

**BYLAWS OF
RED OAK COURT COMMUNITY ASSOCIATION,
A Texas Non-Profit Corporation**

ARTICLE I - OFFICES

1. REGISTERED OFFICE AND AGENT

- a. The registered office and registered agent of RED OAK COURT COMMUNITY ASSOCIATION, a Texas Non-Profit Corporation (hereafter “the Association ”) shall be as set forth in the Association's Certificate of Formation. The registered office or the registered agent may be changed by resolution of the Board of Directors, upon making the appropriate filing with the Secretary of State.

2. PRINCIPAL OFFICE

- a. The principal office of the Association shall be at 3 Red Oak Court, Lake Jackson, Texas 77566, provided that the Board of Directors shall have the power to change the location of the principal office.

3. OTHER OFFICES

- a. The Association may also have other offices at such places, within or without the State of Texas, as the Board of Directors may designate, or as the business of the Association may require or as may be desirable.

ARTICLE II - DIRECTORS

1. MANAGEMENT BY DIRECTORS

- a. Management of the affairs of the Association is to be vested in its Board of Directors.

2. BOARD OF DIRECTORS

- a. To the extent not limited or prohibited by law, the Certificate of Formation or these Bylaws, the powers of the Association shall be exercised by or under the authority of, and the business and affairs of the Association shall be managed under the direction of the Board of Directors of the Association.
- b. Directors shall be record owners of fee simple title to at least one (1) lot which is subject to the dedicatory instrument titled Declaration of Protective Covenants, Conditions & Restrictions for Red Oak Court and filed in the official records of Brazoria County, Texas

under clerk's file no. 00-022676 (hereafter "the Declaration").

- c. Directors who are not in compliance with the Declaration, as determined by a majority of the Board of Directors and after thirty (30) days written notice, shall not be eligible to be a Director.

3. NUMBER AND ELECTION OF DIRECTORS

- a. The number of directors shall be three (3) provided that the number may be increased or decreased from time to time by an amendment to these Bylaws or resolution adopted by the Board of Directors, provided that the number of directors may **not be decreased to fewer than three (3)**. No decrease in the number of Directors shall have the effect of shortening the term of any incumbent Director.
- b. At the first annual meeting of the Members and at each annual meeting thereafter, the Members shall elect Directors. At the first annual meeting, Members shall elect one Director for a term of one year and two Directors for a term of two years; and at annual meetings thereafter, the Members shall elect Directors for two year terms as needed to restore Board membership to three Directors.

4. REMOVAL

- a. A Director may be removed from office, with or without cause, by a majority vote of the Members of the Association.

5. RESIGNATION

- a. A Director may resign by providing written notice of such resignation to the Association. The resignation shall be effective upon the date of receipt of the notice of resignation or the date specified in such notice. Acceptance of the resignation shall not be required to make the resignation effective.

6. VACANCIES AND INCREASE IN NUMBER OF DIRECTORS

- a. Any vacancy occurring in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining directors at a regular or special meeting of the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of the previous Director. 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.

7. QUARTERLY MEETING OF DIRECTORS

- a. The regular meetings of the Board of Directors shall be held quarterly without notice, at such

place and hour as may be fixed from time to time by resolution of the Board.

- b. Failure to hold the quarterly meeting at the designated time shall not work a dissolution of the Association. In the event the Board of Directors fails to call a quarterly meeting at the designated time, any Director may make demand that such meeting be held within a reasonable time, such demand to be made in writing by registered mail directed to any Director and Officer of the Association. If the quarterly meeting of the Board of Directors is not called within thirty (30) days following such demand, any Director may compel the holding of such annual meeting by legal action directed against the Board of Directors, and all of the extraordinary writs of common law and of courts of equity shall be available to such Director to compel the holding of such annual meeting.

8. SPECIAL MEETINGS OF DIRECTORS

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

9. PLACE OF DIRECTORS' MEETINGS

- a. All meetings of the Board of Directors shall be held either at the principal office of the Association or at such other place, either within or without the State of Texas, as shall be specified in the notice of meeting or executed waiver of notice.

10. NOTICE OF DIRECTORS' MEETINGS

- a. Any Director may waive notice of any meeting.
- b. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.
- c. Neither the business to be transaction at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Bylaws.

11. QUORUM AND VOTING OF DIRECTORS

- a. A quorum for the transaction of business by the Board of Directors shall be a majority of the number of Directors then in place. The act of the majority of the directors present in person or by proxy shall be the act of the Board of Directors, unless the act of a greater number is required by law or the Certificate of Formation.

- b. A Director may vote in person or by proxy executed in writing by the Director. No proxy shall be valid after three months from the date of its execution. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and unless otherwise made irrevocable by law.

12. POWERS AND DUTIES OF DIRECTORS

Powers. The Board of Directors shall have power to do the following:

- a. Adopt, amend, repeal and enforce rules and regulations and enforcement provisions as it deems necessary or desirable with respect to the interpretation and implementation of the Declaration, the operation of the Association, and the use of property and Lots within the subdivision of Red Oak Court.
- b. Suspend the voting rights of a Member during any period in which such Member shall be in default in excess of thirty (30) days in the payment of any assessment levied by the Association.
- c. Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration.
- d. 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 regular meetings of the Board of Directors.
- e. Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Duties. It shall be the duty of the Board of Directors to do the following:

- a. Cause to be kept a complete record of all its acts and corporate affairs.
- b. As more fully provided in the Declaration, to:
 - 1. fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each calendar year;
 - 2. send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

3. foreclose the lien against any property for which assessments are not paid or to bring an action at law against the owner personally obligated to pay the same, as it may deem appropriate.
- c. Issue, or to cause an appropriate officer to issue, upon demand by any person, 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.
- d. Procure and maintain adequate liability and hazard insurance on any property owned by the Association.
- e. Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

13. COMPENSATION

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

14. ACTION BY DIRECTORS WITHOUT MEETING

- a. If the Association's Certificate of Formation so provides, any action required by the Texas Business Organizations Code to be taken at a meeting of the Board of Directors or any action that may be taken at a meeting of the Board of Directors of any committee may be taken without a meeting by obtaining the written approval of all the Directors.

15. COMMITTEES OF THE BOARD OF DIRECTORS

- a. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint one or more committees, each of which shall consist of two or more Directors, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the Association, except that no such committee shall:
 1. have the authority of the Board of Directors in reference to amending, altering or repealing the Bylaws;
 2. electing, appointing or removing any member of any such committee or any Director or officer of the Association;
 3. amending or restating the Certificate of Formation;
 4. adopting a plan of merger or adopting a plan of consolidation with another Association;

5. authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Association;
 6. authorizing the voluntary dissolution of the Association or invoking proceedings thereof;
 7. adopting a plan for the distribution of the assets of the Association; or
 8. amending, altering or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered or repeated by such committee.
- b. The designation and appointment of any such committee and the delegation of authority to such committee shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed by law upon the Board of Directors or upon any individual Director.
 - c. One member of each committee shall be appointed chairman by the person or persons authorized to appoint the members thereof.
 - d. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.
 - e. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.
 - f. Each committee may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the Board of Directors.
 - g. The Board of Directors may serve as the Architectural Review Committee or appoint an Architectural Control Committee as provided in this section. The Board of Directors may designate one of the members of the Architectural Review Committee to act for the committee without consulting the other member.

ARTICLE III - OFFICERS

1. NUMBER OF OFFICERS

- a. The officers of the Association shall consist of a president, secretary and treasurer and may also consist of one or more vice-president or such other officers and assistant officers as may be deemed necessary.
- b. The offices of secretary and treasurer may be held by the same person.

- c. New offices may be created and filled at any meeting of the Board of Directors.

2. ELECTION OF OFFICERS AND TERM OF OFFICE

- a. All officers shall be elected annually by the Board of Directors at any regular quarterly meeting of the Board of Directors for such terms not exceeding one (1) year.

3. REMOVAL OF OFFICERS, VACANCIES

- a. Any officer elected or appointed may be removed by a majority vote of the Board of Directors whenever in their judgment the best interests of the Association will be served thereby.
- b. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors/members for the unexpired portion of the term.

4. POWERS OF OFFICERS

- a. Each officer shall have, subject to these Bylaws, in addition to the duties and powers specifically set forth herein, such powers and duties as are commonly incident to that office and such duties and powers as the Board of Directors shall from time to time designate.
- b. All officers shall perform their duties subject to the directions and under the supervision of the Board of Directors. The President may secure the fidelity of any and all officers by bond or otherwise.
- c. All officers and agents of the Association, as between themselves and the Association, shall have such authority and perform such duties in the management of the Association as may be provided in these Bylaws, or as may be determined by resolution of the Board of Directors not inconsistent with these Bylaws.
- d. In the discharge of a duty imposed or power conferred on an officer of a Association, the officer may in good faith and with ordinary care rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Association or another person, that were prepared or presented by: (1) one or more other officers or employees of the Association, including members of the Board of Directors; or (2) legal counsel, public accountants, or other persons as to matters the officer reasonably believes are within the person's professional or expert competence. An officer is not relying in good faith within the meaning of this section if the officer has knowledge concerning the

matter in question that makes reliance otherwise permitted by this subsection unwarranted.

5. PRESIDENT

- a. The President shall be the chief executive officer of the Association and shall preside at all meetings of all Directors. Such officer shall see that all orders and resolutions of the Board are carried out, subject however, to the right of the Directors to delegate specific powers, except such as may be by statute exclusively conferred on the President, to any other officers of the Association.
- b. The President or any Vice-President shall execute bonds, mortgages and other instruments requiring a seal, in the name of the Association. When authorized by the Board, the President or any Vice-President may affix the seal to any instrument requiring the same, and the seal when so affixed shall be attested by the signature of either the Secretary or an Assistant Secretary.
- c. The President shall be ex-officio a member of all standing committees.
- d. The President shall submit a report of the operations of the Association for the year to the annual meeting of the Members.

6. VICE-PRESIDENTS

- a. The Vice-President, or Vice-Presidents in order of their rank as fixed by the Board of Directors/members, shall, in the absence or disability of the President, perform the duties and exercise the powers of the President, and they shall perform such other duties as the Board of Directors/members shall prescribe.

7. THE SECRETARY

- a. The Secretary shall attend all meetings of the Board of Directors and shall record all votes and the minutes of all proceedings and shall perform like duties for the committees when required.
- b. The Secretary shall give or cause to be given notice of all meetings of the Board of Directors and Members and shall perform such other duties as may be prescribed by the Board of Directors. The Secretary shall keep in safe custody the seal of the Association, and when authorized by the Board of Directors, affix the same to any instrument requiring it, and when so affixed, it shall be attested by the Secretary's signature or by the signature of an Assistant Secretary.
- c. The Assistant Secretaries shall in order of their rank as fixed by the Board of Directors, in the absence or disability of the Secretary, perform the duties and exercise the powers of the

Secretary, and they shall perform such other duties as the Board of Directors shall prescribe.

- d. In the absence of the Secretary or an Assistant Secretary, the minutes of all meetings of the board shall be recorded by such person as shall be designated by the President or by the Board of Directors.

8. THE TREASURER AND ASSISTANT TREASURERS

- a. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association and shall deposit all moneys and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors.
- b. The Treasurer shall disburse the funds of the Association as may be ordered by the Board of Directors, taking proper vouchers for such disbursements. The Treasurer shall keep and maintain the Association's books of account and shall render to the President and directors an account of all of the Treasurer's transactions and of the financial condition of the Association and exhibit the books, records and accounts to the President or Directors at any time. The Treasurer shall disburse funds for capital expenditures as authorized by the Board of Directors and in accordance with the orders of the President, and present to the President's attention any requests for disbursing funds if in the judgment of the Treasurer any such request is not properly authorized. The Treasurer shall perform such other duties as may be directed by the Board of Directors or by the President.
- c. If required by the Board of Directors, the Treasurer shall give the Association a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of the office and for the restoration to the Association, in case of death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in the incumbent's possession or under the incumbent's control belonging to the Association.
- d. The Assistant Treasurers in the order of their seniority shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer, and they shall perform such other duties as the Board of Directors shall prescribe.
- e. The Treasurer shall submit a report of the operations of the Association for the year to the annual meeting of the Members.

ARTICLE IV - MEMBERS

1. MEMBERS

- a. Any person owning fee simple title to any lot subject to the Declaration shall be a Member

of the Association.

- b. Any Member not in compliance with the Declaration shall not be permitted voting rights in the Association.
- c. The Association shall have one class of Members.

2. ANNUAL MEETINGS

- a. The first annual meeting of the Members shall be held on the first January following the date of incorporation, and each regular meeting thereafter shall also occur in January, on a day and hour determined by the Board of Directors.

3. SPECIAL MEETINGS

- a. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written two-thirds (2/3) request of the Members.

4. NOTICE OF MEETINGS

- a. Written notice of the annual meeting and each Special Meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by e-mail or by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote, addressed to the member's address last appearing on the books of the Association, or supplied by such Member of 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.

5. QUORUM

- a. The presence at the meeting of Members and proxies entitled to cast one-third (1/3) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

ARTICLE V - INDEMNIFICATION AND INSURANCE

1. INDEMNIFICATION

- a. The Association shall have the full power to indemnify and advance or reimburse expenses pursuant to the provisions of the Texas Business Organizations Code to any person entitled to indemnification under the provisions of the Texas Business Organizations Code.

2. INSURANCE

- a. The Association may purchase and maintain insurance or another arrangement on behalf of any person who is or was a member, director, officer, employee, or agent of the Association or who is or was serving at the request of the Association as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic Association, employee benefit plan, other enterprise, or other entity, against any liability asserted against him or her and incurred by him or her in such a capacity or arising out of his or her status as such a person, whether or not the Association would have the power to indemnify him or her against that liability.

ARTICLE VI - MISCELLANEOUS

1. WAIVER OF NOTICE

- a. Whenever any notice is required to be given to any member or director of the Association under the provisions of the Texas Business Organizations Code, the Certificate of Formation, or these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

2. MEETINGS BY TELEPHONE CONFERENCE, ELECTRONIC OR OTHER REMOTE COMMUNICATIONS TECHNOLOGY

- a. Subject to the provisions required or permitted by the Texas Business Organizations Code and these Bylaws for notice of meetings, members of the Board of Directors, or members of any committee may participate in and hold a meeting of such board, or committee by means of: (1) conference telephone or similar communications equipment by which all persons participating in the meeting can communicate with each other; or (2) another suitable electronic communications system, including videoconferencing technology or the Internet, only if: (a) each member entitled to participate in the meeting consents to the meeting being held by means of that system; and (b) the system provides access to the meeting in a manner or using a method by which each member participating in the meeting can communicate concurrently with each other participant. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

3. CONTRACTS AND BANK LOANS

- a. The Board of Directors may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association , and such authority may be general or confined to specific instances.

4. CHECKS, DRAFTS, ETC.

- a. All checks, drafts or other instruments for payment of money or notes of the Association shall be signed by such officer or officers or such other person or persons as shall be determined from time to time by resolution of the Board of Directors.

5. DEPOSITS

- a. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board of Directors may select.

6. GIFTS

- a. The Board of Directors may accept on behalf of the Association any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Association.

7. BOOKS AND RECORDS

- a. The Association shall keep correct and complete books and records of account and shall keep minutes of the proceedings of the Board of Directors, and committees and shall keep at the registered office or principal office in this State a record of the names and addresses of its members entitled to vote. A Director of the Association, on written demand stating the purpose of the demand, has the right to examine and copy, in person or by agent, accountant, or attorney, at any reasonable time, for any proper purpose, the books and records of the Association relevant to that purpose, at the expense of the member.

8. FINANCIAL RECORDS AND ANNUAL REPORTS

- a. The Association shall maintain current true and accurate financial records with full and correct entries made with respect to all financial transactions of the Association, including all income and expenditures, in accordance with generally accepted accounting practices. All records, books, and annual reports (if required by law) of the financial activity of the Association shall be kept at the registered office or principal office of the Association in this state for at least three years after the closing of each fiscal year and shall be available to Members for inspection and copying there during normal business hours. The Association may charge for the reasonable expense of preparing a copy of a record or report.

9. FISCAL YEAR

- a. The fiscal year of the Association shall commence January 1st and end December 31st of each year unless otherwise determined by the Board of Directors.

ARTICLE VII - CONSTRUCTION

1. PRONOUNS AND HEADINGS

- a. All personal pronouns used in these Bylaws shall include the other gender whether used in masculine or feminine or neuter gender, and the singular shall include the plural whenever and as often as may be appropriate. All headings herein are for convenience only and neither limit nor amplify the provisions of these Bylaws.

2. INVALID PROVISIONS

- a. If any one or more of the provisions of these Bylaws, or the applicability of any such provision to a specific situation, shall be held invalid or unenforceable, such provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of these Bylaws and all other applications of any such provision shall not be affected thereby.

ARTICLE VIII - AMENDMENT OF BYLAWS

- a. The Board of Directors may amend or repeal these Bylaws, or adopt new Bylaws, unless the Certificate of Formation or the Texas Business Organizations Code limits such powers.

Adopted by the Board of Directors on the _____ day of March, 2011.

CATHI BACKOR, Director

ANDY SMITH, Director

LUCY WEEKS, Director