require only that such payment be made at any time before such vote is taken if the Board shall determine, in its own judgment, that extenuating circumstances exist which have prevented a particular Member from meeting any or all of the four requirements stated herein at or before seven (7) days in advance of any vote. Any Member not conforming with the provisions of this Section shall be declared by the Board to

be not a Member in Good Standing and unless the time requirement required hereunder is specifically waived by the Board in writing prior to any particular vote being taken, shall be disqualified from voting on matters before the Association until such time as Member in Good Standing status is attained and so declared by the Board.

5.03. Voting Rights in the Association. The Association shall have only one class of voting membership.

Each member shall be entitled to one (1) vote for each lot in which it holds an interest in a lot required for Association membership. Where more than one person or entity holds such interest in any lot, all such persons collectively shall be a single Member, and the vote for such Member shall be exercised as the several parties shall determine among themselves, provided, however, that in aggregate no more than one vote shall be cast with respect to each lot.

The Oak Landing Property Owners Association shall not be a voting member of the Association by virtue of its ownership of any lot.

5.04. Voting. Only Members in Good Standing shall be entitled to vote, and voting membership shall be decreased by the number of Members who are not Members in Good Standing to determine the votes entitled to be cast for the purpose of establishing a quorum, such determination of the total number of Members in Good Standing to be as of the date of which a vote is taken. The vote of the majority of those votes entitled to be cast by the Members in Good Standing present or voting by legitimate proxy at a duly called meeting at which a quorum of Members are represented shall be sufficient for the transaction of any business, unless otherwise provided by law or an amendment as provided herein or in the Declaration.

5.05. Majority. As used in these Bylaws, the term "Majority of Owners" or "Majority of Members" shall mean those voting Members holding fifty-one percent (51%) of the votes of the Association.

5.06. Quorum. Members holding one-half (1/2) of the votes entitled to be cast, shall constitute a quorum for voting on matters brought before the Association at meetings of Members called by the Board. In the event a quorum is not present, then the meeting for the same purposes within two (2) to four (4) weeks shall be sent by mail, at which meeting the number of Members in Good Standing represented in person or by proxy shall be sufficient to constitute a quorum. The Members in Good Standing present at a duly

organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members in Good Standing to leave less than a quorum.

5.07. Proxies. Votes may be cast in person or by written proxy. No proxy shall be valid after eleven (11) months from the date of its execution unless specifically provided in the proxy. All proxies must be filed with the Secretary or Assistant Secretary of the Association before the appointed time of each meeting.

ARTICLE VI
ASSOCIATION RESPONSIBILITIES
AND MEETINGS OF MEMBERS

6.01. Association Responsibilities. The Members will constitute the Association which will have the responsibility of administering and enforcing the covenants, conditions and restrictions contained in the Declaration, including the collection and disbursement of charges and assessments created therein, through a Board of Directors. In the event of any dispute or disagreement between any Members relating to the Property, or any questions of interpretation or application of the provision of the Declaration, Articles of Incorporation or these Bylaws, such dispute or disagreement shall be submitted to the Board. The determination of such dispute or disagreement by the Board shall be binding on each and all such Members.

6.02. Place of Meeting. Meetings of the Association shall be held at such suitable place, convenient to the Members, as the Board of Directors may determine.

6.03. Annual Meetings. The first meeting of the Association shall be held on or before _____. Thereafter, the annual meetings of the Association shall be held on the _____ Saturday of _____ of each succeeding year. At such meetings there shall be elected by ballot of the Members a Board of Directors in accordance with the requirements of Paragraph 5 of Article VII of these Bylaws. The Members may also transact such other business of the Association as may properly come before them.

6.04. Special Meetings. It shall be the duty of the President to call a special meeting of the Members as directed by resolution of the Board of Directors or upon a petition signed by a majority of Members and having been presented to the Secretary or Assistant Secretary of the Association. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business except as stated in the notice shall be transacted at a special meeting. Any such meetings shall be

held after the first annual meeting and shall be held within thirty (30) days after receipt by the President of such resolution or petition.

6.05. Notice of Meetings. It shall be the duty of the Secretary or Assistant Secretary of the Association to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place it is to be held, to each Member entitled to vote at such meeting, at least ten (10) days, but not more than thirty (30) days prior to such meeting. The mailing of a notice in the manner provided in this paragraph shall be considered notice served.

6.06. Order of Business. The order of business at all meetings of the Members shall be as follows:

- (a) Roll call and certifying proxies;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading and disposal of unapproved minutes;
- (d) Reports of officers;
- (e) Reports of committees;
- (f) Election of directors;
- (g) Unfinished business;
- (h) New business; and
- (i) Adjournment.

ARTICLE VII BOARD OF DIRECTORS

7.01. Number and Qualification. Until the first meeting of the Association, the affairs of this Association shall be governed by a Board of Directors consisting of the three (3) persons delineated in the Articles of Incorporation of the Association. At such first meeting, there shall be elected any three (3) Members in Good Standing of the Association to the Board of Directors who shall thereafter govern the affairs of this Association until their successors have been duly elected and qualified.

7.02. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Property in keeping with the character

and quality of the area in which it is located. The Board of Directors may do all such acts and things except as by law or by these Bylaws or by the Declaration may not be delegated to the Board of Directors.

7.03. Other Powers and Duties. Such powers and duties of the Board of Directors shall include, but shall not be limited to, the following, all of which shall be done solely for the benefit of the Property and for the mutual and reciprocal benefit of Members:

(a) To set, collect and disburse Regular Assessments in any fiscal year or portion thereof for the following purposes:

(i) The employment of personnel or independent contractors;

(ii) The employment of legal, accounting, engineering, architectural or other independent professional services, including any services required to provide architectural review for any building or other development plans proposed for a lot;

(iii) The purchase of a policy or policies of insurance insuring the Association against any liability to the public, Owners, or Occupants incidental to operation of the Association;

(iv) The purchase of fidelity bonds if deemed necessary; and

(v) Anything which the Board deems appropriate and proper in fulfilling its obligations and responsibilities under the terms of the Declaration or by law or which, in its reasonable opinion, shall be necessary or proper for the operation or protection of the Association or for the enforcement of the Declaration;

(b) To enter into agreements or contracts with insurance companies with respect to insurance coverage for Common Areas and improvements thereon and other property of the Association;

(c) To enter into contracts with utility companies with respect to utility installation, consumption and services matters;

(d) To borrow funds to pay any costs of operation, secured by assignment or pledge of rights against Owners for current, delinquent or future assessments, as the Board may

determine in its sole discretion to be necessary and appropriate;

(e) To enter into contracts for goods and services or other Association purposes, provide services it deems proper, maintain one or more bank accounts, and generally to have all the powers necessary or incidental as may be required for prudent operation and management of the Association;

(f) To sue or to defend in any court of law on behalf of the Association;

(g) To provide for and accumulate reserve funds to be used for repairs, replacement and/or maintenance, in such amounts and for such purposes as may reasonable be determined by the Board to be necessary and appropriate;

(h) To make, or cause to be made, any tax returns, reports, or other filings required by Federal, State or local governmental authorities;

(i) To make reasonable rules and regulations for the use of the Property, including, but not limited to, Common Areas, as the Board deems necessary and appropriate and create a high level of environmental and aesthetic quality within the Property;

(j) To make available to each Owner within ninety (90) days after the end of any Association fiscal year a written annual report on financial affairs of the Association for the year preceding, and, upon written request of at least one-half (1/2) of the Members in Good Standing, to have such report audited by an independent certified public accountant selected by the Board, which audited report, if required, shall be completed and made available to each Member no later than ninety (90) days after such request is received by the Board. The cost of preparing and distributing such audit shall be paid by the Association from Regular Annual Assessments;

(k) To adjust the amount, collect and use any insurance proceeds to repair or replace any damaged or lost property, or to reimburse persons or entities entitled to receive reimbursement for injury, damage or losses;

(l) To enforce the provisions of the Declaration, and to seek damages and/or equitable relief or other remedial action from any Owner for violation of this Declaration or any of its individual provisions; and

(m) To contract with any Owner(s) for performance of services which the Association is otherwise obligated or permitted to perform, such contracts to be at competitive rates then prevailing for such services and upon such terms and conditions, and for such considerations, as the Board may deem advisable and in the best interest of the Association. The Board also shall have full power and authority, but not an obligation, to contract with any Owner(s) to provide maintenance, repair or replacement service, or any combination thereof, through the Association for an individual lot.

7.04. No Waiver of Rights. The omission or failure of the Association or any Member to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provision of the Declaration, the Bylaws or the rules and regulations adopted pursuant thereto, shall not constitute or be deemed a waiver, modification or release thereof, and the Board of Directors shall have the right to enforce the same thereafter.

7.05. Election and Term of Office. The term of office for the Directors named in the Articles of Incorporation shall be as follows:

- (a) One (1) Director shall be fixed at three (3) years;
- (b) One (1) Director shall be fixed at two (2) years; and
- (c) One (1) Director shall be fixed at one (1) year.

At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of two (2) years. The Directors shall hold office until their successors have been elected and hold their first meeting, except as is otherwise provided.

7.06. Vacancies. Vacancies in the Board of Directors caused by death, resignation or disqualification, i.e., by any reason other than the removal of a Director by a vote of the Association, shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association.

7.07. Removal of Directors. At any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a majority of Members

entitled to vote, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting.

7.08. Organization Meeting. The first meeting of a newly elected Board of Directors following the annual meeting of the Members shall be held within ten (10) days thereafter at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

7.09. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors but at least one such meeting shall be held during each calendar quarter. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least five (5) days prior to the day named for such meeting.

7.10. Special Meetings. Special meetings of the Board of Directors may be called by the President on five (5) days' notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary or Assistant Secretary of the Association in like manner and on like notice on the written request of one or more Directors.

7.11. Waiver of Notice. Before or after any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

7.12. Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any

such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

7.13. Compensation. No member of the Board of Directors shall receive any compensation for acting as such.

ARTICLE VIII FISCAL MANAGEMENT

8.01. Accounts. The funds and expenditures of the Members by and through the Association shall be credited and charged to accounts under the following classifications as shall be appropriate:

(a) Normal operating expense, which shall include all funds and expenditures within the year for which the funds are budgeted, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves and to additional improvements.

(b) Reserve for maintenance, repair and/or replacement relating to Common Areas or lots which shall include funds for maintenance, repair or replacement required because of damage, wear or obsolescence.

8.02. Separate Accounts. Separate accounts may be established in order to better demonstrate that the amounts deposited therein are capital contributions and not income to the Association.

8.03. Fiscal Year. The fiscal year for the Association shall be the calendar year.

ARTICLE IX OFFICERS

9.01. Designation. The officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by the Board of Directors, and such assistant officers as the Board of Directors shall, from time to time, elect. Such officers need not be members of the Board of Directors. The office of President and Treasurer may be held by the same person, and the office of Vice President and Secretary or Assistant Secretary may be held by the same person.

9.02. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office subject to the continuing approval of the Board.

9.03. Resignation and Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

9.04. Vacancies. A vacancy in any office because of the death, resignation, removal, disqualification or otherwise of the officer previously filling such office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

9.05. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint committees from among the Members from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association or as may be established by the Board or by the Members of the Association at any regular or special meetings.

9.06. Vice President. The Vice President shall have all the powers and authority and perform all the functions and duties of the President, in the absence of the President, or his inability for any reason to exercise such powers and functions or perform such duties, and also perform any duties he is directed to perform by the President.

9.07. Secretary. The Secretary shall keep all the minutes of the meetings of the Board of Directors and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary and as is provided in the Declaration and the Bylaws.

The Secretary shall compile and keep up to date at the principal office of the Association a complete list of

Members and their last known addresses as shown on the records of the Association. Such list shall be open to inspection by Members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

9.08. Assistant Secretary. The Assistant Secretary, if any, shall have all the powers and authority to perform all the functions and duties of the Secretary in the absence of the Secretary or in the event of the Secretary's inability for any reason to exercise such powers and functions or to perform such duties, and also to perform any duties he is directed to perform by the Secretary.

9.09. Treasurer. The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board of Directors.

ARTICLE X INDEMNIFICATION OF OFFICERS AND DIRECTORS

10.01. Indemnification. The Association shall have the power to indemnify any Officer or Director thereof, who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (whether or not by or in the right of the Association) by reason of the fact that such person is or was a Director or Officer of the Association, against all loss, expenses (including but not limited to attorneys' fees and cost of proceeding), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with or in defense of such action, suit or proceeding if such person acted in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Association; provided, that with respect to: (1) any criminal action or proceeding, such person had no reasonable cause to believe that his conduct was unlawful; or (2) any civil claim, issue or matter, such person shall not be guilty of gross negligence or willful misconduct in the performance of his duties to the Association. Termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that such person had reasonable cause to believe that his conduct was unlawful,

that such person did not act in good faith or in a manner which he reasonably believed to be in or not opposed to the best interests of the Association, or that such person is guilty of gross negligence or willful misconduct in the performance of his duties to the Association, all such matters being determined solely and exclusively for the purpose of indemnification as herein provided.

Indemnification under the preceding paragraph shall be made by the Association only as authorized in each specific case upon the determination that indemnification of such person is proper in the circumstances because he has met the applicable standards of conduct as set forth herein. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding; or (2) if such a quorum is not obtainable, by (a) independent legal counsel in a written opinion, or (b) the Members in Good Standing of the Association and no Member shall be disqualified from voting because he is or was party to any such action, suit or proceeding. Indemnification so determined may be paid, in part, before the termination of such action, suit or proceeding upon the receipt by the Association of an undertaking by or on behalf of the person claiming such indemnification to repay all sums so advanced if it is subsequently determined that he is not entitled thereto as provided in this Article.

To the extent that a Director or Officer of the Association has been successful on the merits or otherwise in the defense of any action, suit or proceeding, whether civil or criminal, such person shall be indemnified against such expenses (including costs and attorneys' fees) actually and reasonably incurred by him in connection therewith.

Indemnification provided herein shall be exclusive of any and all other rights and claims to which those indemnified may be entitled as against the Association, and every Director, Officer or employee thereof under any Bylaw, resolution, agreement or law and any request for payment hereunder shall be deemed a waiver of all such other rights, claims or demands as against the Association and each Director, Officer and employee thereof. The indemnification provided herein shall inure to the benefit of the heirs, executors, administrators and successors of any person entitled thereto under the provisions of this Article.

All liability, loss, damage, cost and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association

as an expense subject to Special Group Assessment; provided, however, that nothing in this Article X contained shall be deemed to obligate the Association to indemnify any Member or Owner who is or has been a director or officer of the Association with respect to any duties or obligations assumed or liability incurred by him under and by virtue of the Declaration and these Bylaws that were assumed or incurred outside of his conduct specifically related to the fulfillment of his duties as an Officer or Director of the Association.

10.02. Other. The Members, Board of Directors, Officers or representatives of the Association shall enter into contracts or other commitments as agents for the Association, and they shall have no personal liability for any such contract or commitment (except such liability as may be ascribed to them in their capacity as Owners).

ARTICLE XI AMENDMENTS TO BYLAWS

11.01. Amendments to Bylaws. These Bylaws may be amended in writing by a three-fourths (3/4) majority of the Members in Good Standing; provided, however, that such authority may be delegated to the Board as allowed by the Texas Non-Profit Corporation Act.

ARTICLE XII EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS AND DESIGNATION OF VOTING REPRESENTATIVE

12.01. Proof of Ownership. Any person, on becoming an Owner of a lot, shall furnish to the Board of Directors a true and correct copy of the original or a certified copy of the recorded instrument vesting that person with an interest or ownership in the lot, which copy shall remain in the files of the Association. A Member shall not be deemed to be in Good Standing nor shall he be entitled to vote at any annual or special meeting of Members unless this requirement is first met.

12.02. Registration of Mailing Address. The Owner or several Owners of a lot shall have one and the same registered mailing address to be used by the Association for mailing of monthly statements, notices, demands and all other communications, and such registered address shall be the only mailing address of a person or persons to be used by the Association. Such registered address of an Owner or Owners shall be deemed to be the mailing address of the lot owned by said Owner or Owners unless a different registered

address is furnished by such Owner(s) to the Board of Directors within fifteen (15) days after transfer of title, or after a change of address; and such registration shall be in written form and signed by all of the Owners of the lot or by such persons as are authorized by law to represent the interest of (all of) the Owner(s) thereof.

ARTICLE XIII
ASSESSMENTS AND LIENS

13.01. Purpose of Assessments. The Assessments levied hereunder by the Association shall be used exclusively for the purpose of protecting and promoting the comfort, collective mutual enjoyment, health, safety and welfare of the Owners of the Property, including, but not limited to, the following:

(a) The maintenance, repair or replacement of any and all Common Area improvements, including, but not limited to, Landscaped Areas and Easements, along with the cost of any associated management or supervisory services, fees, labor, equipment, and materials;

(b) The special maintenance, repair or replacement of improvements located in Common Areas or on lots;

(c) The design, purchase and installation of any Common Area improvements;

(d) The purchase of insurance coverage relating to Common Areas and any improvements thereon, and other property of the Association;

(e) The carrying out of duties of the Board as provided herein and in the Declaration and Articles of Incorporation of the Association;

(f) The carrying out of purposes of the Association as stated herein and in its Declaration and Articles of Incorporation; and

(g) The carrying out of all other matters set forth or contemplated in the Declaration.

13.02. Annual Budget and Regular Assessments. Each fiscal year while the Declaration is in force, the Board shall adopt an annual budget and set the amount of the Regular Annual Assessment to be levied for the next year, taking into consideration Association operating costs for the then current year, expected normal increases in such costs over the next year, and additional future needs of the

Association, including the establishment and maintenance of an Association reserve fund as provided for herein. The annual budget shall be adopted by the Board not later than fifteen (15) days prior to the commencement of each fiscal year. Notwithstanding the above, in the event the Board fails for any reason to adopt an annual budget covering the succeeding fiscal year, then and until such time as an annual budget shall have been adopted for such succeeding fiscal year, the annual budget currently in effect shall continue and the Regular Annual Assessment shall be deemed the same as for the current year.

The Regular Annual Assessment for each fiscal year shall be determined by the Board upon its adoption of the annual budget for such fiscal year in the following manner:

(a) The Regular Annual Assessment with respect to any fiscal year shall equal the total amount of the annual budget approved by the Board with respect to such fiscal year; and

(b) Each lot's pro rata share of the Regular Annual Assessment shall be determined by multiplying the Regular Annual Assessment by a fraction, the numerator of which is one and the denominator of which is the total lots in the subdivision.

Should any surplus exist at the end of any year, the Board may, at its own discretion, reduce the amount required for the next Regular Annual Assessment by an amount not more than said surplus, provided, however, that reserve fund requirements are first met as stipulated in Section 8.01 of these Bylaws.

13.03. Special Group Assessments. In addition to the Regular Annual Assessments provided for herein, the Board may levy in and for any year, applicable to that year only, a Special Group Assessment for the purpose of:

(a) Defraying the cost of any new construction or reconstruction, unexpected repair or replacement of capital improvements for and within Common Areas, including the necessary fixtures and personal property related thereto;

(b) Defraying the cost of repairs or replacements resulting from an uninsured loss or damage or insured loss or damage where there are insufficient insurance proceeds as provided for in the Declaration; and

(c) Responding to unusual or emergency needs of the Association as may be expected to occur from time to time.

Special Group Assessments shall be allocated and prorated among the Owners at the date each such Special Group Assessment is levied in the same manner as Regular Annual Assessments are allocated and prorated among the lots under Section 13.01 of these Bylaws.

13.04. Special Member Assessments. In addition to the Regular Annual Assessments and any Special Group Assessments, the Association, by vote of its Board, may levy a special assessment ("Special Member Assessment") on any Member for the purpose of:

(a) Defraying the cost of any unexpected damage or loss requiring maintenance, repairs, or replacement of improvements associated either with a Common Area or with a lot not owned by the Member causing such damage or loss, which damage or loss has been determined by the Board to have been caused, either directly or indirectly, by the willful or negligent acts of such Member, or its agent, Occupant or visitor. In reaching a decision to levy such Special Assessment upon any Member, the Board shall first determine, in its sole discretion, that reasonable evidence exists to support a determination that said damage or loss was caused, directly or indirectly by a particular Member, or his agent, Occupant or visitor. Prior to making such determination, the Board shall inform such Member of its findings and afford the Member the reasonable opportunity (not less than seven (7) days) to (i) introduce evidence regarding such damage or loss and the cause thereof, or (ii) remedy such loss or damage.

(b) Reimbursing the Association for any and all direct or indirect costs incurred by the Association with regard to the maintenance, repair or replacement of Landscaping or lot improvements on any particular lot owned by such Member, when:

(i) It has been determined by the Board that the maintenance, repair or replacement of lot improvements associated with such Member's lot has been neglected to the point where conditions existing on such lot are not in conformance with the maintenance obligations set forth in the Declaration;

(ii) The Member owning such lot shall have been informed in writing of deficiencies found to exist and shall have been afforded a specific and reasonable period of time (not less than seven (7) days) to respond to said notice and/or remedy such deficiencies, the determination of what constitutes a reasonable period of time for remedial action to be made by the Board in its sole discretion;

(iii) Those deficiencies determined by the Board and reported in writing to the Member owning such lot are not fully corrected within the time period established by the Board for such corrective action to be completed; and

(iv) Due to the failure of the Member owning such lot to take corrective action within the period of time established by the Board, it has been necessary or appropriate for the Association to contract for, initiate or complete such corrective action to meet the maintenance requirements of the Declaration. In the event such Member shall start corrective action on a lot after the Association has either contracted for such work to be done or actually accomplished such work in whole or in part, such Member shall be obligated to the Association for the reimbursement of any costs actually incurred by the Association, including: release from contract settlements; design, legal or other professional fees; labor, equipment, materials or guarantees required to accomplish corrective work; management or supervisory services; and any other costs directly or indirectly attributable to the work.

13.05. Payment of Regular Assessments. The Regular Annual Assessments provided for herein shall commence on a date fixed by the Board and thereafter shall be due and payable each year, in advance, on a date set by the Board.

13.06. Payment of Special Assessments. Special Group Assessments or Special Member Assessments shall be due and payable in full thirty (30) days following the date at which any such assessment is set by the Board in the resolution adopting such assessment, except that, if it is specifically determined by the Board that any such assessment is to be paid instead in deferred installments, then the payment dates and amounts of such installments shall be fixed in the resolution authorizing such assessment.

13.07. Enforcement and Personal Obligation of Owners for Payment of Assessments. The Regular Annual Assessments, Special Group Assessments, and Special Member Assessments provided for herein shall be the personal and individual debt of the Owner of a lot covered by such assessments. No Owner may, for any reason, exempt himself from liability for such assessments levied in accordance with the provisions of the Declaration and these Bylaws. In the event that any assessment or installment thereof is not paid when due, and remains unpaid for a period of thirty (30) days thereafter, then the unpaid amount of any such assessment or installment

thereof shall become delinquent and shall, together with interest thereon as herein provided and costs of collection thereof, become a continuing personal obligation and debt of the non-paying Owner secured by a self-executing lien on the lot, including all improvements thereon, to which such assessment or installment thereof pertains. The Association shall have the right to reject any partial payment of any assessment or installment thereof and demand full payment thereof, or the Association may, in its sole discretion, elect to accept any such partial payment on account only, without in so doing waiving any rights established hereunder with respect to any remaining balance due.

The obligation of any Owner to pay any assessment imposed on a lot during such Owner's period of ownership shall remain his personal obligation, and a sale or other transfer of title to such lot shall not release such former owner from said liability by the purchaser or transferee. The lien for any unpaid assessments shall be unaffected by any sale or transfer of full or partial ownership interest in a lot, or subdivided portion thereof, and shall continue in full force and effect. In the event of full or partial sale or transfer of an ownership interest in a lot, it shall be the sole obligation of the Owner selling or transferring such interest (and not the Association) to disclose to any buyer or transferee that an unpaid assessment and associated lien against the ownership interest exists prior to that date at which such sale or transfer is to be consummated. A copy of such notice shall be sent to the Association at the same time. Upon written request, the Association shall provide an Owner with a statement reflecting the amount of any unpaid or delinquent assessments with respect to a lot owned by said Owner.

The unpaid amount of any assessment shall bear interest from its due date at ten percent (10%) per annum or the maximum legal rate of interest then prevailing, whichever is lesser. In addition, the Board may elect to retain the services of an attorney of its choice for the purposes of collecting any unpaid assessment and interest charges thereon, and/or to foreclose the lien against the property subject thereto and/or to pursue any other legal or equitable remedy which the Association may have and there shall be added to the amount of unpaid assessment and interest charges thereon, any and all collection costs incurred by the Association, whether judicial or non-judicial, and including, but not limited to, reasonable attorney fees and costs of legal suit.

13.08. Lien and Foreclosure. Upon delinquency, all sums assessed in the manner provided in these Bylaws,

together with all interest costs as herein provided, shall be secured by the lien provided or under Section 13.07 of these Bylaws. As further evidence and notice of such assessment lien, the Association may prepare a written notice of such lien setting forth the amount of delinquent indebtedness, the name of the Owner of property covered by such lien, and a description of the property. Such notice, shall be signed by a duly authorized Officer of the Association and shall be recorded in the office of the County Clerk of Henderson County, Texas, or such other place as may be required by law for the recording of liens affecting real property at such time as such notice is recorded. Such lien for payment of assessments shall attach from the date such payment becomes delinquent and may be enforced after recording said notice through (i) foreclosure of such lien on the lot, and any improvements thereon in like manner as a mortgage on real property, (ii) suit against the Owner personally obligated to pay the assessment and/or (iii) foreclosure of the aforesaid lien judicially. In any foreclosure proceeding, whether judicial or non-judicial, the Owner shall be required to pay the costs, expenses and reasonable attorney's fees incurred by the Association. The Association shall have the power to bid on the property being foreclosed.

13.09. Lien Subordination. Any lien established as provided for in these Bylaws, shall be subordinate and inferior to any mortgage or deed of trust in favor of any bank, savings and loan association, insurance company, pension fund, or other similar financial institution or other lender approved by the Board; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a foreclosure sale (whether public or private) of any such lot pursuant to the terms and conditions of any such mortgage or deed of trust. Such foreclosure sale shall not relieve any new Owner taking title at such sale from liability for the amount of any assessments thereafter becoming due or from a lien arising from any such subsequent assessment.

At the time any mortgage financing or refinancing is obtained for any lot, which will as provided above be superior to any existing or future assessment lien of the Association, the Owner of such lot shall within thirty (30) days prior to consummation of any such mortgage or financing deliver to the Association written notice identifying the lender making such mortgage loan in terms of its full legal name, its current address and telephone number, and the name of an officer or other person within the entity who is responsible for that particular loan account. Upon the written request of any such lender holding a superior lien

on any lot as provided herein, the Association shall report to such lender any unpaid assessments which are delinquent as herein defined. The Association may from time to time, at its own initiative, elect to report delinquent assessments to such mortgage lenders.

13.10. Common Areas Exempt. All Common Areas dedicated on a recorded Plat or otherwise, shall be exempted from any assessments and any lien created herein.

13.11. Notice of Lien or Suit. An Owner shall give notice to the Association of every lien or encumbrance upon his lot, other than for taxes and Assessments, and notice of every suit or other proceeding which may affect the title to his lot or subdivided portion thereof, and such notice shall be given within five (5) days after the Owner has knowledge thereof.

13.12. Mechanic's Lien. Each Owner agrees to indemnify and to hold each of the other Owners harmless from any and all claims of mechanic's liens filed against other lot improvements for labor, materials, services or other products incorporated in the Owner's lot improvements.

ARTICLE XIV
ABATEMENT AND ENJOINMENT
OF VIOLATIONS BY OWNERS

14.01 Abatement and Enjoinment. The violation of any rule or regulation, or the breach of any Bylaw, or the breach of any provision of the Declaration, shall give the Board of Directors the right, in addition to any other rights set forth in the Declaration or herein, (i) to enter the lot in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any person, structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions thereof, and the Board of Directors shall not be deemed guilty in any manner of trespass; and to expel, remove and put out, using such force as may be necessary in so doing, without being liable to prosecution or any damages therefor; and (ii) to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

ARTICLE XV
NON-PROFIT ASSOCIATION

15.01. Non-Profit Association. This Association is not organized for profit. No Member, member of the Board of Directors, officer or person from whom the Association may

receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any member of the Board of Directors, officer or Member; provided, however, always (1) that reasonable compensation may be paid to any Member, director or officer while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and (2) that any Member, director or officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

ARTICLE XVI
EXECUTION OF DOCUMENTS

16.01. Execution of Documents. The persons who shall be authorized to execute any and all contracts, documents, instruments of conveyance or encumbrances, including promissory notes, shall be two, one of each of the President or any Vice President, and the Secretary or any Assistant Secretary of the Association.


ARTICLE XVII
CONFLICTING OR INVALID PROVISIONS

17.01. Conflicting or Invalid Provisions. Notwithstanding anything contained herein to the contrary, should all or part of any Article of these Bylaws be in conflict with the provisions of the Texas Non-Profit Corporation Act or any other Texas law, such Act or law shall control; and should any part of these Bylaws be invalid or inoperative for any reason, the remaining parts, so far as is possible and is reasonable, shall be valid and operative.

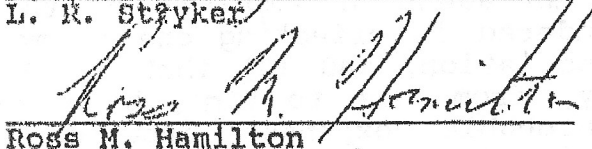
ARTICLE XVIII
NOTICES

18.01. Notices. All notices to Members of the Association shall be given by delivering the same to each Owner in person or by depositing the notices in the U.S. Mail, postage prepaid, addressed to each Owner at the address last given by each Owner to the Secretary of the Association. If an Owner shall fail to give an address to the Secretary for mailing of such notices, all such notices shall be sent to the lot of such Owner, and all Owners shall be deemed to have been given notice of the meetings upon the proper mailing of the notices to such addresses irrespective of the actual receipt of the notices by the Owners.

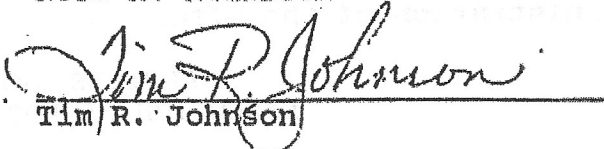
By our signatures hereto the undersigned, being all of the initial Directors of the Association, hereby adopt the foregoing Bylaws for the Association as of the 25th day of November, 1987.



L. K. Stayer



Ross M. Hamilton



Tim R. Johnson

THE OAK LANDING PROPERTY OWNERS ASSOCIATION POLICIES

These Assessment Collection Policy, Payment Plan Policy, Document Retention Policy, and Record Production and Copying Policy (collectively referred to as the “**Policies**”) are promulgated in accordance with the Texas Property Code and were adopted by the Board of Directors (the “**Board**”) of Oak Landing Property Owners Association, a Texas non-profit corporation (the “**Association**”). These Policies will be effective when recorded in the Real Property Records of Henderson County, Texas.

RECITALS

The terms “**Declaration**” or “**Declarations**” collectively refers to the: Declaration of Restrictive Covenants for Oak Landing Subdivision, recorded January 7, 1987, in Book/Volume 1184, Page 226, et Real Property Records of Henderson County, Texas and all amendments recorded in the thereto Henderson County Real Property Records. The term “**Bylaws**” refers to those certain Bylaws of the Association, the Bylaws of Oak Landing Property Owners Association, dated November 25, 1987, recorded same date as these Policies in the Real Property Records of Henderson County, Texas as the same may be amended from time to time. The terms “**Assessment**” or “**Assessments**” refer to the Regular Annual Assessments, Special Group Assessments, Special Member Assessments, and any other sums owing to the Association, including fines, described in the Declaration or Bylaws. The terms “**Board**” and “**Board of Directors**” means the Board of Directors of the Association, as described in the Declaration and Bylaws. Except as otherwise provided herein, any capitalized term in these Policies that is not defined in the Policies will have the meaning as set forth in the Declaration or Bylaws of the Association (as amended or restated from time to time).

ARTICLE I ASSESSMENT COLLECTION POLICY

1.01 Policy Objectives. The collection of Assessments owed by Owners and the application of their payments under the Declaration, the Bylaws, and this Assessment Collection Policy will be governed by the following objectives:

- (a) The Association will pursue collection of all Assessments in the most expedient and cost-effective manner possible, subject to the provisions of the Declaration, the Bylaws, and this Collection Policy. The Association may delegate to a Director, Officer, or the Association's legal counsel, or both, those duties determined by the Board, in its absolute discretion, to be necessary to accomplish these objectives.
- (b) At each step in the collection process, the Board will analyze the facts and circumstances then known concerning a given delinquency to direct collection efforts toward the most expedient course of action.
- (c) All payments received by the Association will be applied in the following order, starting with the oldest charge in each category, until that category is fully paid,

regardless of the amount of payment, notations or instructions on checks, and the date the obligation arose:

- (1) unpaid delinquent Assessments due;
- (2) unpaid current Assessments due;
- (3) unpaid reasonable collection costs and reasonable attorney fees, associated solely with Assessments and any other charges that could provide the basis for foreclosure;
- (4) all other reasonable collection costs and reasonable attorney fees not subject to (3) above;
- (5) reasonable fines;
- (6) reimbursable expenses;
- (7) late fees, administrative fees, and interest; and
- (8) All other unpaid sums owed to the Association.

Notwithstanding the foregoing, if, at the time the Association receives a payment from an Owner when the Owner is in default under any alternative payment plan entered into with the Association with respect to delinquent Assessments, then all payments received by the Association may be applied to amounts owed by the Owner in the order and manner the Association deems appropriate, regardless of any contrary instructions from the Owner or anyone else; however, a fine assessed by the Association may not be given priority over any other amount owed by the Owner.

1.02 Ownership Interests. The person (which includes individuals and any entity) who is the Owner of a Lot as of the date Assessments become due is personally liable for the payment of the Assessments. As used in this Assessment Collection Policy, the term “**Delinquent Owner**” refers to the person who held record title to a Lot on the date Assessments became due. As used in the Assessment Collection Policy, the term “**Current Owner**” refers to the person who then holds record title to a Lot. Unless expressly denoted otherwise, the “**Owner**” of a Lot refers to the Delinquent Owner, the Current Owner, or both, as may be appropriate under the circumstances.

1.03 Due Date; Delinquency Date. All Assessments are due and payable to the Association. Regular Annual Assessments are due on the first day of January of each year unless otherwise specified in writing by the Board. Special Group Assessments are due on the dates prescribed in written notice from the Board to the Owner. Special Member Assessments are due on the dates prescribed in written notice from the Board to the Owner. Each due date for the payment of any Assessments is referred to in this Collection Policy as a “**Due Date**”. **The Board shall mail or deliver to each Lot Owner at least thirty (30) days prior to any Assessment’s Due Date,**

written notice showing the amount of each Assessment and respective Due Date by which full payment must be received by the Association. Any Assessment that is not paid in full by its Due Date is delinquent (the “**Delinquency Date**”) and will be assessed late fees, administrative fees, and interest as provided in Sections 1.05 and 1.06 below.

1.04 Default Letter. If Assessments have not been paid in full within ten (10) days from the Delinquency Date, the Association will send a notice (referred to as the “**Default Letter**”) to the Owner, via certified mail, return receipt requested. The Default Letter shall:

- (a) specify in detail all unpaid Assessments, interest, late fees, collection costs, and administrative fees claimed to be due, and the total amount required to bring the Owner's account current;
- (b) describe (the options the Owner has in order to avoid having the account turned over to a collection agent, including information about availability of a Payment Plan if the Owner is eligible as described in the Association's Payment Plan Policy shown in Article 2 below;
- (c) contain any notices required by federal law, including the service members Civil Relief Act, if the Owner is serving in active military duty;
- (d) provide a period of at least thirty (30) days from the date of the Default Letter for the Owner to cure the delinquency before further collection action is taken, and
- (e) notify the Owner that unless all delinquent sums owing to the Association are not paid and received by the Association within thirty (30) days from date of the Default Letter, then the Owner will be charged for all reasonable attorney's fees, expenses and costs incurred by the Association in collecting or enforcing payment of all sums owing to the Association.

1.05 Late Fee and Interest. If any Assessment is not paid in full on or before the Delinquency Date, a late fee of \$10.00 will be assessed against the Owner and his or her Lot for each month while such delinquent Assessment remains unpaid. The Board may, from time to time, without the necessity of seeking Owner approval or amending this Collection Policy, decrease the amount or waive payment of some or all late fees and/or administrative fees; however, the waiver of any late fee or administrative fee will not constitute a waiver of the Board's right to collect any future late fees and administrative fees. Interest at the rate of eighteen percent (18%) per annum shall accrue on any unpaid Assessment thirty (30) days after its Due Date. The late fees, administrative fees, accrued interest, and other charges in Section 1.06 below, will become part of the Assessments, and will be subject to recovery in the manner provided in this Collection Policy for Assessments.

1.06 Administrative Fees and Returned Check Fees. To recoup the additional administrative expenses incurred by the Association for collecting delinquent Assessments, the collection of the following fees and charges is part of this Collection Policy:

(a) Administrative fees as established by the Board from time to time, but not less than \$20.00 per month for each Assessment not fully paid before the Delinquency Date, postage, and other expenses incurred by the Association in the collection of any Assessment owed beyond the Delinquency Date; and

(b) a charge of \$25.00 per item for any check tendered to the Association that is dishonored by the drawee of the check, such charge being in addition to any other fee or charge the Association is entitled to recover from an Owner in connection with collection of Assessments owed with respect to the Owner's Lot. Any fee or charge becoming due and payable under this Section will be added to the then outstanding balance of such Owner's account and is collectible to the same extent and in the same manner as the Assessments.

1.07 Acceleration. If an Owner defaults in paying any Assessment or other sums owing to the Association that is payable in installments under a Payment Plan described in Article 2 of these Policies, the Board may accelerate the remaining installments on ten (10) days' written notice to the defaulting Owner. The entire unpaid balance of the Assessments and other sums owing to the Association under such Payment Plan becomes immediately due on the date stated in the notice of acceleration. Following acceleration of all sums payable in installments, the Association has no duty to reinstate the installment program, or to offer another Payment Plan.

1.08 Ownership Records. All collection notices and communications will be directed to the persons shown on the Association's records as being the Owner of a Lot for which Assessments are due and will be sent to the Owner's most recent address as reflected on the Association's records. Any notice or communication directed to a person at an address that is reflected in the Association's records as being the Owner and such Owner's address for a given Lot, will be valid and effective for all purposes under the Declaration, the Bylaws, and this Collection Policy until there is actual receipt by the Board at its corporate office of written notice from the Owner of any change in the identity or status of the Owner, or his/her address, or both.

1.09 Notification of Owner's Representative. When the interest of an Owner in a Lot has been handled by a representative or agent of the Owner, or when an Owner has otherwise acted to put the Association on notice that its interests in a Lot have been and are being handled by a representative or agent, any notice or communication from the Association under this Collection Policy will be deemed valid and effective for all purposes if given to the representative or agent at the last known address of such representative or agent as shown by the Association's records.

1.10 Referral to Legal Counsel. If an Owner remains delinquent in the payment of any Assessment, related fees, charges, costs, or other sums owing to the Association for thirty (30) days or more after the Default Letter has been sent, the Board may, as soon as possible, refer the delinquency to legal counsel for the Association for legal action as required by this Collection Policy. All attorney fees and related charges incurred by the Association after referral to the Association's legal counsel will become part of the Assessment obligation and may be collected as provided in this Collection Policy.

1.11 Legal Action. Upon receipt of written request by the Board to take specific collection action, legal counsel for the Association will take any or all of the following actions with regard to delinquencies referred to counsel:

(a) **Notice Letter.** As the initial correspondence to a Delinquent Owner, counsel will send a notice letter ("**Notice Letter**") to the Owner, via certified mail, return receipt requested, and via first-class U.S. Mail, stating the outstanding amount of Assessments and related fees, charges, and costs, including the charges for attorney fees and costs incurred for counsel's services. The Board may instruct legal counsel to proceed with the Title Search and Notice of Lien described in Subparts (b) and (c) below, and to include a copy of the Notice of Lien with the Notice Letter to the Owner;

(b) **Title Search.** If a Delinquent Owner does not pay all the amounts included in the Default Letter sent by the Association, legal counsel will, upon direction from the Board, make a search of the land records to verify current ownership of the Lot on which the delinquency exists for purposes of preparing a Notice of Lien;

(c) **Notice of Lien.** When the Board has determined that foreclosure of the Association's Assessment lien is to be pursued, counsel, upon request by the Board, will prepare and record in the Real Property Records of Tarrant County, Texas a written notice of lien ("**Notice of Lien**") setting forth the amount of the unpaid indebtedness, the name of the Owner of the Lot covered by the lien, and a description of the Lot covered by the lien. On or shortly after the Notice of Lien is filed with the County Clerk's office, a copy of the Notice of Lien will be sent to the Owner; and

(d) **Judicial/Non-Judicial Foreclosure/Personal Judgment.** If all outstanding amounts have not been paid in full within the time period given in the Notice Letter, the Board may direct counsel to initiate legal proceedings in a court of competent jurisdiction seeking any remedies allowed by law, including the following remedies:

(1) Foreclosure of the assessment lien by judicial foreclosure or non-judicial foreclosure, including but not limited to foreclosure under the rules adopted by the Texas Supreme Court for expedited foreclosure proceedings and Chapter 51 of the Texas Property Code; however, the Association's assessment lien may not be foreclosed until the Association has: (i) mailed written notice of the total amount of the delinquency giving rise to the foreclosure to all lien holders of record (evidenced by a deed of trust), whose liens are inferior or subordinate to the Association's Assessment lien, and (ii) provides each lien holder an opportunity to cure the delinquency before the sixty-first (61st) day after the Notice of Lien was mailed to the lien holder. The notice to lien holders must be sent by certified mail, return receipt requested, to the address for the lien holder shown in the deed of trust or other recorded instrument burdening the Lot(s) subject to the Association's Assessment lien.

(2) Recovery of a personal judgment against the Current Owner and, where different, from the Delinquent Owner, for all amounts arising from failure to

timely pay in full any delinquent Assessment, including but not limited to all attorney fees and costs incurred by the Association.

1.12 Possession Following Foreclosure. If the Association purchases a Lot at public auction, the Owner and all other occupants of the Lot will be deemed a tenant at sufferance, and the Board may immediately institute actions to recover possession of the Lot and all improvements erected thereon.

1.13 Compromise of Assessment Obligations. To expedite the handling of collection of delinquent Assessments owed to the Association, the Board may, at any time, compromise or waive the payment of any Assessments, interest, late fees, administrative fees, collection costs, legal fees, or any other applicable charges. The Association may, at its option, notify the Internal Revenue Service of the waiver or forgiveness of any Assessment obligation.

1.14 Credit Bureaus. The Association may notify any credit bureau of any undisputed sums claimed owing and unpaid by the Owner after such Delinquent Owner was given written notice of an opportunity to enter into a written Payment Plan as provided in Article 2 of these Policies. Thirty (30) business days prior to the Association's reporting any undisputed sums owing to any credit reporting service, the Association shall by certified mail, hand delivery, or electronic transmission (email) send written Notice to such Delinquent Owner a detailed report of all delinquent sums owing. The Association will only charge a fee to the Owner for reporting delinquent sums to such credit reporting service if allowed by applicable law. The Association will comply with any local, state, or federal laws in connection with the filing of the report.

1.15 Collection Agency. The Board may employ or assign any past-due account to one or more collection agencies as provided in Section 209.0064 Texas Property Code or other applicable law. If such Delinquent Owner fails to pay the Association all unpaid sums owing within 45 days from date the Default Letter referenced in Section 1.04 above is mailed, then the Delinquent Owner shall be obligated to pay all fees charged by such collection agency, except for contingency fee recoveries.

1.16 Notification of Mortgage Lender. The Association may notify an Owner's Mortgagee of any default in the timely satisfaction of Assessment obligations.

1.17 Form of Payment. The Association may require that payment of delinquent Assessments and other sums owing by an Owner be made only in the form of cash, cashier's check, or certified funds.

1.18 Partial and Conditioned Payment. Except in accordance with a written approved Payment Plan entered into with the Association, the Association may refuse to accept partial payment (i.e., less than the full amount due and payable) and payments to which the payer attaches conditions or directions contrary to the Board's policy for applying payments. The Association's endorsement and deposit of a payment does not constitute acceptance. Instead, acceptance by the Association occurs when the Association posts and credits the payment to the Owner's account. If the Association does not accept the payment at that time, it will promptly refund the payment to the payor. A payment that is not refunded to the payor within thirty (30)

days after being deposited by the Association may be deemed accepted. The acceptance by the Association of partial payment of delinquent Assessments does not waive the Association's right to pursue or to continue pursuing its remedies for payment in full of all outstanding obligations or the Association's right to apply payments under any rights granted in this Collection Policy.

1.19 Notice of Payment. If the Association receives full payment of all delinquent sums owing after recording the Notice of Lien, the Association will cause a release of the Notice of Lien to be publicly recorded, a copy of which will be sent to the Owner; however, the Owner must prepay to the Association the cost of preparing and recording the release.

1.20 Correction of Credit Report. If the Association receives full payment of the delinquency after reporting the defaulting Owner to a credit reporting service, the Association will report receipt of payment to the credit reporting service.

1.21 Statements of Unpaid Assessments. The Board may impose a reasonable fee, which may not exceed \$75.00, on any Owner if the Owner or a prospective purchaser or Mortgagee of the Owner requests the Association to issue a certificate of the current status of the Owner's payment of Assessments. The Board may impose a fee up to \$375.00 for providing subdivision Information as defined in Chapter 207 of the Texas Property Code.

ARTICLE 2 PAYMENT PLAN POLICY

2.01 Payment Plans.

(a) Right to Payment Plan. Subject to the terms of this Policy, Owners are entitled to make partial payments for delinquent amounts owed to the Association under an alternative payment schedule (a "**Payment Plan**", and if more than one, collectively, "**Payment Plans**") in compliance with this Policy.

(b) Effect of Prior Default. The Association has no obligation to offer or to accept a Payment Plan from any Owner who has defaulted on the terms of a Payment Plan made within two (2) years before the Owner's existing delinquency.

(c) Time Period to Request Payment Plan. The Association is not required to make a Payment Plan available to an Owner who fails to request the same within thirty (30) days from date of the Default Letter described in Section 1.04 of the Association's Assessment Collection Policy.

(d) Twelve Month Limitation. The Association is not required to allow an Owner to enter into any Payment Plan more than once during any twelve (12) consecutive month period.

2.02 Basic Plan Requirement,

(a) In Writing. All Payment Plans must be in writing on a form provided by the Association and signed by the Owner.

(b) Frequency and Amount of Payment. A Payment Plan must include sequential monthly payments. The total of all proposed payments must equal the total delinquent amounts owed for unpaid Assessments, plus administrative fees, if any, plus the accrued interest, late charges, attorneys fees, expenses for collection, and other sums owing to the Association and unpaid by the delinquent Owner.

(c) Duration. Based on the guidelines below, a Payment Plan may be no shorter than three (3) months and no longer than eighteen (18) months. The following guidelines are provided to assist Owners in submitting a proposed Payment Plan:

(1) If the total delinquent amount is less than two (2) times the annual amount of Assessments for the Owner, the Payment Plan can have a stated term up to six (6) months in length;

(2) If the total delinquent amount is greater than two (2) times but less than three (3) times the annual amount of Assessments for the Owner, the Payment Plan can have a stated term up to twelve (12) months in length;

(3) If the total delinquent amount is greater than three (3) times the annual amount of Assessments for the Owner, the Payment Plan can have a stated term up to eighteen (18) months in length.

(d) Future Assessments. If an Owner requests a Payment Plan that will extend into the next fiscal period for Assessments, the Owner will be required to pay future Assessments before they become delinquent in addition to the payments specified in the Payment Plan.

(e) Sequential Payment Plan. On request of an Owner, the Association may approve more than one Payment Plan (to be executed in sequence) to assist the Owner in paying the total delinquent amount owed. No individual Payment Plan may exceed eighteen (18) months in length.

2.03 Date Payment Plan is Active. A Payment Plan becomes effective and is designated as “active” after the occurrence of all of the following:

(a) the Association's receipt of a fully completed and signed Payment Plan on a form provided by or approved by the Association;

(b) the Association's acceptance of the Payment Plan, as evidenced by the signature of an Officer of the Association; and

(c) the Association's timely receipt of the first payment as provided in the Payment Plan.

2.04 Fees. No additional late fees, penalties, and delinquent collection fees other than those included in Payment Plan will be added to the Payment Plan while the Payment Plan is active;

however, the Association may impose a separate fee to the Owner for administrating a Payment Plan. The fee, if any will be listed on the Payment Plan form and may change from time to time.

2.05 Default.

(a) **Events of Default.** It is considered a default of the Payment Plan if an Owner does any of the following:

(1) does not return a signed Payment Plan form with the initial payment, within ten (10) days following Owner's receipt;

(2) misses a payment due under the Payment Plan in any calendar month;

(3) makes a payment for less than the agreed amount under the Payment Plan; or

(4) does not promptly pay any future Assessments accruing after date of the Payment Plan that are not covered by the Payment Plan.

(b) **Effect of Default.** If an Owner defaults on the terms of the Payment Plan, the Payment Plan will, at the Association's option, be voided. If a Payment Plan is voided, the Association will provide written notice to the Owner and the full unpaid amount owed by the Owner will immediately become due and payable. The Association will resume the process for collecting amounts owed using all remedies available under the Declaration, Bylaws, and applicable laws. Late fees, administrative fees, and interest as provided in Sections 1.05 and 1.06 of the Assessment Collection Policy on delinquent sums not paid under such voided Payment Plan will continue to accrue until all sums owed by such Owner are fully paid.

(c) **Default Waived.** In its absolute discretion, the Association may waive an Owner's default under the Payment Plan, but only if such waiver is approved by the Board. The Association may provide a courtesy notice to Owner of any missed or short payment but is not required to do so.

2.06 Reinstatement of Voided Plan. In its absolute discretion, the Association may reinstate a voided Payment Plan once during the original term of the Payment Plan, as long as all missed payments are made up at the time the Owner submits a written request for reinstatement. The Association has no obligation to reinstate a voided Payment Plan, nor to accept an Owner's request for reinstatement.

Assessment Payment Plan

Name _____

Address _____

If the total delinquent amount is equal to or less than two (2) times the total of all Assessments for a year, the Payment Plan can have a stated term up to six (6) months in length.

If the total delinquent amount is equal to or greater than two (2) times but less than three (3) times the total of all Assessments for a year, the Payment Plan can have a stated term up to twelve (12) months in length.

If the total delinquent amount is equal to or greater than three (3) times the total of all assessments for a year, the Payment Plan can have a stated term up to eighteen (18) months in length.

Total Delinquent Amount \$ _____, which is ___ times the total of all Assessments owing for a year; therefore, the repayment plan will be for a total of _____ months.

Monthly Assessments owed:	\$ _____
Special Assessments owed:	\$ _____
Attorney Fees and Collection Costs owed:	\$ _____
Late Fees owed:	\$ _____
Administrative Fees owed:	\$ _____
Accrued Interest owed:	\$ _____
Fines owed:	\$ _____
Plan Administrative Fee:	\$ _____
TOTAL:	\$ _____

Repayment will be in the amount of \$ _____ each month, beginning _____ 20____
and continuing on the _____ day of each month until _____ 20____, for a total of
\$ _____ in payments.

President _____

Date _____

Homeowner/Member _____

Date _____

ARTICLE 3
DOCUMENT RETENTION POLICY

3.01 Definitions.

(a) Generally. The following words and phrases when used in this Document Retention Policy have the following meanings:

(1) The terms “**Destroy**” and “**Destroyed**” mean to destroy, discard, shred, burn, delete, chemically treat, purge, or otherwise eliminate Documents as may be appropriate.

(2) The terms “**Document**” or “**Documents**” mean any documentary material generated or received by the Association in connection with transacting its business or related to the Association's legal obligations. The terms “**Document**” or “**Documents**” include, among other things, writings, drawings, graphs, charts, photographs, tape, disc, audio recordings, microfilms, and other electronic mail, voice mail, floppy discs, hard disks, and CD ROM, and the files within which any such items are maintained.

(3) The term “**Official Files**” means the files maintained by the Board. The term “**Official Files**” expressly excludes Documents subject to the attorney-client privilege and the work-product privilege maintained by the Association's legal counsel.

(b) Other Capitalized Terms. Any other capitalized term in this Document Retention Policy that is not defined in the Document Retention Policy will have the meaning set forth in, the Association's Declaration and Bylaws.

3.02 Policy.

(a) It is the Association's policy to maintain complete, accurate, and high-quality documents. Documents are to be retained for the period of their immediate use, unless longer retention is required for historical reference, contractual or legal requirements, or other purposes as set forth in this Document Retention Policy.

(b) Documents may be maintained in paper format or in an electronic format that can be readily transferred to paper.

(c) Documents that are no longer required, or have satisfied their recommended period of retention, will no longer be records of the Association and may be Destroyed.

3.03 Compliance. This Document Retention Policy is not intended to be exhaustive and, accordingly, will be implemented to meet the specific needs of the Association. The retention periods specified in the Retention Schedule are guidelines based on the current retention periods set forth in current laws, industry custom, and practice.

3.04 Records Retention Schedule. Documents must be retained in accordance with the Retention Schedule shown in this Policy as Schedule 1 Retention of Documents (“**Retention Schedule**”). The retention periods specified in the Retention Schedule for particular Documents are intended as guidelines. In particular circumstances, the Board may determine that either a longer or shorter retention period is warranted, as long as the retention period does not violate current law.

3.05 Directors. The Association does not require Directors to maintain any Documents. Directors, in their discretion, may destroy copies of Documents generated by the Association if the Association maintains the originals of the Documents in the Official Files. However, if Directors receive Documents relating to the Association that were not generated by the Association or received through the Association, Directors must send the originals of the Documents (or copies if originals are not available) to the Board to be maintained in the Official Files. When a Director ceases to be a Director, the Director must turn over to the Board all Documents relating to the business of the Association in the Director's possession or control.

3.06 Destruction Procedure.

(a) If the Documents to be purged are of public record, the Documents will be recycled. If recycling is not economically feasible, the Documents may be Destroyed.

(b) If the Documents to be purged are not of public record, the Documents will be recycled as long as any confidential information contained in the Documents can be removed; otherwise, the Documents will be Destroyed in order to preserve the confidential nature of the information.

3.07 Copies of Originals. Copies of any Document may be recycled or Destroyed (as appropriate) at any time, regardless of age, as long as an original of the Document is maintained in the Official Files.

3.08 Onset of Litigation. If litigation has commenced, or if it is reasonably foreseeable that litigation may be imminent, all Documents potentially relevant to the dispute must be preserved. At the direction of the Association's legal counsel, the Board will advise any other person who may maintain Documents of the facts relating to the litigation. Thereafter, all Documents potentially relevant to the dispute will be deemed “**held**” until the litigation is concluded, and all appeal periods have expired. At the conclusion of the litigation, the “**held**” period will cease, and the time periods provided in the Retention Schedule will apply to the Documents.

**Schedule 1
Retention of Documents**

The Association is composed of more than 14 Lots and shall comply with a document retention policy that includes the following requirements:

- (1) Certificates of Formation, Bylaws, Restrictive Covenants, and all amendments to the same shall be retained permanently;
- (2) financial books and records shall be retained for seven years;

- (3) account records of current Owners shall be retained for five years;
- (4) contracts with a term of one year or more shall be retained for four years after the expiration of the contract term;
- (5) minutes of meetings of the Owners and the Board shall be retained for seven years;
- (6) tax returns and audit records shall be retained for seven years; and
- (7) while not required to retain other records, the Board may retain other records to confirm prior Association actions.

ARTICLE 4 RECORDS PRODUCTION AND COPYING POLICY

4.01 Definitions.

(a) Generally. The following words and phrases when used in this Policy have the following meanings:

(1) The term “**Business Days**” means Monday through Friday, excluding federal holidays on which national banking associations in Tarrant County, Texas are authorized to be closed.

(2) The terms “**Record**” or “**Records**” mean the books and records of the Association, including financial records. The terms “**Record**” or “**Records**” specifically exclude an attorney's files and records relating to the Association and records of the Association subject to the attorney-client privilege and the work product privilege.

(3) The term “**Requesting Person**” means an Owner, for himself or herself, or a person designated in writing by the Owner as the Owner's agent, attorney, or certified public accountant.

4.02 Request to Inspect or Obtain Copies.

(a) A Requesting Person may submit a request to inspect or obtain copies of Records. The request must be submitted in writing and delivered to the Association by certified mail, return receipt requested, at the Association's mailing address as reflected on the Association's most current management certificate recorded in the Records of Tarrant County, Texas.

(b) A written request to inspect or obtain copies of Records must identify with sufficient detail the Records requested and contain an election either to have the Association forward copies of the identified Records or to inspect the Records requested. If the Requesting Person elects to have the Association forward copies of the identified Records, the request must indicate the address to which the Requesting Person desires to

have the Records forwarded, as well as one of the available formats and delivery methods below:

- (1) Format: electronic files, compact disc, or paper copies.
- (2) Delivery method: email, certified mail, or pickup.

4.03 Response to Request. Within ten (10) Business Days after receipt of a written request under Section 4.02(b), the Association will provide one of the following as appropriate:

- (a) the requested Records, if copies were requested, and any required advance payment that had been made;
- (b) a written notice that the requested Records are available for inspection, specifying dates and times when the requested Records may be inspected by the Requesting Person during normal business hours at the Association's office;
- (c) a written notice that the requested Records are available for delivery once payment of the cost to produce the requested Records is made and stating the cost;
- (d) a written notice that a request for delivery does not contain sufficient information to identify the specific Records desired, the format, the delivery method, or the delivery address, as applicable;
- (e) a written notice that the requested Records cannot be produced with ten (10) Business Days but will be available within fifteen (15) additional Business Days from the date of the notice and payment of the cost to produce the Records is made and stating the cost.

4.04 Guidelines for Inspection

- (a) A Requesting Person requesting to inspect Records must not disrupt the ordinary business activities of the office where the Records are kept during inspection.
- (b) No originals of any Records may be removed by a Requesting Person from the office where the Records are kept without the Association's express written consent.
- (c) If a request is made to inspect Records and the Records are maintained in electronic format the requesting person will be given access to equipment to view the electronic records. The Association will not be required to transfer the electronic Records to paper format unless the requesting person agrees to pay the cost of producing the copies.
- (d) If a Requesting Person inspecting Records requests copies of certain Records during the inspection, the Association must provide them promptly, if possible, but no later than ten (10) Business Days after the inspection or payment of costs, whichever is later.

4.05 Costs

(a) A Requesting Person is responsible for all costs associated with a request made under this Records Policy, including but not limited to copies, postage, supplies, labor, overhead, and archive document retrieval fees from on-site and off-site storage locations. The charges reflected below are to only cover the materials on to which information is copied, and do not reflect any additional charges, including labor for locating, compiling, and processing requested data, nor labor for redacting confidential information the Association is allowed to withhold from disclosures.

- (1) black and white 8-1/2" x 11" single-sided copies....\$0.10 each;
- (2) black and white 8-1/2" x 11" double-sided copies....\$0.20 each;
- (3) color 8-1/2" x 11" single-sided copies....\$0.50 each;
- (4) color 8-1/2" x 11" double-sided copies....\$1.00 each;
- (5) oversized single-sided copies....\$0.50 each;
- (6) oversized double-sided copies....\$1.00 each;
- (7) PDF images of documents....\$0.10 per page;
- (8) compact disc....\$1.00 each
- (9) DVD....\$3.00 each;

Labor charges for locating, compiling, and reproducing requested data shall be \$15.00 per hour of actual time expended. A \$15.00 per hour labor charge may be imposed for actual time expended to redact confidential information from requested data where the Association is allowed or require by law to exclude such confidential information from disclosure. No labor costs will be charged for complying with a request of 50 or fewer pages if paper records. Charges permitted under this Policy shall not exceed the amounts allowed by Section 70.03, Title 1, Texas Administrative Code, unless otherwise allowed by law.

(b) The Association will send the Requesting Person an estimate of the costs to respond, compile, produce, and reproduce the Records requested. Any costs associated with a Records request must be paid in advance of delivery by the Requesting Person. A requesting person who makes a request for Records and subsequently declines to accept delivery will be liable for payment of all costs under this Records Policy.

(c) In the Association's absolute discretion, and with the concurrence of the Owner, the Association may agree to invoice the cost of the Records request to the Owner's account. The Owner must pay the total amount invoiced within thirty (30) days after the date a statement is mailed to the Owner. Any unpaid balance will accrue interest at the rate of ten percent (10%) per annum

4.06 Waiver of Notice and Costs. If, in the Association's discretion, a request for Records is deemed to be minimal, the Association may waive the notice requirements under Section 4.02 and the costs under 4.05.

4.07 Records of Individual Owners. Unless the Association receives express written approval from the individual Owner whose records are the subject of a request for inspection or copying, the following Records are not available for inspection or copying by any requesting person:

- (a) the financial records associated with an individual Owner;
- (b) deed restriction violation details for an individual Owner; and
- (c) personal information, including contact information, other than an address for an individual Owner.

CERTIFICATION

I hereby certify that, as Secretary of the Oak Landing Property Owners Association, the foregoing Policies were approved on the 25th day of October, 2022 at a meeting of the Board of Directors in which a quorum was present.

Dated this the 31st day of October, 2022.

Virginia Payne

Print Name: Virginia Payne

Title: Secretary