

BYLAWS
OF
EL CAMPO BEACH PROPERTY OWNERS' ASSOCIATION, INC.

ARTICLE 1

DEFINITIONS

Subdivision Defined

1.01. "Subdivision" shall mean all of that certain real property located in the County of Calhoun, State of Texas, including the land, all improvements and structures thereon, and all easements, rights, and appurtenances thereto, more particularly described in the Restrictive Covenant Agreement below described.

Agreement Defined

1.02. "Agreement" shall mean that certain Restrictive Covenant Agreement applicable to the Subdivision and filed in the Office of the County Clerk for Calhoun, State of Texas, on July 24, 1987, in the Deed Records, Volume 7, page 114, as the same may be amended from time to time in accordance with the terms hereof.

Other Terms Defined

1.03. Other terms used herein shall have the meaning given them in the Agreement and are hereby incorporated by reference and made a part hereof.

ARTICLE 2

APPLICABILITY OF BYLAWS

Corporation

2.01. The provisions contained herein constitute the Bylaws of the non-profit corporation known as El Campo Beach Property Owners' Association, Inc. and hereinafter referred to as the "Association".

Subdivision Applicability

2.02. The provisions of these Bylaws are applicable to the Subdivision as defined in Paragraph 1.01, above.

Personal Application

2.03. All present or future owners, their family, or their employees, or any other person that might use the facilities of the Subdivision in any manner, are subject to the regulations, set forth in these Bylaws.

ARTICLE 3

OFFICES

Principal Office

3.01. The principal office of the Association shall be located in the City of El Campo, County of Wharton, State of Texas.

Registered Office and Registered Agent

3.02. 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 4

QUALIFICATIONS FOR MEMBERSHIP

Membership

4.01. The membership of the Association shall consist of the owners of the property in the Subdivision.

ARTICLE 5
VOTING RIGHTS

Voting

5.01. Voting shall be on a per lot basis. The owner of each lot, as the term is defined in the Agreement, is entitled to one vote. If a lot has more than one owner, the aggregate vote of the owners of the lot shall be one vote. If the mineral estate has been severed from the surface estate, the mineral owners shall only be entitled to vote on those matters directly affecting the mineral estate. If the issue being voted on involves the mineral estate, only the mineral owners shall vote, on a one vote per lot basis. If the issue involves the surface, only the surface owners shall vote. Members who own both surface and mineral interests shall always be entitled to vote.

Proxies

5.02. At all meetings of the Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Association. Every proxy shall be revocable and shall automatically cease on conveyance by the Member of his ownership interest, or on receipt of notice of the Secretary of the death or judicially declared incompetence of such Member. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise specifically provided in the proxy.

Quorum

5.03. The presence, either in person or by proxy, at any meeting, of Members entitled to cast at least thirty-three (33%) percent of the total voting power of the Association shall constitute a quorum for any action, except as otherwise provided in the Governing Instruments. In the absence of a quorum at a meeting of Members, a majority of those Members present in person or by proxy may adjourn the meeting

to a time not less than five (5) days nor more than thirty (30) days from the meeting date.

Required Vote

5.04. The vote of the majority of the votes entitled to be cast by the Members present, or represented by proxy, at a meeting at which a quorum is present shall be the act of the meeting of Members, unless the vote of a greater number is required by statute or by the Governing Instruments.

ARTICLE 6

MEETING OF MEMBERS

Special Meetings

6.01. Regular meetings of the Members shall be held annually on or near the 4th of July, at a time and date set by the President or the Board of Directors. Special meeting of the Members may be called by the President, the Board of Directors, or by Members representing at least ten (10) percent of the total voting power of the Association.

Place

6.02. Meetings of the Members shall be held within the Subdivision or at a meeting place as close thereto as possible as the Board may specify in writing.

Notice of Meeting

6.03. Written notice of all Members' meetings shall be given by or at the direction of the Secretary of the Association (or other persons authorized to call the meeting) by mailing or personally delivering a copy of such notice at least ten (10) but not more than fifty (50) days before such meeting to each Member entitled to vote at such 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 nature of the business to be undertaken.

Order of Business

6.04. The order of business at all meetings of the Members shall be as follows:

- (a) Roll call;
- (b) Proof of notice of meetings 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

Action Without Meeting

6.05. Any action required by law to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members and filed with the Secretary of the Association.

ARTICLE 7

BOARD OF DIRECTORS

Number

7.01. The affairs of the Association shall be managed by a Board of Directors consisting of three (3) persons, all of whom must be Members of the Association.

Term

7.02. At the first meeting of the Association, the Members shall elect the initial Directors who shall hold office until the first annual election of Directors by the Members. Thereafter, Directors shall be elected at the annual meeting of the Members and shall hold office for a term of one (1) year and until their successors are elected and qualified.

Removal

7.03. Directors may be removed from office without cause by a majority vote of the Members of the Association.

Vacancies

7.04. In the event of a vacancy on the Board caused by the death, resignation, or removal of a Director, the remaining Directors shall, by majority vote, elect a successor who shall serve for the unexpired term of his predecessor.

Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting or at a special meeting of Members called for that purpose.

Compensation

7.05. With the prior approval of a majority of the voting power of the Association residing in the Members, a Director may receive compensation in a reasonable amount for services rendered to the Association. A Director may be reimbursed by the Board for actual expenses incurred by him in the performance of his duties.

Power and Duties

7.06. The Board shall have the powers and duties, and shall be subject to limitations on such power and duties, as enumerated in the Governing Instrument of the Subdivision.

ARTICLE 8

NOMINATION AND ELECTION OF DIRECTORS

Nomination

8.01. Nomination for election to the Board of Directors shall be made from the floor at the annual meeting of the Members.

Election

8.02. Directors are elected at the annual meeting of Members of the Association.

Members, or their proxies, may cast, in respect to each vacant directorship, as many votes as they are entitled to exercise under the provisions of the Declaration. The nominees receiving the highest number of votes shall be elected.

ARTICLE 9

MEETINGS OF DIRECTORS

Regular Meetings

9.01. Regular meetings of the Board of Directors shall be held quarterly at such place within the Subdivision, and at such time as may be fixed from time to time by reason of the Board.

Special Meetings

9.02. Special meetings of the Board of Directors shall be held when called by written notice signed by the President of the Association or by any two Directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered.

Quorum

9.03. A quorum for the transaction of business by the Board of Directors shall be the lesser of either a majority of the number of Directors consisting the Board of Directors as fixed by these Bylaws or three (3).

Voting Requirement

9.04. The act of the majority of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors unless any provision of the Governing Instruments requires the vote of a greater number.

Open Meetings

9.05. Regular and special meetings of the Board shall be open to all Members of the Association; provided, however, that Association Members 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.

Executive Session

9.06. The Board may, with the approval of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss and vote on personnel matters, litigation in which the Association is or may become involved, and other 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.

ARTICLE 10

OFFICERS

Enumeration of Officers

10.01. The Officers of the Association shall be a President and Vice-President (who shall at all times be members of the Board of Directors), and a Secretary and Treasurer. The Board of Directors may, by resolution, create such other offices as it deems necessary or desirable.

Term

10.02. The Officers of this Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year, unless such officer shall sooner resign, be removed, or be otherwise disqualified to serve.

Resignation and Removal

10.04. Any Officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect at the date of receipt of such notice or at any later time specified therein. Any officer may be removed from office by the Board whenever, in the Board's judgment, the best interests of the Association would be served by such removal.

Multiple Offices

10.05. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Compensation

10.06. Officers shall receive such compensation for services rendered to the Association as determined by the Board of Directors and approved by a majority of the voting power of the Association residing in the Members.

ARTICLE 11

PRESIDENT

Election

11.01. At the first meeting of the Board immediately following the annual meeting of the Members, the Board shall elect one of their number to act as President.

Duties

11.02. The President shall:

- (a) Preside over all meetings of the Members and of the Board;
- (b) Sign as President all deeds, leases, including mineral leases, contracts, and other instruments in writing which have been first approved by the Board, unless the Board, by duly adopted resolution, has authorized the signature of a lesser Officer;
- (c) Call meetings of the Board whenever he deems it necessary in accordance with rules and on notice agreed to by the Board.
- (d) Have, subject to the advice of the Board, general supervision, direction, and control of the affairs of the Association and discharge such other duties as may be required of him by the Board.

ARTICLE 12

VICE-PRESIDENT

Election

12.01. At the first meeting of the Board immediately following the annual meeting of the Members, the Board shall elect one of its Members to act as Vice-President.

Duties

12.02. The Vice-President shall:

(a) Act in the place and in the stead of the President in the event of his absence, inability, or refusal to act;

(b) Exercise and discharge such other duties as may be required of him by the Board. In connection with any such additional duties, the Vice-President shall be responsible to the President.

ARTICLE 13

SECRETARY

Election

13.01. At the first meeting of the Board immediately following the annual meeting of the Members, the Board shall elect a Secretary.

Duties

13.02. The Secretary shall:

(a) Keep a record of all meetings and proceedings of the Board and of the Members;

(b) Keep the seal of the Association, if any, and affix it on all papers requiring said seal;

(c) Serve such notices of meetings of the Board and the Members required either by law or by these Bylaws;

(d) Keep appropriate current records showing the Members of this Association together with their addresses;

(e) Sign as Secretary all deeds, leases, including mineral leases, contracts, and other instruments in writing which have been first approved by the Board if said instruments require a second Association signature, unless the Board has authorized another Officer to sign in the place and stead of the Secretary by duly adopted resolution.

ARTICLE 14

TREASURER

Election

14.01. At the first meeting of the Board immediately following the annual meeting of the Members, the Board shall elect a Treasurer.

Duties

14.02. The Treasurer shall:

- (a) Receive and deposit in such bank or banks as the Board may from time to time direct, all of the funds of the Association.
- (b) Be responsible for, and supervise the maintenance of books and records to account for such funds and other Association assets;
- (c) Disburse and withdraw said funds as the Board may from time to time direct, and in accordance with prescribed procedures;
- (d) Prepare and distribute the financial statements of the Association required by the Declaration.

ARTICLE 15

BOOKS AND RECORDS

Maintenance

15.01. Complete and correct records of account and minutes of proceedings of meetings of Members, Directors, and committees shall be kept at the registered office of the corporation. A record containing the names and addresses of all Members entitled to vote shall be kept at the registered office or principal place of business of the Association.

Inspection

15.02. The Governing Instruments of the Subdivision, the membership register, the books of account, and the minutes of the proceedings, shall be available for

inspection and copying by any Member of the Association or any Director for any proper purpose at any reasonable time.

ARTICLE 16

Amendment of Bylaws

16.01. These Bylaws may be amended, altered, or repealed at a regular or special meeting of the Members of the Association, by the affirmative vote in person or by proxy of Members representing a majority of a quorum of the Association. Notwithstanding the above, the percentage of voting power necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

Attestation

Adopted by the Board of Directors on July 4, 1987.

Attest: *Shane Vacharich*
Secretary