

RECEIVED
IN THE OFFICE OF THE
Secretary of State of Texas

ARTICLES OF INCORPORATION

NOV 16 1999

OF

WILDWOOD SHORES PROPERTY OWNERS ASSOCIATION, INC.

(A Non-Profit Corporation)

ARTICLE ONE

The name of the Corporation is Wildwood Shores Property Owners Association, Inc.

ARTICLE TWO

The Corporation is a non-profit corporation.

ARTICLE THREE

The period of duration is perpetual.

ARTICLE FOUR

The Corporation is organized exclusively for the organization of a property owners' association.

ARTICLE FIVE

The street address of its initial Registered Office, and the name of its initial Registered Agent at this address, is as follows:

Jim W. Fuller, Sr.
3604 West Davis Street
Conroe, TX 77304

ARTICLE SIX

The number of initial Directors is three. The names and addresses of the initial directors are:

Jim W. Fuller, Sr.
3604 West Davis Street
Conroe, TX 77304

Jim W. Fuller, Jr.
3604 West Davis Street
Conroe, TX 77304

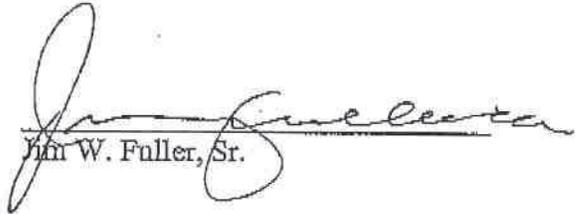
Carl D. Bridges, Jr.
105 Estates Drive
Conroe, TX 77304

ARTICLE SEVEN

The name and address of the Incorporator is:

Jim W. Fuller, Sr.
3604 West Davis Street
Conroe, TX 77304
(409) 756-5522

IN WITNESS WHEREOF: I have hereunto set my hand this 4th day of November, 1999.


Jim W. Fuller, Sr.

**BYLAWS
OF
WILDWOOD SHORES PROPERTY OWNERS ASSOCIATION, INC.**

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is Wildwood Shores Property Owners Association, Inc., hereinafter referred to as the "Association". The principal office of the Association shall be located in Walker County, Texas, but meetings of members and directors may be held at such places within the State of Texas, County of Walker, as may be designated by the Board of Directors.

**ARTICLE II
DEFINITIONS**

Unless the context otherwise specifies or requires, the following words and phrases when used in these Bylaws shall have the meanings hereinafter specified:

Section 2.01. Articles. "Articles" shall mean the Articles of Incorporation of Wildwood Shores Property Owners Association, Inc., filed in the office of the Secretary of State of the State of Texas, as the same may from time to time be amended.

Section 2.02. Assessment. "Assessment" or "Assessments" shall mean assessment(s) levied by the Association under the terms and provisions of the Declaration.

Section 2.03. Association. "Association" shall mean and refer to Wildwood Shores Property Owners, Inc.

Section 2.04. Association Property. "Association Property" shall mean all real or personal property now or hereafter owned by the Association, including, without limitation, all easement estates, licenses, leasehold estates and other interests of any kind in and to real or personal property which are now or hereafter owned or held by the Association.

Section 2.05. Association Restrictions. "Association Restrictions" shall mean the Declaration as the same may be amended from time to time, together with the Articles, Bylaws, and Association Rules from time to time in effect.

Section 2.06. Association Rules. "Association Rules" shall mean the rules and regulations adopted by the Board pursuant to the Declaration, as the same may be amended from time to time.

Section 2.07. Board. "Board" shall mean the Board of Directors of the Association.

Section 2.08. Bylaws. "Bylaws" shall mean the Bylaws of the Association which may be adopted by the Board and as from time to time amended.

Section 2.09. Declarant. "Declarant" shall mean Dunrich Holding Company, L.P., a Texas limited partnership, and its duly authorized representatives or their successors or assigns; provided that any assignment of the rights of Declarant must be expressly set forth in writing and the mere conveyance of a portion of the Property without written assignment of the rights of Declarant shall not be sufficient to constitute an assignment of the rights of Declarant hereunder.

Section 2.10. Declaration. "Declaration" shall mean (i) that certain Declaration of Covenants, Conditions and Restrictions for Wildwood Shores, Section I, recorded in Volume 395, Page 776, Official Public Records of Walker County, Texas, as amended and re-recorded on October 15, 1999, in Volume 402, Page 593, Official Public Records of Walker County, Texas, (ii) that certain Declaration of Covenants, Conditions and Restrictions for Wildwood Shores, Section II, recorded in Volume 426, Page 129, Official Public Records of Walker County, Texas, (iii) that certain Declaration of Covenants, Conditions and Restrictions for Wildwood Shores, Section III, recorded in Volume 484, Page 499, Official Public Records of Walker County, Texas, and (iv) that certain Declaration of Covenants, Conditions and Restrictions for Wildwood Shores, Section IV, recorded in Volume 521, Page 539, Official Public Records of Walker County, Texas, as the same may be amended from time to time.

Section 2.11. Manager. "Manager" shall mean the person, firm, or corporation, if any, employed by the Association pursuant to the Declaration and delegated the duties, powers, or functions of the Association.

Section 2.12. Member. "Member" or "Members" shall mean any person(s), entity or entities holding membership privileges in the Association as provided in the Declaration.

Section 2.13. Mortgage. "Mortgage" or "Mortgages" shall mean any mortgage(s) or deed(s) of trust covering any portion of the Property given to secure the payment of a debt.

Section 2.14. Mortgagee. "Mortgagee" or "Mortgagees" shall mean the holder or holders of any lien or liens upon any portion of the Property.

Section 2.15. Owner. "Owner" or "Owners" shall mean the person(s), entity or entities, including Declarant, holding a fee simple interest in any Lot or Unit, but shall not include the Mortgagee of a Mortgage.

Section 2.16. Property. "Property" shall mean and refer to that tract or parcel of land situated in Walker County, Texas which is more fully described in the Declaration.

ARTICLE III MEETING OF MEMBERS

Section 3.01. Annual Meetings. The first annual meeting of the Members shall be called by the Board of Directors and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter unless a different date is selected by the Board of Directors. If the day for the annual meeting of the Members is a Saturday, Sunday, or legal holiday, the meeting will be held on the first day following which is not a Saturday, Sunday, or legal holiday.

Section 3.02. Special Meetings. Special meetings of the Members may be called at any time by the President or by a majority vote of the Board of Directors, or upon written request of the Members who are entitled to vote fifty-one percent (51%) or more of the votes of the Association.

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, at least ten (10) and no more than fifty (50) days before such meeting to each Member entitled to vote at the meeting, 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, in the case of a special meeting, the purpose of the meeting.

Section 3.04. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, twenty-five percent (25%) of the total votes of the membership shall constitute a quorum for any action, except as otherwise provided in the Articles, the Declaration, or these Bylaws. If, however, such quorum is not present or represented at any meeting, the Members entitled to vote at the meeting shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented.

Section 3.05. Proxies. At all meetings of Members, each Member may vote in person or by 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 such Member's Lot.

ARTICLE IV BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 4.01. Number. The affairs of this Association shall be managed by a Board of five (5) Directors.

Section 4.02. Term of Office. At the first annual meeting of Members held after the date these Bylaws are approved by the Board, the Members shall elect five (5) Directors for a term of one (1) year.

Section 4.03. 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 selected by the remaining members of the Board and shall serve until the next annual meeting of the Members.

Section 4.04. 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.

Section 4.05. 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.

ARTICLE V NOMINATION AND ELECTION OF DIRECTORS; VOTING

Section 5.01. Nomination. Nominations for election to the Board may be made from the floor at the annual meeting.

Section 5.02. Voting. Each Owner shall only be entitled to cast the number of votes such Owner is entitled to exercise in accordance with the terms and provisions of the Declaration. In the event one of several Owners of a Lot is present at a meeting of Members, the Owner present at such meeting shall be entitled to cast the votes allocated to such Lot. If more than one of the Owners is present, the votes allocated to such Lot may be cast only in accordance with the agreement of a majority in interest of the Owners of such Lot. An agreement of a majority in interest of such Owners shall be deemed to exist if any one of the Owners casts the votes allocated to such Lot without prompt protest being made by the remaining Owners of such Lot to the person presiding over the meeting.

Section 5.03. Right to Vote. At any meeting of Members, every Owner having a right to vote shall be entitled to vote in person, by mail (absentee ballot) or by a person, who need not be an Owner, designated by such Owner to act as a proxy on such Owner's behalf.

Section 5.04. Proxies. All proxies shall be in writing and shall be filed with the Secretary (or such other person designated by the Board) prior to the call to order of the meeting in which such proxy shall be utilized. Each proxy shall only be valid for such meeting or subsequent adjourned meetings thereof. A record of each proxy (noting the identity of the Member granting the proxy and the holder of the proxy) remitted to the Secretary (or such other person designated by the Board) shall be made in the minutes of the meeting.

Section 5.05. Absentee Ballot. All absentee ballots shall be in writing and shall be filed with the Secretary (or such other person designated by the Board) by 5:00 p.m., C.S.T., at least five (5) days prior to the date of the meeting at which the same are to be used. Such absentee ballots shall be valid only for such meeting or subsequent adjourned meeting thereof. A record of such absentee ballots (noting the identity of the Member) shall be made in the minutes of the meeting.

Section 5.06. Voting Regulations. The Board of Directors may make such regulations, consistent with the terms of the Declaration, the Certificate of Incorporation, these Bylaws and the Texas Non-Profit Corporation Act, as it deems advisable for any meeting of the Owners in regard to proof of membership in the Association, evidence of right to vote, the appointment and duties of inspectors of election, registration of Owners for voting purposes, the establishment of representative voting procedures and such other matters concerning the conduct of meetings and voting as it shall deemed appropriate.

Section 5.07. List of Owners. A list of Owners, as of a request date, certified by the corporate officer responsible for its preparation, shall be produced at any meeting of Members upon the request of any Owner. If the right to vote at any meeting is challenged, the inspectors of election, or person presiding over such meeting, shall produce the list of Owners to be produced as evidence of the right of the persons challenged to vote at such meeting. All persons who appear from such list to be Owners entitled to vote, may vote at the meeting.

Section 5.08. Majority Vote. All actions by the Members shall be taken by majority of votes of the Owners present at a meeting at which a quorum is present, voting in person, by mail (absentee ballot), or by proxy, except where a higher percentage vote, or other vote, is required by the Declaration, these Bylaws or by law. The term "majority of votes of the Owners" shall mean those Owners having fifty-one percent (51%) or more of the total votes cast in person, by mail (absentee ballot) or by proxy and voting at any meeting of Members.

Section 5.09. Inspectors of Election. The Board of Directors, in advance of any meeting of Members to which a vote of Members is to occur, may appoint two (2) or more persons, who need not be Owners, to act as inspectors of the election held at such meeting or any adjournment thereof. If inspectors of the election are not so appointed prior to the meeting, the person presiding at such meeting may appoint two (2) or more inspectors of the election. In case any person appointed fails to appear or act as an inspector of the election, the vacancy may be filled in advance of the meeting by the Board of Directors or at any meeting by the person presiding at such meeting. The inspectors of election shall: (i) determine the Owners entitled to vote at the meeting; (ii) determine the existence of a quorum and the validity and effect of proxies; (iii) receive ballots or determine votes or proxies; (iv) hear and determine any challenges or questions arising in connection with any Owner's right to vote; (v) count and tabulate all votes, absentee ballots or consents and determine the result thereof; and (vi) do such other acts as may be proper to conduct an election or vote with fairness to all Owners.

ARTICLE VI MEETINGS OF DIRECTORS

Section 6.01. Regular Meetings. Regular meetings of the Board shall be held annually or such other frequency as determined by the Board, without notice, at such place and hour as may be fixed from time to time by resolution of the Board.

Section 6.02. Special Meetings. Special meetings of the Board shall be held when called by the President of the Association, or by any three Directors, after not less than three (3) days' notice to each Director.

Section 6.03. 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 of Directors.

Section 6.04. Form of Meetings. A meeting of the Board may be held by any method of communication, including electronic and telephonic, provided that a notice of the meeting has been given in accordance with the Bylaws, and the Board may take any action by unanimous written consent of all directors, without a meeting.

ARTICLE VII POWERS AND DUTIES OF THE BOARD

The Board shall have power and duty to undertake any of the actions which may be undertaken by a non-profit corporation in accordance with the Texas Non-Profit Corporation Act.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 8.01. Enumeration of Offices. The officers of the Association shall be a President and a Vice-President, who shall at all times be members of the Board, a Secretary and a Treasurer, and such other officers as the Board may from time to time create by resolution.

Section 8.02. Election of Officers. The election of officers shall take place at the first meeting of the Board following each annual meeting of the Members.

Section 8.03. Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he resigns sooner, or shall be removed or otherwise disqualified to serve.

Section 8.04. 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 8.05. Resignation and Removal. Any officer may be removed from office with or 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 8.06. Vacancies. A vacancy in any office may be filled through appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 8.07. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 8.04.

Section 8.08. Duties. The duties of the officers are as follows:

- (a) **President.** The President shall preside at all meetings of the Board; 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 checks and promissory notes.
- (b) **Vice President.** The Vice President, if any, shall generally assist the President and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated to him by the President or the Board.
- (c) **Secretary.** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; 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) **Assistant Secretaries.** Each Assistant Secretary shall generally assist the Secretary and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated to him or her by the Secretary, the President, the Board or any committee established by the Board.
- (e) **Treasurer.** 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; shall sign all checks and promissory notes of the Association; keep proper books of account in appropriate form such that they could be audited by a public accountant, whenever ordered by the Board or the membership; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular meeting, and deliver a copy of each to the Members.

ARTICLE IX

OTHER COMMITTEES OF THE BOARD OF DIRECTORS

The Board may, by resolution adopted by affirmative vote of a majority of the number of Directors fixed by these Bylaws, designate two or more Directors (with such alternates, if any, as may be deemed desirable) to constitute another committee or committees for any purpose; provided, that any such other committee or committees shall have and may exercise only the power of recommending action to the Board of Directors and of carrying out and implementing any instructions or any policies, plans, programs and rules theretofore approved, authorized and adopted by the Board.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Association Restrictions shall be available for

inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association Assessments which are secured by a continuing lien upon the property against which the Assessments are made. Assessments shall be due and payable in accordance with the Declaration.

ARTICLE XII CORPORATE SEAL

The Association may, but shall have no obligation to, have a seal in a form adopted by the Board.

ARTICLE XIII AMENDMENTS

Section 13.01. These Bylaws may be amended by a majority of the Board.

Section 13.02. In the case of any conflict between the Articles and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XIV INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Association shall indemnify every Director and Officer of the Association against, and reimburse and advance to every Director and Officer for, all liabilities, costs and expenses incurred in connection with such directorship or office and any actions taken or omitted in such capacity to the greatest extent permitted under the Texas Non-Profit Corporation Act and all other applicable laws at the time of such indemnification, reimbursement or advance payment; provided, however, no Director or Officer shall be indemnified for: (a) a breach of duty of loyalty to the Association or its Members; (b) an act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law; (c) a transaction from which such Director or Officer received an improper benefit, whether or not the benefit resulted from an action taken within the scope of directorship or office; or (d) an act or omission for which the liability of such Director or Officer is expressly provided for by statute.

ARTICLE XV MISCELLANEOUS

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 fiscal year shall begin on the date of incorporation.