

**BYLAWS OF
CEDAR POINT PROPERTY OWNERS ASSOCIATION, INC.**

ARTICLE I.

Name, Location and Object

The name of the corporation is CEDAR POINT PROPERTY OWNERS ASSOCIATION, INC., hereinafter referred to as "Association." The Association is a non-profit corporation. The principal office of the corporation shall be located at 6401 Southwest Freeway, Houston, Texas 77074, but meetings of members and directors may be held at such place within the State of Texas, County of Harris, as may be designated from time to time by the Board of Directors.

The purpose for which this non-profit corporation is formed is to govern that property situated in Polk County, Texas, and further described in those Restrictions for Cedar Point Subdivision, Sections 1, 2, and 3, only as recorded in the Real Property records of Polk County, Texas under File and Film Code numbers 10096 and Volume 403, page 259 et seq., and to provide for maintenance, preservation and architectural control of the resident's lots and common area within that certain tract of property described in said Restrictions, and to promote the health, safety and welfare of the residents within the above described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association.

All of the definitions, terms, conditions, provisions and covenants which concern Cedar Point Subdivision as set out in the Restrictions, as further described above, and any amendment thereto or any supplemental Restrictions filed of record pursuant to the terms and provisions of the Restrictions for Cedar Point Subdivision, Sections 1, 2, and 3 described above, hereinafter referred to as "Restrictions" are incorporated herein by reference for all purposes as if set out verbatim.

The provisions of these Bylaws are applicable to Cedar Point Subdivision and the members thereof, and all present and future owners and their tenants, future tenants, employees, and any other person that might be entitled to use the community association properties or services of the community association in any manner, are subject to the provisions of these Bylaws, Restrictions and Articles of Incorporation of Cedar Point Property Owners Association.

ARTICLE II.

OFFICES

Principal Office

The principal office of the Association shall be located at 6401 Southwest Freeway, Houston, Texas 77074, or such other place as the Board of Directors may designate from time to time.

Registered Office and Registered Agent

The Association shall have and shall continuously maintain in the State of Texas a registered office, and a registered agent whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be, identical with the principal office of the corporation, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE III.

MEMBERSHIP, VOTING AND MAJORITY OF OWNERS

Membership

Any person or entity on becoming an owner of a lot as that term is defined in the Restrictions located in Cedar Point Subdivision, or in other additional property brought within the scheme of the Restrictions for Cedar Point Subdivision, Sections 1, 2, and 3 pursuant to the provisions and authority of said Restrictions, which is subject to a maintenance charge assessment by the Association, including contract purchasers, shall automatically become a member of this Association and subject to these Bylaws. Such membership shall terminate without any formal Association action whenever such person or entity ceases to own a lot, but such termination shall not relieve or release any such former owner from any liability or obligation incurred hereunder or in any way connected with Cedar Point Subdivision during the period of such ownership and membership in this Association, or impair any right or remedies which the Board of Directors of the Association or others may have against such former owner arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto. No certificates of stock shall be issued by the Association, but the Board of Directors, may, if it so elects, issue one membership card to the owner(s) of a lot. Such membership card shall be surrendered to the Secretary whenever ownership of the lot designated thereon shall terminate. The Association or the Board of Directors may, at its option, require that an owner submit satisfactory proof to the Secretary of the Association that such owner is in fact an owner of a lot. Such proof may include but is not limited to a copy of a duly executed and acknowledged Deed or Title Insurance Policy showing that such person or persons is in fact an owner of a lot located in Cedar Point Subdivision. No initiation fees, or costs shall be assessed against any person as a condition to exercise his rights as an owner of a lot located in Cedar Point Subdivision, except for the payment of such assessments, levies and charges as are specifically authorized under the Restrictions for Cedar Point Subdivision or by Bylaws of Cedar Point Property Owners Association, Inc.

Voting

The Association shall have two classes of voting membership:

Class A - Class A members shall be all those owners as defined in the preceding Article, with the exception of the Developer, and shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members, and the vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such lot.

Class B - The Class B member(s) shall be the Developer (as defined in the restrictions), and shall be entitled to three (3) votes for each lot in the subdivision which it owns. Provided, however, that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) When the total vote outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
- (b) On January 1, 1992.

Majority of Owners

As used in these Bylaws, the term "majority of owners" shall mean action taken by those owners holding fifty-one percent (51%) of the votes authorized to be voted and voted in accordance with the provisions of the foregoing Section, at any meeting in which a quorum as hereinafter defined is present.

ARTICLE IV.

ADMINISTRATION

Association Responsibilities

The owners of the lots of Cedar Point Subdivision will constitute the Association herein after referred to as "Association", who will have the responsibility of administering the property through the Board of Directors or the interim Board of Directors or their successors in accordance with the provisions of the Restrictions for Cedar Point Subdivision.

Place of Meetings

Meetings of the Association shall be held at such place as the Board of Directors may determine from time to time.

Annual Meetings

Annual meetings of the Association will be held on the second Saturday of May of each year at a time and place determined by the Board of Directors. At the first annual meeting and each meeting thereafter, the Association shall elect a Board of Directors in accordance with the Bylaws, and the owners may transact any other business of the Association as may properly come before them. The first annual meeting of the Association shall be held within six months after ninety percent (90%) of the lots within the subdivision have been transferred to parties other than the Developer or January 1, 1992, whichever occurs first. However, until such date, the affairs of the Association shall be managed and governed by the Interim Board of Directors named in the above described Restrictions or by their successors duly appointed by the Developer.

Special Meetings

It shall be the duty of the President to call a special meeting of the Association as directed by resolution of the Board of Directors or upon a petition signed by a majority of the owners and having been presented to the Secretary or by the President on the President's initiative. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of two-thirds (2/3) of the owners present, either in person or by proxy. Quorum requirements for the annual meetings shall apply to special meetings.

Notice of Meetings

It shall be the duty of the Secretary or other person authorized to call a meeting to hand deliver or mail or cause to be hand delivered or mailed a notice of each annual or special meeting to each member entitled to vote thereat, at least ten (10) days before such meeting, addressed to the members' last address 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. Notice shall not be given more than fifty (50) days prior to such meeting, and the mailing of a notice in the manner provided in this paragraph with postage prepaid, shall be considered notice served.

Quorum

Except as otherwise provided in these Bylaws, the presence in person or by proxy of members holding one-tenth (1/10) of the aggregate votes entitled to be cast shall constitute a quorum. Unless otherwise provided in the Restrictions or these Bylaws, when a quorum of owners is present at any meeting, a majority vote of the owners present, either in person or by proxy, shall be sufficient to either defeat or approve any proposed action. If a quorum is not present, the owners who are present, either in person or by proxy, may adjourn the meeting for not less than five (5) days, but not more than twenty (20) days. A notice of new meeting for the same purposes shall be sent by mail or hand delivered to each lot owner and when the meeting occurs according to the notice, the number of owners represented in person or by proxy shall be sufficient to constitute a quorum.

Proxies

Votes may be cast in person or by proxy. Proxies must be in writing, and filed with the Secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

Waiver of Notice

Waiver of notice of meeting of the member shall be deemed the equivalent of proper notice. Any member may, in writing, waive notice of any meeting of the members, either before or after such meeting. Attendance at a meeting by a member, whether in person or by proxy, shall be deemed waiver by such member of notice of the time, date, and place thereof, unless such member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting is raised before the business, of which proper notice was not given, is out to a vote.

Order of Business

The order of business at all meetings of the owners of lots shall be as follows:

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

Conduct of Meetings

The President shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting as well as a record of all transactions occurring thereat.

ARTICLE V.

BOARD OF DIRECTORS

A. COMPOSITION AND SELECTION

Governing Body, Number and Qualifications

The affairs of this Association shall be governed and managed by a Board of Directors composed of three (3) persons. A Director may be an individual or entity and need not be a member of the Association. The size of the Board of Directors may be decreased or increased from time to time by the amendment of these Bylaws.

Term of Office

At the first annual meeting of the Association, the members shall elect three (3) Directors for a term of one (1) year, and at each annual meeting of the Association thereafter, three (3) Directors shall be elected to serve and said Directors shall hold office for a term of one year or until their successors are elected and qualified. However, until the first annual meeting of the Association, the affairs of the Association shall be managed and governed by the Interim Board of Directors named in the above described Restrictions or their successors duly appointed by the Developer.

Vacancies

Vacancies on the Board of Directors caused 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. However, in the event there is a vacancy on the Interim Board of Directors for any reason, such vacancy shall be filled by the appointment of a successor by the Developer, Cedar Point Development Company.

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 the owners and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting. Interim Directors shall only be removed by the Developer.

Compensation

No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

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 all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Nomination of Directors

~~Nominations for election to the Board of Directors shall be made by a nominating committee. Nominations may also be made from the floor at the annual meeting. The nominating committee shall consist of a chairman, who shall be a 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 to 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 or non-members.~~ ★

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 exercise under the provision of the restrictions and Articles of Incorporation. Persons receiving the largest number of votes shall be elected.

B. MEETINGS

Organization and Regular Meeting

The first meeting of the newly elected Board of Directors shall be held within ten (10) days of their election at such place and time as shall be fixed by the Directors at the meeting at which the Directors were elected, and no notice shall be necessary to the newly elected Directors in order to legally constitute such meeting, providing a majority of the whole Board shall be present. Both the incumbent Directors and the newly elected Directors shall meet at the organization meeting and the books and records covering the preceding term shall be reviewed and turned over to the newly elected Directors. Thereafter the regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by the majority of the Directors but at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter and

such additional meetings which are necessary to discharge the duties and functions incumbent on the Board of Directors. Notice of the regular schedule shall constitute sufficient notice of such meetings. This provision shall not apply to the Interim Board of Directors who may meet at such times and places as they deem necessary.

Special Meetings

Special meetings of the Board of Directors may be called by the President or by the Secretary on written request of at least two (2) Directors, on three (3) days notice to each Director, given personally, or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

Waiver of Notice

Before or at 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.

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 the 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.

Fidelity Bonds

The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums of such bonds shall be paid by the Association.

Regular and Special Meetings

Regular and special meetings of the Board shall be open to all members of the Association; provided, however, that members of the Association who are not on the Board may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board. However, the Board may, with the approval of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss or vote on business of a confidential nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

Notice

Notice must be given to all Directors for any special meetings of the Board of Directors or any regular meetings of the Directors which are not called or notice pursuant to a regular schedule. Notice when given, shall be given to each Director personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting and such notice must contain the time and place for such meeting and in the case of a special meeting, the purpose of the meeting.

Conduct of Meeting

The President shall preside over all meetings of the Board of Directors and the Secretary shall keep a minute book of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meeting.

C. 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 a first-class subdivision. The Board of Directors may do all such acts and things as are not directed to be exercised and done by the members exclusively by these Bylaws, or the Articles of Incorporation or the Restrictions.

Other Powers and Duties

The Board of Directors and the interim Board of Directors shall be empowered and shall have the duties as follows:

(a) To administer and enforce the covenants, conditions, restrictions, uses, limitations, obligations, and all other provisions set forth in the Restrictions for Cedar Point Subdivision subject to the authority of the architectural control committee.

(b) To keep in good order, condition and repair all of the common properties and facilities of Cedar Point Subdivision, Sections 1, 2 and 3 only and all other personal property used in the enjoyment of the entire subdivision, and the lots and improvements thereon owned by members of the Association if the member fails to do so, and to utilize and expend maintenance assessments so as to promote the recreation, health, safety and welfare of the members and for the improvement and maintenance of the streets and common area.

(c) To procure and maintain liability and hazard insurance on property owned by the Association (common properties; common facilities), and pay the premiums therefor as common expenses. Blanket, master or comprehensive insurance policies are permissible. Further, such liability insurance must be general liability insurance covering all common properties and common facilities, public ways of the project and all commercial spaces owned by the Association. Hazard insurance shall cover loss or damage by fire or other perils normally covered by the standard extended coverage endorsement and all other perils which are customarily covered with respect to like projects in a similar locale, including all perils normally covered by the standard "all risk" endorsement, if it is available, in an amount equal to one hundred percent (100%) of the current replacement cost, exclusive of items normally excluded from coverage (e.g. land, foundation or excavation). Flood insurance shall be secured if the subject property is located in an area which has been identified by the Federal Emergency Management Agency as having special flood hazards. Cedar Point Subdivision may be named as the insured in any policies of insurance maintained by the Association and all members of the Association by accepting and recording a Deed to any lot or property located in the subdivision designates the Cedar Point Subdivision as his or its attorney-in-fact for the purpose of purchasing and maintaining such insurance policies, collection and disposition of the proceeds thereof, the negotiation of losses, the execution of releases of liability, the execution of all documents, and the performance of all other acts necessary to accomplish such purpose.

(d) The Board of Directors shall approve the bringing in within the scheme of this Declaration (Restrictions) additional properties in future stages of development of Cedar Point Subdivision. If the annexation of the additional properties is approved by the Federal Housing Administration and/or the Veteran's Administration.

(e) To declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive meetings of the Board of Directors.

(f) To supervise all officers, agents and employees of the Association and to see that their duties are properly performed.

(g) To issue or cause to be issued, upon demand by any person properly interested, 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.

(h) To formulate an annual budget to cover all gross annual expenses of the Association, and to fix, determine, and levy by resolution specifying such amount, the regular annual assessment against each lot at least thirty (30) days in advance of each annual assessment period in an amount adequate to cover gross expenses for the entire subdivision and to establish the due dates therefor in accordance with the Restrictions. The Board of Directors shall collect any and all assessments properly fixed, determined and levied and shall be empowered to establish such reasonable procedures for the payment and collection of said assessments, including but not limited to suspension of voting rights and the right to use the common facilities and common properties (except access to member's property) of a member during any period in which such member shall be in default in the payment of an assessment levied by the Board, establish a lien against a member's property to secure the payment of delinquent assessments by filing and recording a lien affidavit in the Real Property Records of Harris County, Texas, describing the owner, default and real property owned by the member, imposition of any necessary and reasonable charges incurred by reason of such non-payment (including but not limited to interest, costs, reasonable attorney's fees or other managerial or professional fees), file suit to collect unpaid delinquent assessments and/or foreclose the lien securing the payment of the delinquent assessments, together with interest, reasonable attorney's fees and costs, and do any and all other acts, including the imposition of a reasonable penalty which the Board from time to time deems appropriate and which is uniformly imposed. However, before suit may be filed the Board must mail or cause to be mailed written demand to the delinquent member demanding payment of a sum certain which the Board contends is owed. In the event that the payment of the full sum demanded is not received within fifteen (15) days from the mailing of the demand by the Board, suit may thereafter be initiated, and such sum certain contained in said demand letter by the Board shall be deemed to constitute an account stated unless the delinquent member responds in writing, received by the Board within fifteen days of the mailing of the Board's demand letter, specifically itemizing all charges, costs or assessments which the delinquent member contends are not just and true.

(i) To collect delinquent assessments by a suit or otherwise and to enjoin or seek damages from a lot owner or other person for violation of the Restrictions and/or these Bylaws.

(j) To protect and defend the property from loss and damage by suit or otherwise.

(k) To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the recorded Restrictions, Articles of Incorporation and these Bylaws, and to execute all such instruments evidencing such indebtedness as the Board of Directors may deem necessary. Such indebtedness shall be the several obligation of all of the owners in proportion to their ownership in Cedar Point Subdivision.

(l) To enter into contracts within the scope of their duties and powers.

(m) To establish a bank account for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Directors.

(n) To keep and maintain full and accurate books and records showing all the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by each of the lot owners, and to cause a complete audit of the books and accounts by a competent certified public accountant from time to time as the Board deems necessary and in accordance with the law.

(o) To prepare or approve annually a report of the financial activity of the association for the preceding year in accordance with generally accepted accounting standards showing all receipts, expenses or disbursements and which must include a statement of support, revenue, and expenses and changes in fund balances, a statement of functional expenses, and balance sheets for all funds which may be delivered to each lot owner or which shall be made available to each lot owner upon request.

(p) To designate and employ personnel necessary for the maintenance and operation of the common area and to employ accountants, bookkeepers, architects, attorneys and such other professionals which may be necessary from time to time in the opinion of the Board of Directors. The Board of Directors may appoint or employ for the Association a Managing Agent at a compensation to be established by the Board to perform such duties and services as the Board shall authorize, including but not limited to the powers and duties listed in the preceding paragraph.

(q) In general, to carry on the administration of the Association and to do any and all things, necessary and reasonable, in order to carry out the functions of Cedar Point Subdivision pursuant to the Restrictions.

ARTICLE VI.

OFFICERS

Designation

The officers of the Association shall be President, Vice-President, Secretary, Treasurer, and Assistant Secretary, all of whom shall be elected by the Board of Directors.

Election of Officers

The officers of the Association shall be elected annually by the Board of Directors and shall hold office at the pleasure of the Board and on such terms and conditions as the Board prescribes from time to time.

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 or her successor shall be elected by the Board at any regular meeting or special meeting of the Board called for such purpose.

President

The President shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and of the Board of Directors. He or she shall have all of the general powers and duties which are usually vested in the office of President of the Association, including but not limited to the power to appoint committees from among the owners from time to time as he or she may decide is appropriate to assist in the conduct of the affairs of the Association, sign as President all deeds, contracts or other instruments in writing which have been first approved by the Board, unless the Board, by duly adopted resolution, has authorized a signature of a lesser officer. The President may be a member of the Board of Directors.

Vice President

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

Secretary

The Secretary shall keep all the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association; he or she shall have charge of such books and papers as the Board of Directors may direct; and he or she shall, in general, perform all the duties incident to the office of Secretary. 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 the regular business hours. The Secretary shall also keep the seal of the Association, and affix it on all papers requiring said seal; and the Secretary shall serve such notices of meetings of the Board of Directors and meetings of the Association as required either by law or by these Bylaws.

Assistant Secretary

The Assistant Secretary shall perform all duties of the Secretary and shall have such powers and authorities of the Secretary, in absence of the Secretary, or in his or her inability for any reason to exercise such powers or functions or to perform such duties.

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 or she shall be responsible for the deposit of all monies or 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. The Treasurer shall also disburse and withdraw said funds as the Board of Directors may from time to time direct, and in accordance with prescribed procedures.

Resignation

Any officer may resign at any time giving written notice to the Board, 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.

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.

Multiple Offices

The offices of Secretary and Treasurer may be held by the same person. A person may simultaneously hold more than one of any of the other offices except no person shall hold simultaneously the office of Secretary and President.

ARTICLE VII.

INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Association shall indemnify every Director, officer, and managing agent, their heirs, executors and administrators, and successors against all losses, costs and expense, including attorney's fees, reasonably incurred in connection with any action, suit or proceeding to which he or she may be made a party by reason of his or her being or having been a manager, officer or Director of the Association, except as to matters as to which he or she shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In such event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his or her duty as such manager, Director or officer in relation to the matter involved. All liability, loss, damage, costs 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 Common Maintenance Expenses.

ARTICLE VIII.
OBLIGATIONS OF THE OWNERS

Assessments

All owners shall be obligated to pay annual maintenance assessments fixed by the Board of Directors and imposed pursuant to the provisions of the Restrictions and the Bylaws to meet the common expenses. A member shall be deemed to be in good standing and entitled to vote at any annual or at any special meeting of members, within the meaning of these Bylaws, if and only if he or she shall have fully paid all assessments made or levied against him or her and the lot or lots owned by him or her.

Maintenance or Repair

Every member must perform promptly at his or her own expense all maintenance and repair work as required by the Restrictions for Cedar Point Subdivision and that owner shall be obligated to reimburse the Association promptly upon receipt of a statement for any expenditures incurred by the Association in repairing or replacing any common area damaged by his or her negligence or by the negligence of his or her tenants or agents, or the owner's failure to maintain those items of which the owner is responsible for maintenance.

General

Each member shall strictly comply with the provisions of the Restrictions for Cedar Point Subdivision the Articles of Incorporation and these Bylaws and the Amendments and supplements thereto. Each owner shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which Cedar Point Subdivision was established, and each lot owner, his family, tenants, future tenants or any other persons who might use the common area or the facilities of Cedar Point Subdivision, shall promptly and completely comply with each and every rule and regulation promulgated by the Board of Directors, and such rules and regulations shall have the authority and effect of the provisions of these Bylaws as if set out verbatim herein.

Use of Common Areas

Each lot owner, his family, tenants, future tenants and any other person who uses the facilities or common area must do so in accordance with the purposes for which they were intended without hindering or encroaching upon the lawful rights of other lot owners, their families, guests or tenants.

Mechanic's Lien

Each owner agrees to indemnify and to hold each of the other owners and the Association harmless from any and all claims of mechanic's lien filed against other lots and the appurtenant general common elements for labor, materials, services or other products incorporated in the owner's unit.

Use of Lots - Changes

All lots shall be utilized for single family residential and/or single camping purposes only. An owner shall not make structural modifications or alterations to his lot or improvements located thereon in violation of the Restrictions without previously obtaining approval from the Architectural Control Committee.

Right of Entry

An owner shall grant the right of entry to the Developer, Managing Agent or to any other person authorized by the Board of Directors in case of any emergency originating in or threatening his unit, whether the owner is present at the time or not, and whenever entry is necessary for any proper purpose.

ARTICLE IX.

AMENDMENTS OF BYLAWS

These Bylaws may be amended by a majority vote of the members.

ARTICLE X.

MORTGAGES

Notice To Association

An owner who mortgages his lot shall notify the Association through the Managing Agent, President or Board of Directors, giving the name and address of his mortgagee. The Association may maintain such information in a book entitled "Mortgages of Lot Owners."

Notice of Unpaid Assessments

The Association at the request of a mortgagee of a lot shall report any unpaid assessments due from the owner of such lot.

ARTICLE XI.

COMPLIANCE

If any of these Bylaws conflict with the provisions any statute of the State of Texas or federal statute, or the provisions of the Restrictions or Articles of Incorporation, it is hereby agreed and accepted that the provisions of the statutes, Restrictions and Articles of Incorporation will apply, but to the maximum extent possible, these Bylaws will be construed to be in compliance with the statutes, Restrictions and Articles of Incorporation, and the invalidity of any section, or paragraph herein will not effect the validity of the remaining portions hereof.

ARTICLE XII.

NON-PROFIT ASSOCIATION

This Association is not organized for profit. No member, member of the Board of Directors or person from whom the Association may receive any property or fund shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation hereof, 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 or officers; provided, however, always (1) that reasonable compensation may be paid to any member 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 of the Board of Directors 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 XIII.

REINSTATEMENT OF CLASS B MEMBERSHIP

In the event that the Class B membership shall cease and be converted to Class A membership because the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, but thereafter Additional Properties are brought within the jurisdiction of the Association as provided in the Restrictions and the total votes outstanding in the Class B membership (calculated on the basis utilized prior to the conversion and including the Properties and any Additional Properties) again exceeds Class A membership, then, the Class B membership will be reinstated with each Class B member entitled to three (3) votes for each lot owned in Properties and Additional Properties for so long as the total votes outstanding in the Class A membership are less than the total votes outstanding in the Class B membership, but in no event after January 1, 1992.

ARTICLE XIV.

COMMITTEES

At any annual or special meeting of the Association held after January 1, 1992, the members may vote on a resolution for the purpose of transferring all the powers and duties theretofore vested in the Architectural Control Committee to the Board of Directors. If such resolution passes, thereafter the Board of Directors may exercise such powers and duties or may create an Architectural Control Committee and appoint three (3) members thereto and delegate the powers to such committee which were transferred to the Board. The members shall serve at the convenience of the Board and shall comply with any and all procedures and policies established by the Board from time to time which are not inconsistent with the Restrictions.

In addition, the Board of Directors may create such other and different committees from time to time which the Board deems advisable and shall appoint members thereto.

ARTICLE XV.

BOOKS AND RECORDS

The books, records and papers of the Association including the Restrictions, Articles of Incorporation and Bylaws, shall at all times, during reasonable business hours, be subject to inspection by any member at the registered or principal office of the Association, where copies may be purchased at a reasonable cost determined by the Board or its agents.

ARTICLE XVI.

ABATEMENT AND ENJOINMENT OF VIOLATIONS BY OWNERS

The violation of any rule or regulations promulgated by the Board of Directors, or the breach of any Bylaw, or the breach of any provision of the Restrictions of Cedar Point Subdivision shall give the Board of Directors or the Managing Agent, the right, in addition to any other rights set forth therein, (a) to enter the unit or 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 or Managing Agent shall not be deemed guilty in any manner of trespass, and to expel, remove and put out same, using such force as may be necessary in so doing, without being liable to prosecution or in damages therefor; and (b) to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands and seals at Houston, Texas, on this the 20 day of June, 1983.

BOARD OF DIRECTORS:

F. Norman Ankerman
F. NORMAN ANKERMAN

J. Rawson
JIM RAWSON

Barbara McDaniel
BARBARA MCDANIEL

ATTEST:

Barbara McDaniel
Secretary

[SEAL]