

BYLAWS

ARTICLE I

NAME

Section 1. The name of this organization shall be the CALLENDER LAKE PROPERTY OWNERS IMPROVEMENT ASSOCIATION, Charter No. 273846 registered in Van Zandt and Henderson County, Texas Court House.

Section 2. The principal office of the organization will be in care of Mr. Joseph L. Pritchett, Rt. 1, Box 116 C-1, Murchison, Texas 75778.

ARTICLE II

PURPOSE

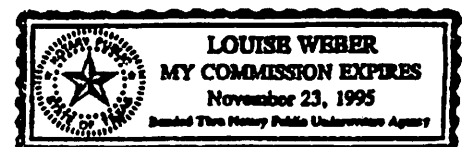
Section 1. This organization shall be non-profit, non-sectarian and non-political.

Section 2. The Association shall be the representative of the property owners in sections and subsequent sections in assisting in the preservation of property values and at the same time assuring to every purchaser of lands that the appearance, sanitation and permissive activities shall be controlled and safeguarded; and such Association shall have the following powers and functions (but not by way of limitation):

- a. Collect and expend, in the interest of the subdivision, the Maintenance Fund created in the contracts of sale and general warranty deeds;
- b. Enforce the applicable restrictive covenants by appropriate proceedings, but without having the sole obligation with respect to the enforcement of such restrictions;
- c. Enforce any lien imposed on any lot or any part of the subdivision by reason of failure to pay the maintenance charges into the Maintenance Fund, as provided in the contracts of sale and general warranty deeds;
- d. Perform any other things necessary or desirable, in the opinion of the Association, to keep the property neat and in good order, or which it considers to be of general benefit to the owners and occupants of the subdivision, it being understood that the judgment of said Association in the expenditure of such funds shall be final so long as action is exercised in good faith.

Section 3. Funds arising from the Maintenance Fund charge shall be applied, so far as sufficient, toward the payment of expenses incurred in the maintenance and operation of community improvements, civic betterments, and other related matters, including those described in Section 2 above.

Section 4. As those areas shown on the Plats of Callender Lake recorded in Vol. 624, P. 139, Plat Records Van Zandt County, Texas, are developed and a charge levied on the lots therein, as herein set forth, then the Maintenance Fund composed of charges collected from the several owners of the property after sale from the developer, shall be expended for the purpose above set forth in all such sections.

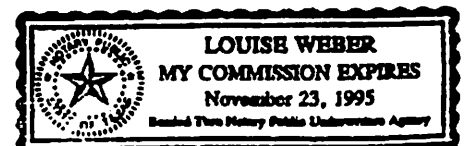


- Section 5. Such maintenance charge shall extend for a period of fifteen years, and shall be extended automatically for successive periods of ten years unless the owners of a majority of the lots paying such charge vote to discontinue such charge, such action to be evidenced by written instruments signed and acknowledged by the owners of a majority of such lots and recorded in the deed records of Van Zandt County, Texas.
- Section 6. The property to be sold by the developers shall be subject to an annual maintenance charge to be payable at the rate of \$10.00 per year, for the purpose of creating a fund to be used by the Association and to be paid by the owners of other lots in said addition, effective when such lots are sold by the developer, the same to be secured by a Vendor's Lien upon said lots, and payable annually to Callender Lake Property Owners Improvement Association at its office in Van Zandt County, Texas, or at such other address as may be fixed. Such annual charge or dues may be adjusted from year to year by said Association as the need to the property may, in its judgement, require but in no event shall such charge be raised unless approved by a majority vote of the lot owners responding.
- Section 7. Invalidation of one or more of these provisions and covenants by judgement or court order or otherwise, shall in no wise affect any other covenant, restriction, or condition affecting said subdivision or subdivisions, but all of such other covenants, restrictions or conditions shall continue and remain in full force and effect.

ARTICLE III

MEMBERSHIP

- Section 1. The Association shall have one class of membership for all property owners with one (1) vote per property owner, regardless of No. of lots owned.
- Section 2. A permanent registry of members shall be maintained and kept current by the Secretary.
- Section 3. There shall be an Annual Meeting of the membership held on the second Saturday in each September at 3 o'clock p.m. C.D.S.T. beginning on September 9, 1972.
- Section 4. A notice of the Annual Meeting shall be mailed to each member of record on August 15, of each year, along with a proxy setting forth the business to be conducted at Said Meeting including the slate of Directors recommended by the Nominating Committee.
- a. There shall be provided in the proxy the following:
1. Space for name of person designated by member to vote in his stead.
 2. Slate of Directors recommended by Nominating Committee.
 3. Resolutions and any other known business to be brought before the meeting.
 4. Space will be provided to the side of each recommendation so that member may express his vote.



5. A quorum shall be a majority of the Membership either present or represented by proxy.
6. A Special Meeting of the Membership may be called by the majority of the Board of Directors by mailing notices to all members of record at the time of notice. Said notice must state the time, place, and purpose of the special meeting.

ARTICLE IV

DUES

- Section 1. Each lot in Callender Lake shall be subject to an annual maintenance charge, payable at the rate of Ten and no/100 dollars (\$10.00) per year for the purpose of creating a fund to be known as "Maintenance Fund" to be made by Callender Lake Property Owners Improvement Association, and to be paid by the owners of the lot, the same to be secured by a Vendor's Lien upon said lot, and payable on the first day of January of each year to Callender Lake Property Owners Improvement Association, at its office in Van Zandt County, Texas, or at such other address as may be fixed.

ARTICLE V

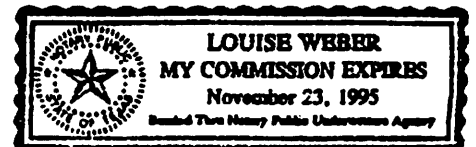
GOVERNMENT

- Section 1. The Board of Directors shall consist of nine (9) members. The officers shall be elected by the Board of Directors from its membership.
- Section 2. The initial Board of Directors will be elected as follows: three (3) members to serve three (3) years, three (3) members to serve two (2) years and three (3) members to serve one (1) year.

ARTICLE VI

ELECTIONS

- Section 1. A Nominating Committee of not less than five (5) members shall submit to the membership in writing, at the annual meeting, the names of candidates for election to the Board of Directors.
- a. Each person nominated shall be identified by the Nominee as to his qualifications and ability to perform the duties of the office.
- Section 2. Additional nominations for vacancies shall be accepted from the floor at the annual meeting for balloting.
- a. Each person nominated shall be identified by the Nominee as to his qualifications and ability to perform the duties of the office.

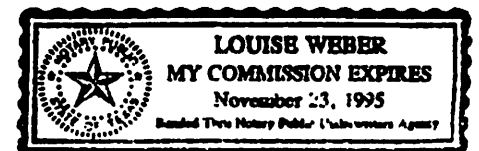


- Section 3. The annual election of Directors shall be held at the annual meeting of the general membership on the property at Callender Lake. the 2nd. Saturday in each September at 3 p.m.
- Section 4. Vacancies on the Board of Directors shall be filled by the remaining members of the Board, to serve the unexpired term.
- Section 5. The Board of Directors shall hold its annual Meeting immediately after the adjournment of the Annual Meeting of the Membership.
- Section 6. The officers for the ensuing year shall be elected by the Board of Directors at their Annual Meeting.
- Section 7. The unexpired term of any officer of the Association shall be filled by the remaining members of the Board of Directors.
- Section 8. The replacement of any officer of the Callender Lake Property Owners Improvement Association requires the affirmative vote of two-thirds of the Board of Directors.
- Section 9. A Special Meeting of the Board of Directors may be called by any member of the Board provided that due notice of ten days is given by the Secretary or a Waiver of Notice of the time, place, and purpose is duly executed by all of the members of the Board of Directors.
- Section 10. A majority of the Board of Directors shall constitute a quorum.

ARTICLE VII

DUTIES OF OFFICERS

- Section 1. The officers shall be a President, a Vice-President, a Secretary and a Treasurer.
- Section 2. The officers shall be chosen by majority vote of the Directors. All officers shall hold office during the pleasure of the Board of Directors.
- Section 3. The President shall preside at all meetings of the Board of Directors, see that orders and resolutions of the Board of Directors are carried out and sign all notes, checks, leases, mortgages, deeds and all other written instruments.
- Section 4. The Vice-President shall perform all the duties of the President in his absence.
- Section 5. The Secretary shall be ex officio to the secretary of the Board of Directors, shall record the votes and keep the minutes of all proceedings in a book to be kept for the purpose. He shall sign all certificates of membership, keep the records of the Association and record in a book, kept for that purpose, the names of all members of the Association together with their addresses as registered by such members.
(Article III, Sec. 2.)

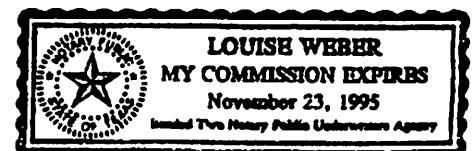


- Section 6. The Treasurer shall receive and deposit in an appropriate bank account all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors, provided however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board. The Treasurer shall co-sign all checks and notes with the President or the Vice-President.
- Section 7. The Treasurer shall keep proper books of account and cause an audit of the Association books to be made by the Auditing Committee, semi-annually. He shall prepare an annual budget and an annual balance sheet statement which shall be presented to the membership at its regular annual meetings.

ARTICLE VIII

COMMITTEES

- Section 1. The Standing Committees of the Association shall be:
 The Nominations Committee
 The Recreation Committee
 The Maintenance Committee
 The Architectural Control Committee
 The Publicity Committee
 The Audit Committee
 The Security and Fire Committee
 The Fish and Wildlife Committee
 The Sanitation and Pollution Committee
- Section 2. Unless otherwise provided herein, each committee shall consist of a Chairman and two or more members and shall include a member of the Board of Directors for Board contact. The Committees shall be appointed by the Board of Directors prior to each annual meeting to serve from the close of the next annual meeting and such appointment shall be announced at each such annual meeting. The Board of Directors may appoint such other committees as it deems necessary.
- Section 3. The Nominations Committee shall have the duties and functions described in Article VI, Section 1.
- Section 4. The Recreation Committee shall advise the Board of Directors on all matters pertaining to the recreational program and activities of the Association and shall perform such other functions as the Board, in its discretion, determines.
- Section 5. The Maintenance Committee shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Common Properties and Facilities of the Association, and shall perform such other functions as the Board, in its discretion, determines.
- Section 6. The Architectural Control Committee shall have the duties and functions described in Callender Lake Rules & Regulations Book sections 6, 7 & 8 under the Article "Restrictions". Declaration of Covenants and Restrictions applicable to the Properties. It shall watch for any proposals,



programs, or activities which may adversely affect the residential value of the Properties and shall advise the Board of Directors regarding necessary Association action on such matters.

- Section 7. The Publicity Committee shall inform the members of all activities and functions of the Association and shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interests of the Association.
- Section 8. The Audit Committee shall supervise the semi-annual audit of the Association's books and approve the annual budget and balance sheet statement to be presented to the membership at its regular annual meeting as provided in Article VI, Section 3.
- Section 9. The Security and Fire Committee shall endeavor to see to the overall protection of the Property. This will include the guard at the entrance and to seek the reductions of fire hazards.
- Section 10. The Fish and Wildlife Committee shall have the responsibility of seeing that the lake and fishing piers are kept in good order. This will include periodic checks to see that proper balance of Marine life is maintained and see that inspections of the piers are made and any necessary repairs performed. This will also include the elimination of fishing hazards such as obstacles placed in the lake and the disposal of undesirable vegetation.
- Section 11. The Sanitation and Pollution Committee shall work with the Property Owners and builders to see that specifications as set forth in Art. VIII, Sec. 6 and described in Callender Lake Rules and Regulations Book under the Article "Restrictions" are complied with. However, it is recognized that the above will be set aside where minimum State and Federal regulations are not met.
- Section 12. It shall be the duty of each committee to receive complaints from members on any matter involving Association functions, duties, and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

ARTICLE IX

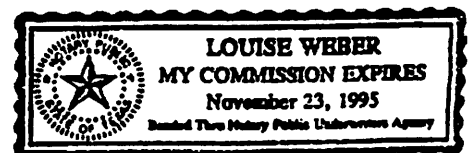
RULES OF ORDER

- Section 1. Robert's Rules of Order Revised shall govern the proceedings of all meetings of the organization and its constituent parts except as provided in these Bylaws.

ARTICLE X

MISCELLANEOUS

- Section 1. Contracts: The Board of Directors may authorize any office or officers, agent or agents of the Corporation to enter into contract or execute and deliver any instrument in the name of and on behalf of the Corporation and such authorization as may be general or confined to specific instances;



and, unless so authorized by the Board of Directors or by these Bylaws no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement, or to pledge its credit or to render it liable pecuniarily for any purpose or to any amount.

Section 2. Checks, Drafts, etc: All checks, drafts or other orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the Corporation shall be signed by such officers or employees of the Corporation as shall from time to time be authorized pursuant to these Bylaws or by resolution of the Board of Directors.

Section 3. Depositories: All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies of other depositories as the Board of Directors may from time to time designate upon such terms and conditions as shall be fixed by the Board of Directors. The Board of Directors may from time to time authorize the opening and keeping with any such depository as it may designate of general and special bank accounts and make such special rules and regulations with respect thereto, not inconsistent with the provisions of these Bylaws, as it may deem expedient.

ARTICLE XI

Section 1. The Bylaws may be amended by two-thirds (2/3) vote of the membership.

CERTIFICATION:

These Bylaws are the only set officially recognized by the Callender Lake Property Owners Improvement Association Board of Directors. These Bylaws are officially certified by action and signatures of the Board of Directors as follows:

Wm. C. McClintock
Wm. C. McClintock, President

Ray Walker
Ray Walker, Vice-President

Bob Sullivan
Bob Sullivan, Treasurer

Donna Patterson
Donna Patterson, Secretary

Sue Regian
Sue Regian, Director

Ann Harbour
Ann Harbour, Director

Bill Covington
Bill Covington, Director

Levon Paul
Levon Paul, Director

John Peveto
John Peveto, Director

STATE OF TEXAS)
COUNTY OF VAN ZANDT)

I, Louise Weber, a Notary Public in and for the State and County named above, hereby certify that on the 11th day of December, 1994 personally appeared the above named Directors and having been duly sworn, each of them signed the above certification in my presence and in the presence of each other, freely and voluntarily, and for the purposes described therein.

(seal)

My Commission expires: 11-23-95

