

BY-LAW S

WOODLAKE PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE I: NAME AND LOCATION

Section 1.1--Name. The name of the corporation is WOODLAKE PROPERTY OWNERS ASSOCIATION, INC., hereinafter referred to as the "association."

Section 1.2--Location. The principle office of the corporation shall be located at the residence of the president of the association, but meetings of members or directors shall be held at such places within the State of Texas as may be designated by the Board of Directors.

ARTICLE II: DEFINITIONS

Section 2.1. "Association" shall mean and refer to WOODLAKE PROPERTY OWNERS ASSOCIATION, INC., a Texas nonprofit corporation, its successors and assigns. It is the successor to "Woodlake Property Owner's Association, Section One, Inc.", and "Cliffs of Woodlake Homeowners Association, Inc."

Section 2.2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the properties, but in the event of the execution of a contract for sale covering any lot, the "Owner" shall be the purchaser named in the contract, but excluding those having such interest merely as security for the performance of an obligation.

Section 2.3. "Properties" shall mean and refer to that certain real property described in Woodlake and Cliffs of Woodlake Subdivisions.

Section 2.4. "Lot" and/or "Lots" shall mean and refer to the lots shown upon the subdivision plats, recorded in the deed records of Bell County.

Section 2.5. "Restrictions" shall mean and refer to the real property restrictions applicable to the properties and recorded in the Official Public Records of Real Property in Bell County, Texas, and as the same shall be amended from time to time.

Section 2.6. "Member" shall mean and refer to those persons entitled to membership by reason of being an "Owner."

ARTICLE III: MEETINGS OF MEMBERS

Section 3.1--Annual Meetings. Annual meetings of the members shall be held on a date to be set by the Board of Directors, normally in early March.

section 3.2--Special Meetings. Special meetings of the members may be called

at any time by the President or by the Board of Directors, or upon written request of members having at least thirty percent of the votes entitled to be cast at such meeting.

Section 3.3--Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the discretion of, the Secretary or the person authorized to call the meeting, by mailing a copy of such notice, or by hand delivery, at least ten but not more than fifty days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the association, or supplied by such member to the association for the purpose of notice. Such notice shall specify the place, day, and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

section 3.4--Quorum. Over fifty percent of members attending in person or represented by proxy shall constitute a quorum at any meeting of the members. The vote of the majority of votes entitled to be cast by the members present or represented by proxy at a meeting at which a quorum is present shall be the act of the members.

Section 3.5--Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

Section 3.6--Written Consent. Notwithstanding anything herein to the contrary, members may take action required or permitted hereunder by unanimous written consent.

Section 3.7--Entitlement to Vote. At all meetings of members, each owner will have one vote for each lot or lots for which the owner pays an annual maintenance assessment fee, even if the owner is more than one person. Two or more contiguous lots, upon which a single home is built, or planned to be built, will be considered as a single lot for purposes of voting and assessment of the annual maintenance fee. Separated lots, having no more than one home built on any one of them, will be counted as a single lot. Separated lots having more than one home will be considered for purposes of voting and maintenance assessment as a number of lots equal to the number of homes built thereon.

ARTICLE IV: BOARD OF DIRECTORS

Section 4.1--Number. The affairs of this association shall be managed by a board of seven directors, six of whom are elected; the seventh will be the surviving owner of the original lands, Ann Broady. When Ann Broady chooses not to serve, or is unable to do so, the number of directors will be six, all elected. The number of directors may be changed by amendment of the by-laws of the association.

Section 4.2--Term of Office. Elected directors shall serve for a term of three years. Terms will be staggered so that two will expire each year. A director elected to

fill an unexpired term shall be elected only for the length of time remaining in that term. The remaining members of the Board shall elect successors for uncompleted terms.

Section 4.3--Removal. Any director may be removed from the board, with or without cause, by a vote of at least fifty-one percent of the members of the association.

Section 4.4--Compensation. No director shall receive compensation for any service he or she may render to the association. However, any director may be reimbursed for actual expenses incurred in the performance of board duties. No director or any family member of a director may be employed for compensation by the association without the unanimous consent of the board.

Section 4.5--Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of at least five of the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V: MEETING OF DIRECTORS

Section 5.1--Regular Meetings. Regular meetings of the Board of Directors shall normally be held semi-annually, at such place and hour as may be set by the president.

Section 5.2--Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the association, or by any two directors, after not less than three days notice to each director.

Section 5.3--Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the board.

Section 5.4--Written Consent. Notwithstanding any provision contained herein to the contrary, the Board of Directors may take any action by unanimous written consent.

ARTICLE VI: POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 6.1--Powers. The Board of Directors shall have power to:

a. adopt and publish rules and regulations governing the use of the facilities of the association, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

b. suspend the voting rights and right to use any recreational facilities of a

member during any period in which such member shall be in default in the payment of any assessment levied by the association. Such rights may also be suspended after notice and hearing for a period not to exceed sixty days for infraction of published rules and regulations;

c. exercise for the association all powers, duties and authority vested in or delegated to this association and not reserved to the membership by other provisions of these by-laws, the articles of incorporation or the restrictions;

d. declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from two consecutive regular meetings of the Board of Directors;

e. employ a manger, independent contractors or such other employees as they deem necessary, and to prescribe their duties;

f. take whatever action is necessary to accomplish the purposes of the association, including, but not limited to, the filing of suit, the procurement of directors' and officers' liability insurance and to exercise all other powers, rights, and privileges authorized by the Texas Non-Profit Corporation Act.

Section 6.2--Duties. It shall be the duty of the Board of Directors to :

a. supervise all officers, agents and employees of this association, and to see that their duties are properly performed;

b. as more fully provided in the restrictions to:

1. propose for approval of members the amount of the annual maintenance assessments;

2. send written notice of each assessment to every owner;

3. file a lien against any property for which assessments are not paid within a reasonable time after due date or to bring an action at law against the owner personally obligated to pay the same;

c. issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

d. cause the area used or under the management of the association to be maintained;

e. cause the dedicated streets, roadways and areas appurtenant thereto to be maintained.

ARTICLE VII: OFFICERS AND THEIR DUTIES

Section 7.1--Enumeration of Officers. the officers of this association shall be a President, a Vice President, a Secretary, a Treasurer, and such other officers as the board may, from time to time, by resolution create.

Section 7.2--Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 7.3--Term. The officers of this association shall be elected annually by the board, and each shall hold office for one year unless he or she shall sooner resign or shall be removed or otherwise disqualified to serve.

Section 7.4--Special Appointments. The board may elect such other officers as the affairs of the association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the board may, from time to time, determine.

Section 7.5--Resignation and Removal. Any officer may be removed from office without cause by the board. Any officer may resign at any time, giving written notice to the board, the president, or 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.

Section 7.6--Vacancies. A vacancy in any office may be filled by appointment of the board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7.7--Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices, except in the case of special offices created pursuant to Section 7.4 of this article.

Section 7.8--Duties. The duties of the officers are as follows:

a. President. The president shall preside at meetings of the members and of the board; shall see that orders and resolutions of the board are carried out; shall sign all leases, mortgages, deeds and other written instruments, and shall co-sign all checks and promissory notes, except as may be otherwise approved by the Board of Directors.

b. Vice President. The vice president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the board.

c. Secretary. The secretary shall record the votes and keep the minutes and proceedings of the meetings of the board and the members; serve notice of the meetings of the board and the members; keep appropriate current records showing the members of the association together with their addresses; and shall perform such other duties as required by the board.

d. Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the association, and shall disburse such funds as directed by the resolution of the Board of Directors; shall sign all checks and promissory notes of the association; keep proper books of account; when directed by the board, cause an audit of the association books to be made; prepare an annual budget and statement of income and expenditures to be presented to the membership at its annual meeting, and deliver a copy of each to the members.

ARTICLE VIII: BOOKS AND RECORDS

Section 8.1. The books, records and papers of the association shall at all times, during reasonable business hours, be subject to inspection by any member. The restrictions, the articles of incorporation, and the by-laws of the association shall be available for inspection by any member at the principle office of the association, where copies may be purchased at reasonable cost.

ARTICLE IX: ASSESSMENT

Section 9.1. As more fully provided in the restrictions, each member is obligated to pay to the association on the date or dates specified by the Board of Directors, monthly maintenance assessment which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty days after the due date, the association may bring an action at law against the owner personally obligated to pay the same or file a lien against the property. Interest, costs, and reasonable attorneys fees of any such action shall be added to the amount of such assessment. No owner may escape liability for the assessments provided for herein by the non-use of the area used or under the control of the association or by abandonment of his or her lot.

ARTICLE X: AMENDMENTS

Section 10.1. These by-laws may be amended, at a regular or special meeting of the members, by a vote of a majority of eligible members present in person or by proxy.

Section 10.2. In the case of any conflict between the articles of incorporation and these by-laws, the articles shall control; and in the case of any conflict between the restrictions and these by-laws, the restrictions shall control.

ARTICLE XI: MISCELLANEOUS

Section 11.1--Fiscal Year. The fiscal year of the association shall begin on 1 January of each year.

IN WITNESS WHEREOF, we, being all of the directors of Woodlake Property Owners Association, Inc., have hereunto set our hands this 2nd day of June 1994.

Jay G. Burnett (President)

Dave R. Palmer

Judy Degels

Lenore Burt

Michael B. Long
