

BY-LAWS
OF
FIVE OAKS PROPERTY OWNERS' ASSOCIATION

ARTICLE I
Name and Location

Section 1.01

The name of the corporation is Five Oaks Property Owners' Association, hereinafter referred to as the "Association". The principal office of the corporation shall be located at 5102 Five Oaks Drive, Spring, Texas 77389, but meetings of members and directors may be held at such places within the State of Texas, County of Harris, as may be designated by the Board of Directors.

ARTICLE II
Definitions

Section 2.01

"Association" shall mean and refer to Five Oaks Property Owners' Association, a Texas non-profit corporation, its successors and assigns.

Section 2.02

"Properties" shall mean and refer to that certain real property or properties described in the Declaration of Covenants, Conditions and Restrictions and any additional properties which may hereafter be brought within the jurisdictions of the Association.

Section 2.03

"Lot" shall mean and refer to any plot of land shown upon recorded map of the properties, with the exception of the common areas, if any.

Section 2.04

"Owner" shall mean and refer to the record owners, whether one or more persons or entities, of the fee simple title to and Lot, or the signatory (other than the Seller) to a Contract for Deed to any Lot, whether one or more persons, or entities, which is a part of the Properties subject to a maintenance charge assessment by the Association, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 2.05

"Directors" shall refer to those individuals elected to the Board of Directors by the membership of the Five Oaks Property Owners Association. The terms "Director" and "Officer", and their plurals, are fully synonymous and interchangeable within this document.

Section 2.06

"Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the properties recorded or to be recorded in the office of the County Clerk, Harris County, Texas, and any additions and supplements thereto.

Section 2.07

"Member" shall mean and refer to those persons entitled to membership as provided in the Declaration and Articles of Incorporation.

Section 2.08

"Common Areas" shall mean all real property, if any, owned by the Association for the common use and enjoyment of the owners.

ARTICLE III
Meeting of Members

Section 3.01 - Annual Meetings

The first annual meeting of the members shall be held on the second Tuesday in April at 7:30 p.m. at a meeting place determined by the Board of Directors, beginning within one year from the date of incorporation of the Association. Each subsequent regular annual meeting of the members shall be held on the same day of the same month of every year thereafter. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday. Notice of annual meetings shall not be required to be mailed to all members.

Section 3.02 - 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 one-quarter of the members who are entitled to vote.

Section 3.03 - Notice of Meetings

Written notice of each meeting of the members shall be given by, or at the direction of the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not less than fifteen (15) nor more than fifty (50) 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 the purpose of the meeting. Notice of annual meetings shall not be required unless meeting place of the annual meeting is changed, as referred to in Section 3.01 above.

Section 3.04 - Quorum

The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these

By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting, from time to time, without notice other than announcement at meeting, until a quorum as aforesaid shall be present or represented.

Section 3.05 - Members Entitled to Vote

In all matters relative to the operation of the Association, votes may be cast only by members of the Association in good standing. Each member household (or property owner) is entitled to one (1) vote; however, the vote of co-residents of the same household may be divided into one-half (1/2) votes, if so declared by the first co-resident to vote in any election.

Section 3.06 - Method of Voting

(a) For general membership meetings, except as specified in Section 3.06(b) all voting shall be by voice or show of hands, except that, upon determination of the presiding officer, the voting shall be by secret ballot.

(b) Voting for the election of Association directors shall be conducted by secret ballot.

(c) All general membership meetings shall require a quorum as set forth in Section 3.04. Except as specified in Section 11.02, a simple majority of votes shall determine the results. Failure of any candidate to achieve a majority of votes shall result in the candidate receiving the greatest number of votes being declared the winner.

(d) For any secret ballot vote, the President, or in his/her absence, the Vice President, shall appoint three (3) clerks to conduct the voting and validate and tally the results. The presiding clerk shall declare the results of all voting, and after such declaration, such clerk shall ask if anyone wishes to examine the ballots. Should there be no response, the presiding clerk shall order the ballots locked inside the ballot box, stored in the Association office and destroyed after thirty (30) days.

(e) At meetings of members each member may vote in person or 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. Proxies will not be used in meetings of the Board of Directors.

(f) For any regular or special meeting of the general membership, where a secret ballot is to be used, absentee ballots shall be provided all non-resident members and upon request, by resident members, by ordinary mail, at least fifteen (15) days in advance of such meeting. Completed absentee ballots shall be presented to the Secretary by the person or persons completing the ballot, or sent by regular mail. Absentee voting shall close upon the start of the meeting during which the secret ballot vote is to be taken. Failure of any person or persons to present their absentee ballot prior to the close of the absentee voting shall void and nullify the absentee vote. The absentee ballots shall not be opened or examined until the termination of balloting, at which time they shall be counted by the presiding clerk and included in the results.

Section 3.07-Record Date

The Board of Directors shall have the power to fix a record date for the determination of members entitled to notice of and to vote in any meeting of the membership.

Section 3.08-List of Members

The Treasurer shall prepare and have available at each membership meeting a list of members eligible to vote. The list shall be open to inspection by any member and shall serve as a registration list to be signed by each member voting in person at the election. The clerks shall note the receipt of absentee ballots on this list. This signed voter registration list shall be kept in a permanent election file, together with the clerks' tally results for each election.

Article IV
Board of Directors

Section 4.01-Board of Directors

The affairs of this Association shall be managed by a Board of five (5) Directors, who shall be members of the Association.

Section 4.02-Term of Office

The initial directors for the Association set forth in the Articles of Incorporation shall hold office until the first annual meeting. At said annual meeting, the members shall elect three (3) directors [President, Secretary and Treasurer] for a term of two (2) years, and two (2) directors [Vice-President and Parliamentarian] for a term of one (1) year. After the initial term of one year, Vice-President and Parliamentarian will be elected for a term of (2) years.

Section 4.03-Nomination

Nomination for election to the Board of Directors shall be made by Nomination Committee. Nominations may also be made from the floor at the annual meeting. The Nomination Committee shall consist of a Chairman, who shall be member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members.

Section 4.04-Election

Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies, may cast, in respect to each vacancy, as many votes as they are entitled to cast under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

Section 4.05-Removal

Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be elected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4.06-Compensation

No director shall receive compensation for any services he may render to the Association; provided, however any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 4.07-Liability of Directors (and Others)

A Director shall not be liable for his or her acts as such, if he or she is excused from liability under Section B, Section C, or Section D of Article 2.41 of the Texas Business Corporation Act., its successors or revisions thereof. Each Officer, Director, and/or Committee Member shall, in the discharge of any duty imposed, or power conferred upon him/her by the Association, be fully protected if, in the exercise of ordinary care, he/she shall act in good faith and in reliance upon the written opinion of an attorney for the Association, the books of account or reports made to the Association by any of its officials, or by an independent Certified Public Accountant, or by an Appraiser selected by the Board or by such Committee, or in reliance upon other records of the Association.

Section 4.08-Interest of Directors in Contracts

No contract or other transaction between the Association and one or more of its Directors, or between the Association and any firm of which a Director(s) has an interest, or between the Association and any Corporation or Association in which one or more of the Directors are shareholders, members, directors, officers or employees, or otherwise hold any interest, shall be voidable by reason of such interest in such other corporation, if (1) the fact of such interest shall be disclosed or made known to the Board of Directors, and the Board of Directors shall authorize, approve, or ratify such contract or transaction by a vote of a majority of the directors present (the interested Director to be counted in determining the presence of a quorum, but not to participate in calculating a majority present), or if (2) the fact of such interest shall be made known or disclosed to the members, and the membership by a majority vote shall authorize, approve or ratify such contract or transaction; nor shall any Director be liable to account to this Association for any profits realized by or from or through any such contractor transaction so authorized, approved, or ratified with disclosure of such interest. Nothing herein contained shall create a liability in the events described above or prevent the authorization, ratification or approval of such contracts or transactions in any other manner permitted by law. This Section shall not be construed to invalidate any contract or transaction which would otherwise be valid under the common or statutory law applicable thereto.

Section 4.09-Bonding of Directors

All officers must be jointly bonded to a limit that will ensure that no financial loss to the Association will occur. The Secretary will not affix the corporate seal to any document that would allow an officer to sign any monetary instrument, until that officer is bonded. All officers are to remain bonded until the bank(s) and other financial institutions have been properly notified in writing they are no longer authorized to sign monetary instruments on behalf of the Association. The bond shall be issued by a bonding company approved by the Board of Directors, and the cost of such bond shall be borne by the Association. A bond in the amount of TWENTY-FIVE THOUSAND (\$25,000.00) Dollars per officer shall satisfy the requirements of this Section.

ARTICLE V
Meetings of Directors

Section 5.01-Regular Meetings

Regular meetings of the Board of Directors shall be held annually without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 5.02-Special Meetings

Special meetings of the Board of Directors shall be held when called by the President of the Association or by any two (2) directors after not less than three (3) days notice to each director. Such notice may be waived at or prior to such meeting by unanimous consent of the board.

Section 5.03-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 5.04-Action Without a Meeting

Any action which may be required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken is signed by all the members of the Board of Directors. Such consent shall be placed in the minute book of the Association with the minutes of the Board of Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE VI
Powers and Duties of the Association

Section 6.01-Powers

The Association by and through its Board of Directors shall have the following rights and powers:

- (a) suspend the voting rights and right to the use of any facilities or services provided by the Association of a member during any period by the Association 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 (60) days for infraction of published rules and regulations;
- (b) exercise for the Association all powers, duties and authority vested in or delegated to this Incorporation or the Declaration;
- (c) declare the office of a member of the Board to be vacant in the event such board member shall be absent from three (3) consecutive meetings of the Board of Directors;
- (d) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties and the terms of employment of services;
- (e) to exercise such other rights and powers granted to it under the Declaration, the Articles of Incorporation, or these By-Laws.

Section 6.02 - Duties

It shall be the duty of the Association, by and through its Board of Directors, to:

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting, when such statement is requested in writing by one-fourth (1/4) of the membership who are entitled to vote, at least ten (10) days prior to the annual meeting or special meeting;
- (b) supervise all officers, agents, and employees of this Association, and to see that their duties are properly performed;
- (c) as more fully provided in the Declaration, to fix the amount of the annual assessment against properties subject to the jurisdiction of the Association and take such actions as it deems appropriate to collect such assessments and to enforce the liens given to secure payment thereof;
- (d) send written notice of each assessment to every Owner subject thereto at least (30) days in advance of each annual assessment period;
- (e) issue, or 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 that an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (f) procure and maintain such liability and hazard insurance as it may deem appropriate on any property or facilities owned or leased by the Association; and
- (g) cause any officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

ARTICLE VII
Officers and Their Duties

Section 7.01-Enumeration of Officers

The officers of this Association shall be a president, who shall at all times be a member of the Association; a vice-president; a secretary; a treasurer; and a Parliamentarian; and such other officers as the board may from time to time by resolution create.

Section 7.02-Election of Officers

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Section 7.03-Term

The term of office shall be as specified in Article IV, section 4.02.

Section 7.04-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 7.05-Authority to Sign Checks

The Board from time to time, may authorize any person or persons, who need not be officers or directors of the Association to sign checks of the Association. Such agents may be authorized to sign singly or jointly, as the Board in its discretion may decide. The Board may at any time rescind and revoke such authority granted to any person. Such authority may be given to a person or persons in conjunction with or in lieu of the authority of the treasurer to sign checks. In the absence of any appointments by the Board under this Section 7.05, the treasurer of the Association shall have sole authority to sign the Association's checks.

Section 7.06-Resignation and Removal

Any officer may be removed from office without cause by the Board. 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.

Section 7.07-Vacancies

A Vacancy in any 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.

Section 7.08-Multiple Officers

No person shall simultaneously hold both the offices of president and secretary. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of the other offices except in the case of special offices created pursuant to Section 7.04 of this Article.

Section 7.09-Duties

The duties of the officers of the Association are as follows:

- (a) The President of the association shall preside at all meetings of the Board of Directors of the Association; 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 promissory notes.
- (b) The Vice President shall act in the place and instead 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) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of 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) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; and keep accurate books and records of the fiscal affairs of the Association and make the same available for inspection by members of the Association during normal business hours.
- (e) The Parliamentarian shall become thoroughly familiar with the Articles of Incorporation and the Bylaws of this Association; the Declaration of Covenants, Conditions and Restrictions; and Robert's Rules of Order. latest Edition; and shall have a copy of each available at all meetings of the Association; shall be responsible for ensuring that any lack of action which would constitute a violation of any of the foregoing documents be immediately brought to the attention of the President and the Board of Directors; and shall perform such other duties as required by the Board.

ARTICLE VIII **Committees**

Section 8.01 - Nominating Committee

The Board of Directors shall appoint a Nominating Committee, as provided in the By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE IX
Books and Records

Section 9.01 - Availability

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE X
Assessments

Section 10.01-Annual Assessments

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessments are made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of twelve (12%) percent per annum, and the Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property, and interest costs, and reasonable attorney's fees of any action shall be added to the amount of such assessment. No one may waive or otherwise escape liability for the assessment provided for herein by non-use of the facilities or services provided by the Association or by abandonment of his Lot.

ARTICLE XI
Contracts, Checks, Drafts, Banks Accounts, etc.

Section 11.01-Contracts

The Board of Directors, except as in these By-Laws otherwise provided, may authorize any officer or officers, agent or agents, in the name of the Association, to enter into negotiations for any contract, and subject to approval by the Board of Directors, execute and deliver any instrument, and such authority may be general or confined to specific instances; and unless so approved and authorized by the Board of Directors or expressly authorized by the By-Laws, no officer or agent or employee shall have any power or authority to bind the Association by any contract or engagement, or to pledge its credit, or render it liable pecuniarily for any purpose, or to any amount. No such contract or expenditure may exceed TWO THOUSAND (\$2,000.00) DOLLARS without prior approval by a majority vote of the members at any membership meeting where a quorum is present.

Section 11.02-Loans

No loan shall be contracted on behalf of the Association, and no negotiable papers shall be issued in its name unless authorized by the vote of two-thirds (2/3) of the members at any meeting where a quorum is present.

Section 11.03-checks

All checks, drafts, and other orders for the payment of money out of the funds of the Association, and all notes or other evidences of indebtedness of the Association, shall from time to time be determined by resolution of the Board of Directors. Any expenditure over ONE HUNDRED FIFTY (\$150.00) Dollars, other than normal operating expenses, must be approved by a majority vote of the Board of Directors. Any check over the amount of ONE HUNDRED FIFTY (\$150.00) Dollars shall be signed by two (2) members of the Board.

Section 11.04-Making of Loan

No loans of any nature shall be made by the Association

ARTICLE XII
Corporate Seal

Section 12.01 - Seal

The Association shall have a seal in circular form having within its circumference the words "Five Oaks Property Owners Association" and within the center the word "Texas".

ARTICLE XIII
Amendments

Section 13.01-Amendments

The By-Laws may be amended at a regular or special meeting of the Board of Directors; however, such amendments shall not be considered to be in effect until approved or ratified by a two-thirds (2/3) majority vote of members in good standing present at any regular or special meeting of the membership where a quorum is present; provided that notice of intention to act upon such matter shall be given in the notice calling of such meeting.

Section 13.02-Conflict

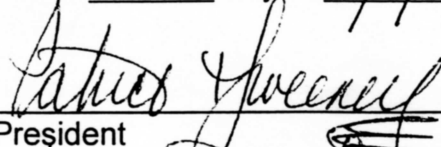
In case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control and in case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIV
Miscellaneous

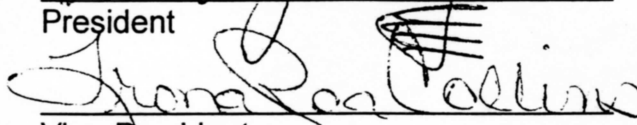
Section 14.01 - Fiscal Year

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first year shall begin on the date of incorporation.

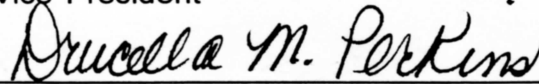
IN WITNESS WHEREOF, we, being all of the directors of Five Oaks Property Owners Association, have hereunto set our hands this 5th day of May 1995,



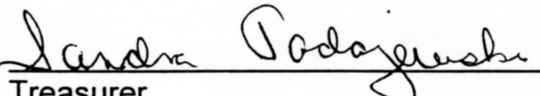
President



Vice President



Secretary



Treasurer



Parliamentarian