

LAKE INTERLOCHEN HOMEOWNERS ASSOCIATION
(A Non-Profit Corporation)

BY-LAWS

ARTICLE I - OFFICES

Section 1. Principal Office. The principal office of the corporation shall be located in the City of Arlington, County of Tarrant, State of Texas. The corporation may have such other offices, either within or without the State of Texas, as the Board of Directors may determine or as the affairs of the corporation may from time to time require.

Section 2. Registered Office and Agent. The corporation shall have a registered agent in the State of Texas and a registered office, all as required by the Texas Non-Profit Corporation Act. The initial registered agent and registered office shall be as set forth in the Articles of Incorporation, but may be changed from time to time by the Board of Directors.

ARTICLE II - MEMBERS

Section 1. Requirements for Membership. Every person or entity who is or may hereafter become the record owner of a fee interest in any lot located in the Interlochen Estates, an addition to the City of Arlington, Tarrant County, Texas, according to the plats thereof of record, or in the case of future increments: to be placed of record in the future, in the Plat Records of Tarrant County, Texas, which is partially covered by the lake system and is subject by covenants of record to assessments by this corporation shall automatically be and become a member of the corporation; PROVIDED, however, any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a member; and PROVIDED, further, that any member who sells or otherwise disposes of (by operation of law or otherwise) such interest required for membership as aforesaid shall thereupon automatically cease to be a member of the corporation.

As used herein, the term "lake system", shall mean and refer to the lake system to be constructed over a portion of the Interlochen Estates Addition; and the term "lot", as used herein, shall mean and refer to any residential lot in the Interlochen Estates Addition shown on any map now or hereafter filed of record by Interlochen, Inc., a Texas Corporation, in the office of the County Clerk of Tarrant County, Texas, which is partially covered by the Lake System.

The owners of any lot in the Interlochen Estates Addition not partially covered by the Lake System shall not be members of the corporation or otherwise have any interest in its business or affairs.

Section 2. Votes of Members. Members shall be all those owners defined in Section 1 of Article II of these By-Laws. Members shall be entitled to one vote for each lot in which they

hold the interest required for membership by said Section 1. When more than one person holds such interest in any lot, all such persons shall be members, and the vote for such lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any such lot.

ARTICLE III - MEETINGS OF MEMBERS

Section 1. Annual Meeting. An annual meeting of the members shall be held at 7 P.M. on the second Monday in January of each year for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. If the day fixed shall be a holiday or it shall be impracticable to hold said meeting on such day, then the meeting shall be held on the next succeeding business day. If the election of Directors shall not take place at the annual meeting or at any adjournment thereof, the election shall take place at a special meeting of the members called by the Board of Directors as soon thereafter as is convenient.

Section 2. Special Meetings. Special meetings of the members may be called by the President, the Board of Directors or at least one-tenth of the members of the corporation.

Section 3. Place of Meeting. The Board of Directors may designate any place as the place of meeting for any annual meeting or for any special meeting called by the President or the Board of Directors.

Section 4. Notice of Meetings. Notice stating the place, day and hour of any meeting of members shall be published not less than ten nor more than fifty days before the day of such meeting. In case of a special meeting or when required by statute or by these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice.

Section 5. Informal Action by Members. 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 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 entitled to vote with respect to the matter thereof.

Section 6. Quorum. A quorum shall consist of those members present at a meeting duly called with notice given as heretofore provided.

Section 7. Proxies. At any meeting of members, a member entitled to vote may vote by proxy executed in writing by the member or by his duly authorized attorney-in-fact. No proxy shall be valid after four (4) months from the date of its execution.

ARTICLE IV - BOARD OF DIRECTORS

Section 1. General Powers. The affairs of the corporation shall be managed by its Board of Directors.

Section 2. Number, Tenure and Qualifications. The number of Directors shall be ten (10). Each Director shall hold office for a two (2) year term with terms staggered so that five (5) Directors stand for election each year at the annual meeting of members.

Section 3. Regular Meetings. A regular meeting of the Board of Directors shall be held immediately after and in the same place as the annual meeting of the members of the corporation.

Section 4. Special Meetings. Special meetings of the Board of Directors may be called by the President or any Director and may be held at such time or place as may be fixed by the person calling the meetings.

Section 5. Notice. Written notice of any special meeting of the Board of Directors shall be given at least ten (10) days prior thereto and shall be delivered personally or sent by mail or e-mail to each Director at his address as shown on the records of the corporation. Any Director may waive notice of any meeting. 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 was not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting, unless specifically required by law.

Section 6. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board.

Section 7. Manner of Acting. The act of a majority of the Directors present at a meeting at which a quorum is constituted shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these By-Laws.

Section 8. Vacancies. Any vacancy occurring in the Board of Directors and any directorship to be filled by reason of an increase in the number of Directors shall be filled by the remaining members of the Board of Directors, even though less than a quorum. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 9. Compensation. Directors shall receive no salary for their services, but a stated sum may be allotted by the Board of Directors to cover the expenses of the Directors incurred in connection with attendance at any meeting of the Board. Nothing herein contained shall be construed to preclude any Director from serving the corporation in another capacity and receiving compensation therefore.

Section 10. Informal Action by Directors. Any action required by law to be taken at a meeting of Directors, or any action which may be taken at a meeting of Directors, may be taken without a meeting if a consent in writing setting forth the action so taken, shall be signed by all of the Directors.

ARTICLE V - OFFICERS

Section 1. Officers. The officers of the corporation shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, a Treasurer, and such other officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect or appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, from time to time, by the President or the Board of Directors. Any two or more of the offices may be held by the same person, except the offices of President and Secretary.

Section 2. Election and Term of Office. The officers of the corporation whose term is ending shall be replaced by election at the regular annual meeting of the Board. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may be conveniently done. New offices may be created and filled by the Board of Directors at any meeting thereof. Each officer shall hold office until his successor shall have been duly elected and qualified.

Section 3. Removal. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the corporation would be served thereby.

Section 4. Vacancies. A vacancy in any office occurring because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors for the unexpired portion of the term of the officer.

Section 5. President. The President shall be the principal executive officer of the corporation and shall supervise and direct the business and affairs of the corporation. He shall preside at all meetings of the members and of the Board of Directors. He may sign, with the Secretary or any other officer of the corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, liens or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws or by statute to some other officer or agent of the corporation; and in general, he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. Vice President. In the absence of the President or in the event of his inability or refusal to act, the Vice President (or, in the event there be more than one Vice President, the Vice Presidents in the order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of the President. Any Vice President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 7. Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for moneys due and

payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks or other depositaries as shall be selected in accordance with the provisions of Article VII of these By-Laws; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors. If required by the Board of Directors, he shall give bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine.

Section 8. Secretary. The Secretary shall keep the minutes of the meetings of the members of the Board of Directors in one or more books provided for that purpose; if requested, see that all notices are given in accordance with the provisions of these By-Laws or as required by law; be custodian of the corporate records; keep a register of the post office address of each member which shall be furnished to the Secretary by such member; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 9. Assistant Treasurers and Assistant Secretaries. If required by the Board of Directors, the Assistant Treasurers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors may determine. The Assistant Treasurers and Assistant Secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the President or the Board of Directors.

ARTICLE VI - COMMITTEES

Section 1. Lake Easement Architectural Control Committee. The Board of Directors, by resolution adopted by a majority of the Directors in office, shall designate and appoint a Lake Interlochen Architectural Control Committee. The Committee members may not be on the Board of Directors or be related to a current member of the Board.

No buildings shall be situated within the lake easement upon any lot nor erection of or changes or additions in fences, hedges, walls and other structures shall be commenced, erected or maintained until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design, appearance, and location in relation to surrounding structures and topography, and as to conformance with the protective covenants affecting such lot, by said architectural committee. In the event said committee fails to approve or disapprove such design and location within thirty (30) days after the said plans and specifications have been submitted to it, approval of the committee will be deemed to have been given and this Section will be deemed to have been successfully complied with.

The members of such committee shall not be entitled to compensation for services performed pursuant to this Section 1.

Section 2. Other Committees. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate one or more other committees to perform such duties as may be specified in such resolution; PROVIDED, however, that no such committee shall have the authority of the Board of Directors in reference to amending, altering or repealing the By-Laws; electing, appointing or removing any member of such committee or any Director or officer of the corporation; amending the Articles of Incorporation; adopting a plan or merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the corporation; or amending, altering or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered or repealed by such committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors or any individual Director of any responsibility imposed upon it or him by law.

Section 3. Term of Office. Each member of a committee shall continue as such until the next annual meeting of the members of the corporation and until his successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

Section 4. Chairman. One member of each committee shall be appointed chairman by the person or persons authorized to appoint the members thereof.

Section 5. Vacancies. 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.

Section 6. Quorum. 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.

Section 7. Rules. Each committee may adopt rules for its own government not inconsistent with these By-Laws or with rules adopted by the Board of Directors.

ARTICLE VII - CONTRACTS, CHECKS, DEPOSITS AND FUNDS

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these By-Laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation.

Section 2. Checks, Drafts, etc. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from

time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President or a Vice President of the corporation.

Section 3. Deposits. All funds of the corporation shall be deposited from time to time in such banks or other depositories as the Board of Directors may select.

ARTICLE VIII - BOOKS AND RECORDS

The corporation shall keep correct and complete books and records of account, minutes of the proceedings of its members and its Board of Directors, and also a record giving the names and addresses of the members entitled to vote. All books and records of the corporation may be inspected by any member, or his agent or attorney for any proper purpose at any reasonable time, and shall be kept at either the registered or principal office of the corporation.

ARTICLE IX - FISCAL YEAR

The Fiscal year of the corporation shall begin on the first day of January and end on the last day of December in each year.

ARTICLE X - ASSESSMENTS

Section 1. Basis and Amount of Annual Assessment. Each Member shall pay an annual assessment per foot of lake and drainage way easement boundary located on his lot or lots commencing with the calendar year 1973. The Board of Directors of the Association may fix the actual assessment for any year at a lesser amount on consideration of the current maintenance costs and future needs of the Association.

Section 2. Special Assessments. In addition to the annual assessments authorized by Section I hereof, the corporation may levy at any time a special assessment for the purpose defraying, in whole or in part, the cost of any construction, repair or replacement of any structure or facility connected with, or capital improvement relating to, the lake system, PROVIDED that any such special assessment shall have the assent of at least two-thirds of the votes of those members voting, whether voting in person or by proxy, at a meeting duly called for that purpose.

Section 3. Increase in Amount or Change in Basis of Annual Assessment. The corporation may increase the amount or change the basis of the annual assessment fixed by Section I hereof for any period, PROVIDED that any such increase or change in excess of ten percent (10%) above the annual assessment charged the preceding year shall require the

approval of at least two-thirds (2/3) of the votes of those members voting, whether voting in person or by proxy, at a meeting duly called for that purpose.

Section 4. Purpose of Assessments. The assessments herein provided for shall be used to maintain, preserve and promote the beautification and utility of the lake system, including, without limiting the generality of the foregoing, the regulation of silt, plant growth, and other debris accumulating in the lake system, and the control of the breeding and proliferation of mosquitoes and other pests in or around the lake system, including specifically maintenance necessary to maintain the designed flow and capacity characteristics of the channel of Village Creek relocated between the north and south impounding structures of the lake system.

Section 5. Date of Commencement of Annual Assessment. Due Dates. The first annual assessment shall be due on January 1, 1973 for the calendar year 1973. The annual assessment for each calendar year thereafter shall become due and payable on the first day of January of each such year. The due date of any special assessment under Section 2 hereof shall be fixed in the resolution authorizing such assessment.

Section 6. Duties of the Board of Directors. In conjunction with every annual and special assessment, the Board of Directors of the corporation shall prepare a roster of the lots to which the assessment is applicable, which roster shall be kept in the office of the corporation and shall be open to inspection by any owner. Written notice of the assessment shall be sent out to every lot owner subject thereto at least thirty (30) days prior to the due date thereof. The corporation shall upon demand at any time furnish to any owner liable for said assessment a certificate in writing signed by an officer of the corporation, setting forth whether said assessment has been paid. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 7. Effect of Non-Payment of Assessment; the Personal Obligation of the Owner; the Lien; Remedies of the Corporation. If any assessment is not paid on the date when due, then such assessment shall thereupon become delinquent and shall, together with such late fees thereon and cost of collection thereof as hereinafter provided, become a continuing lien on the lot to which the same is applicable and shall bind such property in the hands of the then owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then owner to pay such assessment, however, shall remain his personal obligation for the statutory period and shall pass to his successors in title. Liens for delinquent dues shall be filed in the public deed records of Tarrant County, Texas.

If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear a late fee at the rate of ten percent (10%) and the corporation may bring an action at law either against the owner personally obligated to pay the same or to foreclose the lien against the property, and there shall be added to the amount of such assessment a reasonable attorney's fee to be fixed by the court, together with the costs of the action.

Section 8. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of, any mortgage or mortgages now or hereafter placed upon any lot subject to such assessment; PROVIDED, however, that such subordination shall apply only to the assessments which have become due and payable prior to the sale of such property pursuant to a decree of foreclosure of any such mortgage. Such sale shall not relieve such lot from liability for any assessments thereafter becoming due nor from the lien of any such subsequent assessment.

ARTICLE XI - DISSOLUTION

Section 1. Manner of Dissolution. The corporation may be dissolved only with the assent given in writing and signed by two-thirds (2/3) of the members. Written notice of a proposal to dissolve, setting forth the reasons therefore and the disposition to be made of the assets, shall be sent to every member at least thirty (30) days in advance of any action taken in connection therewith.

Section 2. Distribution of Assets. Upon dissolution of the corporation, the assets of the corporation shall be dedicated to an appropriate public agency to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the corporation. In the event that such dedication is refused acceptance, such assets shall be assigned to any non-profit corporation, association, trust or other organization to be devoted to purposes and uses that would most clearly reflect the purposes and uses to which they were required to be devoted by the corporation.

ARTICLE XII - PROTECTIVE COVENANTS

Members are subject to the Restrictive Covenants filed of record in the County Records of Tarrant County, Texas, applicable to each increment.

ARTICLE XIII - WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the Texas Non-Profit Corporation Act or under the provisions of the Articles of Incorporation or By-Laws of the corporation, 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 deemed equivalent to the giving of such notice.

ARTICLE XIV - AMENDMENTS TO BY-LAWS

These By-Laws may be altered, amended or repealed and new By-Laws may be adopted by a majority of the Directors present at any regular meeting or at any special meeting, if at least ten (10) days written notice is given of intention to alter, amend or repeal or to adopt

new By-Laws at such meeting. All amendments shall require the approval of at least two-thirds (2/3) of the votes of those members voting, whether voting in person, by electronic mail or by proxy, at a meeting duly called for that purpose.