

**BYLAWS OF BEAR CREEK OAKS
PROPERTY OWNERS ASSOCIATION, INC.**

These Bylaws (referred to as the "Bylaws") govern the affairs of BEAR CREEK OAKS PROPERTY OWNERS ASSOCIATION, INC., a nonprofit corporation (referred to as the "Corporation") organized under the Texas Non-Profit Corporation Act (referred to as the "Act").

**ARTICLE 1
NAME AND OBJECT**

1.01 The name of the organization shall be Bear Creek Oaks Property Owners Association, Inc.

1.02 The object of the organization shall be to promote the common welfare of the properties within the subdivision of Bear Creek Oaks (the "Area").

**ARTICLE 2
MEMBERSHIP**

2.01 The Corporation shall have one class of members which shall consist of any person or persons owning property within the Area who shall be automatically eligible for membership.

2.02 There shall be one vote per individual tract of land of one acre or more on each matter submitted to a vote of the members. For the purpose of these Bylaws, an individual tract of land are those parcels of land which have been duly recorded in the records of the Hays County Tax Assessor's Office. Should more than one member own an ownership interest in any particular individual tract of land, then the owners shall decide amongst themselves the manner in which the one vote shall be cast. Under no circumstances will multiple owners of a single tract of land be allowed to split the vote into a fractional vote.

2.03 Notwithstanding the above, all individual tracts of land consisting of less than 1 acre which exist on or before October 13, 1994 or shall become less than 1 acre as a result of a road dedication of a portion of the tract to the Hays County Commissioners after October 13, 1994 shall be entitled to one vote per individual tract.

2.04 All real and personal property, including all improvements located on any property within the Area, acquired by the Corporation shall be owned by the Corporation. A member shall have no interest in specific property of the Corporation. Each member hereby expressly waives the right to require partition of all or part of the Corporation's property.

ARTICLE 3
MEETINGS OF MEMBERS

Annual Meetings

3.01. Beginning in 1995, the Board of Directors shall hold an annual meeting of the members at 7:00 o'clock P.M. on the 31st day of October each year or at another time that the Board of Directors designates. If the day fixed for the annual meeting is a Saturday, Sunday or legal holiday in the State of Texas, the meeting shall be held on the next business day. At the annual meeting, the members shall elect directors and transact any other business that may come before the meeting. If, in any year, the election of directors is not held on the day designated for the annual meeting, or at any adjournment of the annual meeting, the Board of Directors shall call a special meeting of the members as soon thereafter as possible to conduct the election of directors.

Special Meetings

3.02. Special meetings of the members may be called by the President, the Board of Directors or not less than 25 percent of the voting members.

Place of Meeting

3.03. The Board of Directors may designate any place within the State of Texas, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors or any other proper party. If the Board of Directors does not designate the place of meeting, the meeting shall be held at the front steps of the Hays County Courthouse in Texas.

Notice of Meetings

3.04. Written or printed notice of any meeting of members, including the annual meeting, shall be delivered to each member who owns an ownership interest in a particular tract of land not less than ten (10) nor more than fifty (50) days before the date of the meeting. The notice shall state the place, day and time of the meeting, who called the meeting and the general purpose or purposes for which the meeting is called. Notice shall be given by or at the direction of the President or Secretary of the Corporation, or the officers or persons calling the meeting. If all of the members meet and consent to the holding of a meeting, any corporate action may be taken at the meeting regardless of a lack of proper notice.

Quorum

3.05. The members holding twenty-five (25%) percent of the votes that may be cast at a meeting who attend the meeting in person or by proxy shall constitute a quorum at that meeting. The members present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough members leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of members required to constitute a quorum. If a

Nomination of Directors

4.03. At any meeting at which the election of a director occurs, a member in good standing may nominate a person with the second of any other voting member in good standing. In addition to nominations made at meetings, a nominating committee appointed by the Board of Directors shall consider possible nominees and make nominations for each election of directors. The secretary shall include the names nominated by the nomination committee, and any report of the committee, with the notice of the meeting at which the election occurs.

Election of Directors

4.04. A person who meets any qualification requirements to be a director and who has been duly nominated may be elected as a director. Directors shall be elected by the vote of the membership of the Corporation. Directors shall be elected at the annual meeting of the members. In electing directors, members shall not be permitted to cumulate their votes by giving one candidate as many votes as the number of directors to be elected or by distributing the same number of votes among any number of candidates. Each director shall hold office until a successor is elected and qualified. A Director may be elected to succeed himself or herself as director.

Vacancies

4.05. Any vacancy occurring in the Board of Directors when a director is no longer eligible to hold office, or if he should resign, and any director position to be filled due to an increase in the number of directors, shall be filled by the Board of Directors. A vacancy is filled by the affirmative vote of a majority of the remaining directors, even if it is less than a quorum of the Board of Directors, or if it is a sole remaining director. A director elected to fill a vacancy shall be elected for the unexpired term of the predecessor in office.

Annual Meeting

4.06. The annual meeting of the Board of Directors may be held without notice other than these Bylaws. The annual meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of members.

Regular Meetings

4.07. The Board of Directors may provide for regular meetings by resolution stating the time and place of such meetings. The meetings must be held within the State of Texas and shall be held at the place specified within the resolution. No notice of regular meetings of the Board is required other than a resolution of the Board of Directors stating the time and place of the meetings.

quorum is present at no time during a meeting, a majority of the members present may adjourn and reconvene the meeting one time without further notice.

Actions of Membership

3.06. The membership shall try to act by consensus. However, the vote of a majority of voting members in good standing, present and entitled to vote at a meeting at which a quorum is present, shall be sufficient to constitute the act of the membership unless the vote of a greater number is required by law, the Bylaws, or the Deed Restrictions which govern the Area. A member in good standing is one who has paid all required fees, dues and assessments as of the date of the meeting. Voting shall be by ballot or voice, except that any election of directors shall be by ballot if demanded by any member at the meeting before the voting begins.

Proxies

3.07. A member or members, who as owners of a particular tract of land are entitled to cast the one vote, may vote by proxy executed in writing by the all the members who have an ownership interest in the said particular tract of land. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

Voting by Mail

3.08. The Board of Directors may authorize members to vote by mail on the election of directors or on any other matter that may be voted on by the members.

ARTICLE 4 **BOARD OF DIRECTORS**

Management of the Corporation

4.01. The affairs of the Corporation, including those set forth in the Deed Restrictions which govern the Area such as collection of assessments, shall be managed by the Board of Directors.

Number, Qualifications and Tenure of Directors

4.02. The number of Directors shall be nine (9). Directors need not be residents of Texas. In the October, 1996 election of Directors, five (5) Directors shall be elected to serve for a term of two (2) years and four (4) Directors shall be elected to serve for a term of one (1) year. Thereafter, each Director elected shall serve for a term of two (2) years. The terms of the directors shall be staggered so that the terms of five (5) of the Directors shall begin in even-numbered years and the terms of four (4) of the directors shall begin in odd-numbered years.

Special Meetings

4.08. Special meetings of the Board of Directors may be called by or at the request of the President or any three (3) directors. A person or persons authorized to call special meetings of the Board of Directors must fix any place within Texas as the place for holding a special meeting. The person or persons calling a special meeting shall notify the Secretary of the information required to be included in the notice of the meeting. The Secretary shall give notice to the Directors as required by the Bylaws.

Notice

4.09. Written or printed notice of any special meeting of the Board of Directors shall be delivered to each Director not less than one (1) nor more than ten (10) days before the date of the meeting. The notice shall state the place, day and time of the meeting, who called the meeting and the purpose or purposes for which the meeting is called.

Quorum

4.10. A majority of the number of Directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The Directors present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough Directors leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of Directors required to constitute a quorum. If a quorum is present at no time during a meeting, a majority of the Directors present may adjourn and reconvene the meeting one time without further notice.

Actions of Board of Directors

4.11. The Board of Directors shall try to act by consensus. However, the vote of a majority of Directors present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the Board of Directors unless the act of a greater number is required by law or the Bylaws. A Director who is present at a meeting and abstains from a vote is considered to be present for the purpose of constituting a quorum.

Compensation

4.12. Directors shall receive no salaries for their services.

Removal of Directors

4.13. The members may vote to remove a Director at any time, with or without good cause. Good cause for removal of a Director shall include the unexcused failure to attend three (3) consecutive meetings of the Board of Directors. A meeting to consider the removal of a Director may be called and noticed following the procedures provided in the Bylaws. The notice of the meeting shall state that the issue of possible removal of the Director will be on the agenda and the notice shall state the possible cause for removal. The Director shall have the right to be represented by an attorney at and before the

meeting. At the meeting, the Corporation shall consider possible arrangements for resolving the problems that are in the mutual interest of the Corporation and the Director. A Director may be removed by an affirmative majority vote at a meeting at which a quorum is present,

ARTICLE 3 **OFFICERS**

Officer Positions

5.01. The officers of the Corporation shall be a President, Vice Presidents, a Secretary, and a Treasurer. The Secretary and Treasurer may be the same person, and such office will be called the Secretary-Treasurer.

Election and Term of Office

5.02. The officers of the Corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers is not held at this meeting, the election shall be held as soon thereafter as conveniently possible. Each officer shall hold office until a successor is duly selected and qualified. An officer may be elected to succeed himself or herself in the same office.

Removal

5.03. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors with or without good cause. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer.

Vacancies

5.04. A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the officer's term.

President

5.05. The President shall supervise and control all of the business and affairs of the Corporation. The President shall preside at all meetings of the members and of the Board of Directors. The President shall be an ex officio member of all committees. The President shall perform other duties prescribed by the Board of Directors and all duties incident to the office of President.

Vice President

5.06. When the President is absent, is unable to act or refuses to act, the Vice President shall perform the duties of the President. When a Vice President acts in place of the President, the Vice President shall have all the powers of and be subject to all the restrictions upon the President. If there is more than one Vice President, the Vice

Presidents shall act in place of the President in the order of the votes received when elected. A Vice President shall perform other duties as assigned by the President or Board of Directors.

Treasurer

5.07. The Treasurer shall:

- (a) Have charge and custody of and be responsible for all funds and securities of the Corporation.
- (b) Receive and give receipts for moneys due and payable to the Corporation from any source.
- (c) Deposit all moneys in the name of the Corporation in banks, trust companies or other depositories as provided in the Bylaws or as directed by the Board of Directors or President.
- (d) Write checks and disburse funds to discharge obligations of the Corporation. Funds may not be drawn from the Corporation or its accounts without the signature of the President or a Vice President in addition to the signature of the Treasurer.
- (e) Maintain the financial books and records of the Corporation.
- (f) Prepare financial reports at least annually.
- (g) Perform other duties as assigned by the President or by the Board of Directors.
- (h) If required by the Board of Directors, give a bond for the faithful discharge of his or her duties in a sum and with a surety as determined by the Board of Directors.
- (i) Perform all of the duties incident to the office of Treasurer.

Secretary

5.08. The Secretary shall:

- (a) Give all notices as provided in the Bylaws or as required by law.
- (b) Take minutes of the meetings of the members and of the Board of Directors and keep the minutes as part of the corporate records.
- (c) Maintain custody of the corporate records and of the seal of the Corporation.
- (d) Affix the seal of the Corporation to all documents as authorized.

- (e) Keep a register of the mailing address of each member, Director, officer and employee of the Corporation.
- (f) Perform duties as assigned by the President or by the Board of Directors.
- (g) Perform all duties incident to the office of Secretary.

ARTICLE 6 **COMMITTEES**

Establishment of Committees

6.01. The Board of Directors may adopt a resolution establishing one or more committees delegating specified authority to a committee, and appointing or removing members of a committee. A committee shall include one or more Directors and any members. The establishment of a committee or the delegation of authority to it shall not relieve the Board of Directors, or any individual Director, of any responsibility imposed by the Bylaws or otherwise imposed by law.

Authorization of Specific Committees

6.02. There shall be the following committees: Nominating, Assessment and Building Committees. The Board of Directors shall define the activities and scope of authority of each committee by resolution.

Term of Office

6.03. Each member of a committee shall continue to serve on the committee until the next annual meeting of the members of the Corporation and until a successor is appointed. However, the term of a committee member may terminate earlier if the committee is terminated, or if the member dies, ceases to qualify, resigns or is removed as a member. A vacancy on a committee may be filled by an appointment made in the same manner as an original appointment. A person appointed to fill a vacancy on a committee shall serve for the unexpired portion of the terminated committee member's term.

Chair and Vice-Chair

6.04. One member of each committee shall be designated as the Chair of the committee and another member of each committee shall be designated as the Vice-Chair. The Chair and Vice-Chair shall be appointed by the President of the Corporation. The Chair shall call and preside at all meetings of the committee. When the Chair is absent, is unable to act or refuses to act, the Vice-Chair shall perform the duties of the Chair. When a Vice-Chair acts in place of the Chair, the Vice-Chair shall have all the powers of and be subject to all the restrictions upon the Chair.

Notice of Meetings

6.05. Written, printed, or telephonic notice of a committee meeting shall be delivered to each member of a committee not less than one (1) nor more than ten (10) days before the date of the meeting. The notice shall state the place, day and time of the meeting and the purpose or purposes for which the meeting is called.

Quorum

6.06. One half of the number of members of a committee shall constitute a quorum for the transaction of business at any meeting of the committee. The committee members present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough committee members leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of committee members required to constitute a quorum. If a quorum is present at no time during a meeting, the Chair may adjourn and reconvene the meeting one time without further notice.

Actions of Committees

6.07. Committees shall try to take action by consensus. However, the vote of a majority of committee members present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the committee unless the act of a greater number is required by law or the Bylaws. A committee member who is present at a meeting and abstains from a vote is considered to be present for the purpose of constituting a quorum.

Compensation

6.08. Committee members shall receive no salaries for their services.

ARTICLE 7 TRANSACTIONS OF THE CORPORATION

Contracts

7.01. The Board of Directors may authorize any officer or agent of the Corporation to enter into a contract or execute and deliver any instrument in the name of and on behalf of the Corporation. This authority may be limited to a specific contract or instrument or it may extend to any number and type of possible contracts and instruments.

Deposits

7.02. All funds of the Corporation shall be deposited to the credit of the Corporation in banks, trust companies or other depositories that the Board of Directors selects.

Gifts

7.03. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation. The Board of Directors may make gifts and give charitable contributions that are not prohibited by the Bylaws, the Articles of Incorporation, state law and any requirements for maintaining the Corporation's federal and state tax status.

Potential Conflicts of Interest

7.04. The Corporation shall not make any loan to a Director or officer of the Corporation. A member, Director, officer or committee member of the Corporation may lend money to and otherwise transact business with the Corporation except as otherwise provided by the Bylaws, Articles of Incorporation and all applicable laws. Such a person transacting business with the Corporation has the same rights and obligations relating to those matters as other persons transacting business with the Corporation. The Corporation shall not borrow money from or otherwise transact business with a member, Director, officer or committee member of the Corporation unless the transaction is described fully in a legally binding instrument and is in the best interests of the Corporation. The Corporation shall not borrow money from or otherwise transact business with a member, Director, officer or committee member of the Corporation without full disclosure of all relevant facts and without the approval of the Board of Directors or the members, not including the vote of any person having a personal interest in the transaction.

Prohibited Acts

7.05. As long as the Corporation is in existence, and except with the prior approval of the Board of Directors or the members, no member, Director, officer or committee member of the Corporation shall:

- (a) Do any act in violation of the Bylaws or a binding obligation of the Corporation.
- (b) Do any act with the intention of harming the Corporation or any of its operations.
- (c) Do any act that would make it impossible or unnecessarily difficult to carry on the intended or ordinary business of the Corporation.
- (d) Receive an improper personal benefit from the operation of the Corporation.
- (e) Use the assets of this Corporation, directly or indirectly, for any purpose other than carrying on the business of this Corporation.
- (f) Wrongfully transfer or dispose of Corporation property, including intangible property such as good will.

(g) Use the name of the Corporation (or any substantially similar name) or any trademark or trade name adopted by the Corporation, except on behalf of the Corporation in ordinary course of the Corporation's business.

(h) Disclose any of the Corporation business practices, trade secrets or any other information not generally known to the business community to any person not authorized to receive it.

ARTICLE 8 **BOOKS AND RECORDS**

Required Books and Records

8.01. The Corporation shall keep correct and complete books and records of account. The Corporation's books and records shall include:

(a) A file-endorsed copy of all documents filed with the Texas Secretary of State relating to the Corporation, including, but not limited to, the Articles of Incorporation and any Articles of Amendment, Restated Articles, Articles of Merger, Articles of Consolidation and Statement of Change of Registered Office or Registered Agent.

(b) A copy of the Bylaws and any amended versions or amendments to the Bylaws.

(c) Minutes of the proceedings of the members, Board of Directors and committees having any of the authority of the Board of Directors.

(d) A list of the names and addresses of the members, Directors, officers and any committee members of the Corporation.

(e) A financial statement showing the assets, liabilities and net worth of the Corporation at the end of the seven (7) most recent fiscal years.

(f) A financial statement showing the income and expenses of the Corporation for the seven (7) most recent fiscal years.

(g) All rulings, letters and other documents relating to the Corporation's federal, state and local tax status.

(h) The Corporation's federal, state and local information or income tax returns for each of the Corporation's most recent tax years.

Inspection and Copying

8.02. Any member, Director, officer or committee member of the Corporation may inspect and receive copies of all books and records of the Corporation required to be kept by the Bylaws. Such a person may inspect or receive copies if the person has a proper purpose related to the person's interest in the Corporation and if the person submits a

request in writing. Any person entitled to inspect and copy the Corporation's books and records may do so through his or her attorney or other duly authorized representative. A person entitled to inspect the Corporation's books and records may do so at a reasonable time no later than sixty (60) working days after the Corporation's receipt of a proper written request. The Board of Directors may establish reasonable fees for copying the Corporation's books and records by members. The fees may cover the cost of materials and labor, but may not exceed One and No/100 Dollars (\$1.00) per page. The Corporation shall provide requested copies of books or records no later than sixty (60) working days after the Corporation's receipt of a proper written request.

Audits

8.03. Any member shall have the right to have an audit conducted of the Corporation's books. The member requesting the audit shall bear the expense of the audit unless the members vote to authorize payment of audit expenses. The member requesting the audit may select the accounting firm to conduct the audit. A member may not exercise these rights to compel audits so as to subject the Corporation to an audit more than once in any fiscal year.

ARTICLE 9 FISCAL YEAR

9.01 The fiscal year of the Corporation shall begin on the first day of January and end on the last day in December in each year.

ARTICLE 10 INDEMNIFICATION

When Indemnification Is Required, Permitted and Prohibited

10.01. (a) The Corporation shall indemnify a Director, officer, committee member, employee or agent of the Corporation who was, is or may be named defendant or respondent in any proceeding as a result of his or her actions or omissions within the scope of his or her official capacity in the Corporation. For the purposes of this Article, an agent includes one who is or was serving at the request of the Corporation as a Director, officer, partner, venturer, proprietor, trustee, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise. However, the Corporation shall indemnify a person only if he or she acted in good faith and reasonably believed that the conduct was in the Corporation's best interests. In a case of a criminal proceeding, the person may be indemnified only if he or she had no reasonable cause to believe that the conduct was unlawful. The Corporation shall not indemnify a person who is found liable to the Corporation or is found liable to another on the basis of improperly receiving a personal benefit. A person is conclusively considered to have been found liable in relation to any claim, issue or matter if the person has been adjudged liable by a court of competent jurisdiction and all appeals have been exhausted.

(b) The termination of a proceeding by judgment, order, settlement, conviction or on a plea of nolo contendere or its equivalent does not necessarily preclude indemnification by the Corporation.

(c) The Corporation shall pay or reimburse expenses incurred by a Director, officer, member, committee member, employee or agent of the Corporation in connection with the person's appearance as a witness or other participation in a proceeding involving or affecting the Corporation when the person is not a named defendant or respondent in the proceeding.

(d) In addition to the situations otherwise described in this paragraph, the Corporation may indemnify a Director, officer, member, committee member, employee or agent of the Corporation to the extent permitted by law. However, the Corporation shall not indemnify any person in any situation in which indemnification is prohibited by the terms of paragraph 10.01(a), above.

(e) Before the final disposition of a proceeding, the Corporation may pay indemnification expenses permitted by the Bylaws and authorized by the Corporation. However, the Corporation shall not pay indemnification expenses to a person before the final disposition of a proceeding if: the person is a named defendant or respondent in any proceeding brought by the Corporation or one or more members; or the person is alleged to have improperly received a personal benefit or committed other willful or intentional misconduct.

(f) If the Corporation may indemnify a person under the Bylaws, the person may be indemnified against judgments, penalties, including excise and similar taxes, fines, settlements and reasonable expenses (including attorneys' fees) actually incurred in connection with the proceeding. However, if the proceeding was brought by or on behalf of the Corporation, the indemnification is limited to reasonable expenses actually incurred by the person in connection with the proceeding.

Procedures Relating to Indemnification Payments

10.02. (a) Before the Corporation may pay any indemnification expenses (including attorneys' fees), the Corporation shall specifically determine that indemnification is permissible, authorize indemnification and determine that expenses to be reimbursed are reasonable, except as provided in paragraph 10.02(c), below. The Corporation may make these determinations and decisions by any one of the following procedures:

(i) Majority vote of a quorum consisting of Directors who, at the time of the vote, are not named defendants or respondents in the proceeding.

(ii) If such a quorum cannot be obtained, by a majority vote of a committee of the Board of Directors, designated to act in the matter by a majority vote of all Directors, consisting solely of two or more Directors who at the time of the vote are not named defendants or respondents in the proceeding.

(iii) Determination by special legal counsel selected by the Board of Directors by vote as provided in paragraph 10.02(a)(i) or 10.02(a)(ii), or if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all Directors.

(iv) Majority vote of members, excluding Directors who are named defendants or respondents in the proceeding.

(b) The Corporation shall authorize indemnification and determine that expenses to be reimbursed are reasonable in the same manner that it determines whether indemnification is permissible. If the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification and determination of reasonableness of expenses shall be made in the manner specified by paragraph 10.02(a)(iii), above, governing the selection of special legal counsel. A provision contained in the Articles of Incorporation, the Bylaws or a resolution of members of the Board of Directors that requires the indemnification permitted by paragraph 10.01, above, constitutes sufficient authorization of indemnification even though the provision may not have been adopted or authorized in the same manner as the determination that indemnification is permissible.

(c) The Corporation shall pay indemnification expenses before final disposition of a proceeding only after the Corporation determines that the facts then known would not preclude indemnification and the Corporation receives a written affirmation and undertaking from the person to be indemnified. The determination that the facts then known to those making the determination would not preclude indemnification and authorization of payment shall be made in the same manner as a determination that indemnification is permissible under paragraph 10.02(a), above. The person's written affirmation shall state that he or she has met the standard of conduct necessary for indemnification under the Bylaws. The written undertaking shall provide for repayment of the amount paid or reimbursed by the Corporation if it is ultimately determined that the person has not met the requirements for indemnification. The undertaking shall be an unlimited general obligation of the person, but it need not be secured and it may be accepted without reference to financial ability to make repayment.

(d) Any indemnification or advance of expenses shall be reported in writing to the members of the Corporation. The report shall be made with or before the notice or waiver of notice of the next membership meeting or with or before the next submission to members of a consent to action without a meeting. In any case, the report shall be sent within the 12-month period immediately following the date of the indemnification or advance.

ARTICLE 11 NOTICES

Notice by Mail or Telegram

11.01. Any notice required or permitted by the Bylaws to be given to a member, Director, officer or member of a committee of the Corporation may be given by hand

delivery, mail, facsimile or telegram. If mailed, a notice shall be deemed to be delivered when deposited in the United States mail addressed to the person at his or her address as it appears on the records of the Corporation, with postage prepaid. If given by telegram, a notice shall be deemed to be delivered when accepted by the telegraph company and addressed to the person at his or her address as it appears on the records of the Corporation. If given by hand delivery or facsimile, a notice shall be deemed to be delivered when received. A person may change his or her address by giving written notice to the Secretary of the Corporation.

Signed Waiver of Notice

11.02. Whenever any notice is required to be given under the provisions of the Act or under the provisions of the Articles of Incorporation or the Bylaws, a waiver in writing signed by a person entitled to receive a notice shall be deemed equivalent to the giving of the notice. A waiver of notice shall be effective whether signed before or after the time stated in the notice being waived.

Waiver of Notice by Attendance

11.03. The attendance of a person at a meeting shall constitute a waiver of notice of the meeting unless the person attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE 12 SPECIAL PROCEDURES CONCERNING MEETINGS

Meeting by Telephone

12.01. The members, Board of Directors and any committee of the Corporation may hold a meeting by telephone conference call procedures in which all persons participating in the meeting can hear each other. The notice of a meeting by telephone conference must state the fact that the meeting will be held by telephone as well as all other matters required to be included in the notice. Participation of a person in a conference-call meeting constitutes presence of that person at the meeting.

Decision Without Meeting

12.02. Any decision required or permitted to be made at a meeting of the members, Board of Directors or any committee of the Corporation may be made without a meeting. A decision without a meeting may be made if a written consent to the decision is signed by all of the persons entitled to vote on the matter. The original signed consents shall be placed in the Corporation minute book and kept with the Corporation's records.

Voting by Proxy

12.03. A person or persons who are authorized to exercise a proxy may not exercise the proxy unless the proxy is delivered to the officer presiding at the meeting before the business of the meeting begins. The Secretary or other person taking the

minutes of the meeting shall record in the minutes the name of the person(s) who executed the proxy and the name of the person authorized to exercise the proxy. If a person(s) who has duly executed a proxy personally attends a meeting, the proxy shall not be effective for that meeting. A proxy filed with the Secretary or other designated officer shall remain in force and effect until the first of the following occurs:

- (a) An instrument revoking the proxy is delivered to the Secretary or other designated officer.
- (b) The proxy authority expires under the terms of the proxy.
- (c) The proxy authority expires under the terms of the Bylaws.

ARTICLE 13 **AMENDMENTS TO BYLAWS**

13.01 The Bylaws may be altered, amended or repealed, and new Bylaws may be adopted only by an affirmative vote of two-thirds (2/3) of the voting members in good standing, present and entitled to vote at a meeting which a quorum is present. The notice of any meeting at which the Bylaws are altered, amended, re-repealed or at which new Bylaws are adopted shall include the text of the proposed Bylaw provisions as well as the text of any existing provisions proposed to be altered, amended or repealed. Alternatively, the notice may include a fair summary of those provisions.

ARTICLE 14 **MISCELLANEOUS PROVISIONS**

Legal Authorities Governing Construction of Bylaws

14.01. The Bylaws shall be construed in accordance with the laws of the State of Texas. All references in the Bylaws to statutes, regulations or other sources of legal authority shall refer to the authorities cited or their successors, as they may be amended from time to time.

Legal Construction

14.02. If any Bylaw provision is held to be invalid, illegal or unenforceable in any respect, the invalidity, illegality or unenforceability shall not affect any other provision and the Bylaws shall be construed as if the invalid, illegal or unenforceable provision had not been included in the Bylaws.

Headings

14.03. The headings used in the Bylaws are used for convenience and shall not be considered in construing the terms of the Bylaws.

Gender

14.04. Wherever the context requires, all words in the Bylaws in the male gender shall be deemed to include the female or neuter gender, all singular words shall include the plural and all plural words shall include the singular.

Power of Attorney

14.05. A person may execute any instrument related to the Corporation by means of a power of attorney if an original executed copy of the power of attorney is provided to the Secretary of the Corporation to be kept with the Corporation records.

Parties Bound

14.06. The Bylaws shall be binding upon and inure to the benefit of the members, Directors, officers, committee members, employees and agents of the Corporation and their respective heirs, executors, administrators, legal representatives, successors and assigns except as otherwise provided in the Bylaws.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of **BEAR CREEK OAKS PROPERTY OWNERS ASSOCIATION, INC.** and that the foregoing Bylaws constitute the Bylaws of the Corporation. These Bylaws were duly adopted at a meeting of the members held on _____, 1995.

DATED: _____, 1995.

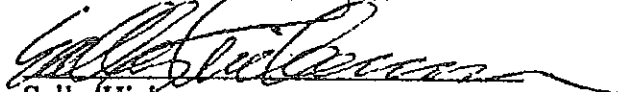
_____, Secretary
of Bear Creek Oaks Property
Owners Association, Inc.

BE IT FURTHER RESOLVED, that if said Articles and Bylaws shall be duly adopted (a) at such special meeting of the members of this Corporation and pursuant to the laws of the State of Texas and by at least two-thirds (2/3) of the total number of members present and entitled to vote at the meeting, then the President or any Vice-President and the Secretary of this Corporation be, and each of them hereby is, authorized to certify the fact of such adoption by the members of this Corporation of said Articles and Bylaws; and that, when said Articles and Bylaws shall have been so certified on behalf of this Corporation, the proper officers of this Corporation be, and they hereby are, authorized and directed to cause the Restated Articles of Incorporation to be presented to the Secretary of State of Texas, all in accordance with the laws of the State of Texas under the Texas Non-Profit Corporation Act, Art. 1396-4.06;


BE IT FURTHER RESOLVED, that the proper officers of this Corporation be, and they hereby are, authorized and directed to execute, in the name and on behalf of this Corporation and under its corporate seal or otherwise, and to deliver any and all agreements, certificates, applications or other instruments and to take from time to time any and all such other action necessary or desirable to carry out the purposes of the foregoing resolutions.


There being no further action to come before the Board, the meeting was adjourned.

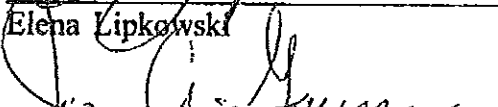
BOARD OF DIRECTORS:

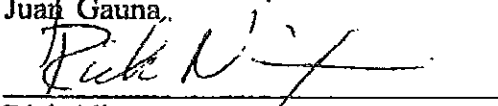

Sally Hickman

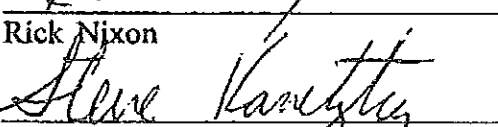
Chris Beggs



Erin Foster


Elena Lipkowski


Juan Gauna


Rick Nixon


Steve Kanetzky


Irene Wooten