BY-LAWS
OF
EL DORADO HOMEOWNERS ASSOCIATION, INC.
ARTICLE 1

Preamble

Sec. 1 - Name

This association shall be known as El Dorado Homeowners Association (HOA). HOA is a non-profit corporation organized and existing under the laws of the State of Texas.

Sec. 2 - Purposes

The purposes of HOA are:

(a) To form an Association for the better welfare of the owners and occupants of El Dorado Development on Lake Cypress Springs.
(b) To accept title to certain common properties and facilities.
(c) To encourage compliance with the restrictive covenants covering said lands and to take legal steps, when necessary to enforce said restrictions.
(d) To collect and administer assessments in accordance with the Covenants and Restrictions, and for the general operation of the association and such other purposes as the majority of the membership shall direct.

Sec. 3 - Definitions

(a) "Properties" shall mean and refer to those certain real properties within the County of Franklin, State of Texas, more particularly described as follows, to-wit:

El Dorado Subdivision
Volume D, Page 150
Plat Records, Franklin County, Texas

El Dorado Bay Subdivision
Volume D, Page 154
Plat Records, Franklin County, Texas

El Dorado Beach Subdivision
Volume D, Page 152
Plat Records, Franklin County, Texas

(b) "Owner" shall mean and refer to the person or persons occupying a lot in the subdivision development under any form of tenancy, or lease or sublease; or so occupying and owning a leasehold interest; whether one or more persons or entities, to any lot or portion of a lot on which there is or will be built a detached single family dwelling, including contract lessor, but excluding those having such interest merely as security for the performance of an obligation.
(c) "Lot" shall mean and refer to that portion of any of the plots of land shown upon the plat and subdivision map recorded in Volume 113, at pages 360, 347 and 375 of the Deed Records of Franklin County, Texas, on which there is or will be built a single family dwelling, cluster units or other such usage as defined in the Covenants and Restrictions.
(d) "Declarants" shall mean and refer to Theodore C. Burgdorf as the Successor Developer, of the signatories to the Covenants and Restrictions and to those already leasing property, to their successors and assigns if any such person (including individual, whether one or more, firm or corporation) shall acquire more than one undeveloped lot for the purpose of development.
(e) "Covenants and Restrictions" shall mean and refer to that document entitled EL DORADO DECLARATION OP COVENANTS, CONDITIONS, RESERVATIONS AND RESTRICTIONS

recorded as #1330, in Volume 156, page 24 of the Deed Records of Franklin County, Texas and shall become a part of these By-Laws.

Sec. 4 - Administrative

(a) The books, records, and all other papers of the HOA shall at all times, during reasonable business hours, be subject to the inspection by any member.
(b) HOA shall have no corporate seal.
(c) The fiscal year of HOA shall coincide with the calendar year.

ARTICLE 11

Membership

Sec. 1 - Defined

The members of HOA shall be:
(1) All persons who are owners of record of any lot in said property, provided, that no person or corporation taking title as security for the payment of money or the performance of any obligation shall thereby become entitled to membership. Any person who is not an owner of record of any such lot site shall be eligible for membership in accordance with such requirements and procedures as may hereafter be set by a majority vote of the members.

(b) Membership of HOA shall be automatic for all owners of record. Any person residing on the premises and who is not the record owner thereof shall be entitled to the use and benefits of membership, but shall not have any right to vote or to participate in the business affairs of the Association unless he/she does so under written proxy of the record owner of such lot.

Sec. 2 - Conditions

(a) Membership in HOA shall lapse automatically and terminate when such member shall cease to be the owner of record of any lot.
(b) No certificate of stock shall be delivered to any member at any time.

Sec. 3 - Enforcement

Each member of HOA, by participating in HOA activities, agrees that should action be brought against him/her in any court of competent jurisdiction to effect collection of any assessment or charge in default, or to enforce any covenants or conditions of membership that he/she will pay a reasonable attorney's fee, legal interest and costs. Provided, however, that such member shall be first given written notice of such default and 20 days to cure same.

In addition, each member shall have the right to contest said allegation (s) of default by responding in writing thereto within said 15 days and requesting a hearing before a quorum of the membership to be held within 30 days of his/her request. The President of HOA shall immediately cause notice of the time, place and purpose of said hearing to be given to all members. The President shall preside over said hearing. If the allegations{s) against said member(s) is/are sustained in whole or in part by a majority vote of those present, then said member(s) shall have 15 days to cure said default or suit may thereafter be instituted.

ARTICLE 111

Voting Rights

Sec. 1 **- Rules**

In all matter which shall come before the members of this Association, the voting power of the members shall be according to the following rules:

(a) Except as provided in (c) and (d) of this section, the owner(s) of each lot shall have one vote. Husband and wife are entitled to 1/2 vote each or may vote as one.

(b) Neighboring owners sharing interest in a common lot separating their respective lots shall be entitled to utilize the one vote for the said lot as agreed by them or, in the absence of an agreement, to one/half vote each.
When a lot is owned of record in common ownership, joint tenancy or tenancy in common, the several owners or purchasers of said lot shall collectively be entitled to one vote therefor.
Following the subdivision or clustering of those certain lots defined in the Covenants and Restrictions, the owner of each subdivided lot or, if a structure is of a condominium type, then the representative of each owner of each condominium unit shall be entitled to one vote each.

(d) In the event a member has been determined to be delinquent in the payment of any assessments, or charged in default of any covenant or restrictions, as provided in Article 11, Sec. 3, HOA has the right to suspend the member from voting privileges until such assessment is paid or default cured.

(e) A majority of votes present at any duly called meeting, provided a quorum is present, shall be controlling on all matters except where stated otherwise in these By-Laws.

(f) All proxies shall be in writing, and filed with the Secretary prior to any meeting.

(g) All officers of HOA shall be entitled to cast their respective votes on all matters brought up for a vote at any business meeting of HOA.

Sec_._2 - Quorum

The presence in person or by proxy of members representing one-half (1/2) votes shall constitutes a quorum for the transaction of business. In the absence of a quorum, any meeting of the members may be adjourned from time to time by a vote of a majority of the votes present, but no other business may be transacted. Members present at any duly called or held meeting at which a quorum is present in person or by proxy may continue to do business notwithstanding the withdrawal of enough members to leave less than a quorum.

Sec_._3 - Amendments

By-Laws may be adopted, amended or replaced by the vote of seventy-five (75%) percent of all votes of the membership present at a meeting duly called for such purpose, provided notice of the proposed amendment(s) is submitted with notice of meeting, or by written approval of 75% of all votes of the membership filed with the Association, excerpt those By-Laws governed by the Covenants and Restrictions. Such By-Laws as governed by the Covenants and Restrictions shall be amended or replaced only as stipulated in the Covenants and Restrictions.

ARTICLE IV

Meeting of Members

Sec. 1 - Annual Meeting

The regular annual meeting of the members shall be held on the 1 st Saturday of November in each year, at the hour of 2:00 PM**.** If the day of the annual meeting of the members shall fall upon a holiday, the meeting shall be held the next succeeding Saturday which is not a holiday.

Sec. 2 - Special Meetings

Special meetings of the members for any purpose may be called at any time by two or more Officer/Directors, or upon written request of the members who have the right to vote at least 51 % of all of the votes of the entire membership.

Sec. 3 - Notices

Notices to the members of annual and special meetings shall be given in writing 20 days prior thereto by the Secretary, Notice may be given to the members either personally, or by sending a copy of the notice postage paid through the mail to his address appearing on the books of the Association. Each member shall register his address and any change thereof with the Secretary and notices of meetings shall be mailed to him at such address. Notice of each annual or special meeting of the members shall specify the place, date, time and the general nature of the business to be transacted.

Sec 4 - Waiver

The transactions at any meeting of the members, however called or noticed, shall be as valid as though done at a meeting duly held after regular call and notice with a quorum present, if either before or after the meeting each member entitled to vote not present signs a written waiver of notice, or gives written consent to the holding of such meeting, or gives written approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the association records and made a part of the minutes of the meeting.

Sec. 5 - Rules

Roberts Rules of Order shall be observed at all meetings where not inconsistent with these By-Laws.

ARTICLE V

Officers

Sec. 1 - Defined

The Officers of the Association shall be a President, a Vice President, a Secretary, a Treasurer and the Chairman of the Architectural Control Committee, and such other officers as the membership shall direct. The President, Vice President and Secretary of the Association shall also act as its Board of Directors.

Sec. 2 - Election

(a) The Officers of the Association shall be chosen every two years by a majority of all votes of the membership present at its annual meeting. Each officer shall hold office for two years unless he/she shall sooner resign or shall be removed or otherwise disqualified to serve.
(b) A vacancy in any office because of death, resignation, removal, disqualification, or other causes shall be filled in the manner prescribed in the By-Laws for regular appointment to such office. Any vacancy filled shall be for the unexpired term of the officer replaced.
(c) Any officer may be removed from office at any time with or without cause by a vote of *51%* percent of ail votes of the membership present at a meeting specifically called for this purpose or at any annual meeting, or by written approval of the membership filed with Association records.

Sec. 3 - President

(a) If at any time the President shall be unable to act, the Vice President shall take his/her place and perform his/her duties. If the Vice President, for any reason, shall be unable to act, the Secretary shall take his/her place.
(b). The President, or the highest ranking officer present,
1. Shall preside over all meetings of the members and of the Board of Directors.
2. Shall sign as the designated representative of HOA,
all deeds, contracts and other instruments in writing which have been first approved in accordance with these By-Laws.
3. Shall call the Directors together whenever he/she deems it necessary and shall have, subject to the advice of the Board of Directors, general supervision, direction and control of the business affairs of the Association and generally shall discharge such other duties as may be required of him/her by the membership

Sec . _4_-_Vice President.

(a) All duties and powers conferred by law or by these By-Laws upon the President, in his/her absence, inability, or refusal to act, shall be performed by the Vice President.

Sec . 5 - Secretary

(a) It shall be the duty of the Secretary:
1. To keep a record of all meetings and proceedings of the Members and the Board of Directors-
2. To Keep proper books.
3. To serve notices of meetings of the Board of Directors and the Members as required by either the law or by the By-Laws of HOA.
4. To keep appropriate records showing the members of this Association together with their addresses as furnished him/her by such members and/or the Developer.

Sec. 6 - Treasurer

(a) It shall be the duty of the Treasurer:
1. To receive and deposit in such bank or banks as the Board of Directors may, from time to time direct, all of the funds of the Association, which funds shall be withdrawn by such officer or officers as the Board of Directors shall, from time to time, designate.
2. To maintain a roster of the lots and assessments applicable thereto, which shall be maintained and shall be open to inspection by an Owner. Written notice of the initial assessment and of any subsequent changes therein shall be forthwith sent to every Owner subject thereto,
3. Upon demand at any time, to furnish to any owner
liable for said assessment a certificate in writing signed by an Officer of the Association, setting forth whether said assessment has been paid, A reasonable charge may be made by the HOA for the issuance of such certificate and such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.
4. On or before April 15th of each year, prepare a
statement of receipts and application of funds for the preceding calendar year.
5. The Treasurer may also hold office as Secretary if so elected.

Sec. 7 Chairman of the Architectural Control Committee (ACC)

(a) It shall be the duty of the Chairman of the ACC :

1 . To receive Plans and Specifications of proposed construction from members of HOA who are planning to build.

2. To call meetings of ACC for the purpose of approving such Plans & Specs.

3. To provide the Secretary of HOA with minutes of such meetings.

ARTICLE VI

Architectural Control Committee

Sec. 1 - Appointment

Declarants and HOA shall designate and appoint an Architectural Control Committee consisting of not less than five qualified persons, which shall always include the Successor Developer or his designee, which Committee shall serve at the pleasure of the HOA.

Sec. 2 - Purpose

To direct and control the external styling, design, harmony and location of any and all construction within the development in order to insure that such construction shall be compatible with the rustic, chalet-type, wooded setting of El Dorado Subdivisions, and to uphold the Covenants and Restrictions.

Sec ._ 3 - Authority

The decisions of this Committee shall be binding in accordance with the Covenants and Restrictions.

Sec. 4 - Meetings

Meetings of the Architectural Control Committee may be called at any time, place or date, by the Developer or Chairman when Plans and Specifications for proposed construction have been received. Such meetings may be called by telephone, personally or letter. Minutes of such meetings are to be furnished the Secretary of HOA for inclusion in the records of the Association.

Sec. 5 - Quorum

The Architectural Control Committee may either approve or reject all Plans and Specifications with a majority of four (4) members voting in agreement.

Sec. 6 - Time Limit to Act

In the event that any plans and specifications are submitted to the Committee in accordance with the Covenants and Restrictions, and the Committee shall fail to approve or reject the plans and specifications within twenty (20) days, approval by the Committee shall not be required, and the Successor Developer shall be deemed to be and shall function as the Architectural Control Committee to grant approval.

ARTICLE VII

Directors

Sec. 1 - Defined

The President, Vice-president and Secretary of HOA shall serve as its Directors.

Sec. 2 - Authority

The Directors shall have the authority.

(a) To conduct, manage and control the affairs and
business of HOA, and to make rules and regulations not inconsistent with the Laws of the State of Texas, these By-Laws or Deed Covenants and Restrictions of record, for the guidance of the officers and management of the affairs of HOA.
(b) To establish, levy, assess and collect the charges or assessments referred to in these By-Laws.
(c) To supervise all officers, agents, and employees of HOA and to see that their duties are properly performed.

Sec. _3 _-_Meetings

(a) The annual meeting of the Board of Directors shall be held on the same day of each year immediately after the annual meeting of the members.
(b) Special meeting of the Board of Directors shall be held when called by two or more Directors.
(c) The transactions of any meetings of the Board of Directors, however called and noticed, or wherever held, shall be as valid as though done at a meeting duly held after regular call and notice with a quorum present, if either before or after the meeting any Director not present signs a written waiver of notice, given written consent to the holding of such meeting, or gives written approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the Association records and made a part of the minutes of the meeting. (d) Every act, or decision, done or made by a majority of the Directors shall be regarded as the act of the Board of Directors.

ARTICLE VIII

Dues And Assessments

Sec. 1 - Defined

Theodore C. Burgdorf, as the Successor Developer, hereby covenants and agrees; and each and every present Owner covenants and agrees; and each and every future Owner, by the acceptance of a lease on a lot or lots in the said development, shall be deemed to covenant and agree (whether or not it shall be so expressed in any such lease or other conveyance) ; to pay monthly assessments or charges as set out in the Covenants and Restrictions

Sec. 2 - Purpose of Assessments

To reimburse the developer in whole or in part, as the case may be, for his expenses incurred in maintaining the roads, common areas, street lights and other expenses incurred for the benefit of the residents until such time as 75% of all the lots in the entire developments have been sold or subleased and HOA assumes full responsibility as set out in the Covenants and Restrictions .

Sec. 3 - Basis and Change in Monthly Assessments

(a) Monthly maintenance assessments shall begin with the first day of the month following execution of the Surface Lease or Contract for Surface Lease, and the initial monthly assessment shall be $10.00 per lot or the prevailing amount in conformity with the Consumer Price Index as set out in the next paragraph.
(b) From and after January 1, 1981, the monthly assessment shall be increased or decreased, effective January 1 of each year, in conformance with the rise or fall, if any, of the Consumer

Price Index (published by the Depart, of Labor, Washington, D.C.) for the preceding month of July.
(c) Following the assumption by HOA of the responsibility and the cost of maintenance in the development, there may be an additional increase or decrease of the monthly assessments if approved by at least two-thirds *(2/3}* of the votes cast at a meeting of HOA called for the purpose of considering such increase or decrease.

Sec. 4 - Due Date of Assessments

The monthly assessments provided for herein shall become automatically due and payable on the 1st day of each month after commencement date herein above set out.

Sec. 5 Collection of Monthly Assessments

Until such time as HOA assumes responsibility for the maintenance in the development, it will act as the agent for the developer in the collection of the monthly assessments. Payments are to be made and directed to the Treasurer of HOA who will remit all such collections, monthly in full, to the developer.
Sec. 6 - Effect of Non-Payment of Assessment

(a) Delinquent assessments shall bear interest at the highest lawful rate, and together with cost of collection, shall forthwith become a continuing lien on the property in accordance with the provisions of the Covenants and Restrictions governing such effect on non-payment.
(b) HOA has the right to suspend a member from voting privileges until such assessments are paid.

ARTICLE IX

Priorities

Sec. 1 - Rules pf Franklin County Water District

All rules of Franklin County Water District (or its successor) shall prevail. As owners of the land and original Lessors, their rules and regulations shall be enforced as if they were a part of these By-Laws.

ARTICLE X

Miscellaneous

Sec. 1 - Control of Common Property

At such time as Theodore C. Burgdorf dedicates the common areas as set out in the Covenants and Restrictions to the home owners, the Homeowners Association shall have full control of such areas to maintain for the benefit of all Owners and their quest.

Sec. 2 - Fire and Casualties

The members agree that he/she shall keep all buildings and improvements which shall be erected on the lot, insured in some reliable insurance company for the value of the buildings and improvements to be located thereon. In the event of fire, or any other casualty of the buildings or improvements located on the lot, the member agrees that he/she shall commence rebuilding the damaged or destroyed buildings and improvements within 120 days from the date of the casualty, or shall remove the remainder of the buildings and improvements to foundation level, within 120 days.

Sec. 3 - Effect of By-Laws

(a) These By-Laws and the Covenants and Restrictions set out in the plat referred to herein, are hereby all deemed to be covenants running with the land, and which shall be enforceable by the members and shall be binding upon all parties claiming under them, unless an instrument signed by seventy-five (75%) percent of all votes of membership has been recorded, agreeing to change the covenants and restrictions and/or these By-Laws in whole or in part.

(b) In addition to, and without limitation of rights or remedies provided for or referred to herein, any member shall have the right to proceed at law or in equity against any party, person or member violating or attempting to violate any provision of these By-Laws or Covenants and Restrictions as provided for in the plats referred to herein, either to obtain injunctive relief and/or to recover damages. Should any By-Law or Covenant and Restriction be held invalid by any final Order or Judgment by a court of competent jurisdiction, such in no way effect the validity of any of the other provisions hereof, or of the Covenants and Restrictions referred to herein which shall remain in full force and effect.

(c) These By-Laws shall be binding upon the heirs, executors, administrators, successors and assigns of the members herein.

(d) In the event there is any litigation arising out of these By-Laws or Covenants and Restrictions described in the plats referred to herein, jurisdiction shall lie in Franklin County, Texas.

Adopted as the initial By-Laws of El Dorado Homeowner's Association Inc. by its Board of Directors, this 2nd day of May, 1981.