

BY-LAWS
OF
WHISPERWOOD HOME OWNER'S ASSOCIATION

ARTICLE I – OFFICERS

1.1 REGISTERED OFFICE AND AGENT

The registered office of the corporation shall be maintained at 4814 Whisperwood Boulevard, Lubbock, Texas, and its registered agent in the State of Texas is Bob R. Johnson. The registered office or the registered agent, or both, may be changed by resolution of the Board of Directors, upon filing the statement required by law.

1.2 PRINCIPAL OFFICE

The principal office of the Corporation shall be located at 4814 Whisperwood Boulevard, Lubbock, Texas.

1.3 OTHER OFFICES

The Corporation may also have offices at such other places both within and without the State of Texas as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II – MEETINGS OF ASSOCIATION MEMBERSHIP

2.1 ANNUAL MEETING

The annual meeting of the members for the election of Directors and such other business as may properly be brought before the meeting shall be held at such place within or without the state of Texas and at such date and time as shall be designated by the Board of Directors and stated in the notice of the meeting or in a duly executed waiver of notice thereof.

2.2 FAILURE TO HOLD ANNUAL MEETING

Failure to hold any annual meeting shall not work a dissolution of the Corporation. If the annual meeting is not held within any thirteen (13) month period, any member 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 officer of the Corporation. If the annual meeting of members is not called within sixty (60) days following such demand, any court of competent jurisdiction in the county in which the principal office of the Corporation is located may, on the application of any member, summarily order a meeting to be held.

2.3 SPECIAL MEETINGS

Special meetings of the members for any purpose or purposes may be called by the President and shall be called by the President or Secretary at the request in writing of a majority of the Board of Directors, or at the request in writing of members comprising not less than ten percent (10%) of all members entitled to vote at the meetings. A request for a special meeting shall state the purpose or purposes of the proposed meeting, and business transacted at any special meeting of members shall be limited to the purposes stated in the notice.

2.4 NOTICE AND WAIVER OF NOTICE

(a) Written notice stating the place, day and hour of the meeting and, in the case of a special meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary, or the Officer of persons calling the meeting, to each member entitled to vote at such meeting.

(b) Notice may be waived in writing signed by the person or persons entitled to such notice. Such waiver may be executed at any time before or after the holding of such meeting. Attendance at a meeting shall constitute a waiver of notice, except where the person attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called.

2.5 RECORD DATE

For the purpose of determining members entitled to notice of or to vote at any meeting of members or any adjournment thereof, the Board of Directors shall, in advance, establish a record date which must be at least ten (10) but not more than fifty (50) days prior to such meeting. If the Board of Directors fail to establish a record date, the record date shall be the date on which notice of the meeting is mailed.

2.6 VOTING LIST

(a) The officer or agent having charge of the membership roster of the Corporation shall make, at least the (10) days before each meeting of members, a complete list of the members entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order, with the address of and the number of votes held by each, which list, for a period of ten (10) days prior to such meeting, shall be kept on file at the registered office of the Corporation and shall be subject to inspection by any member at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any member during the whole time of the meeting. The membership roster shall be prima-facie evidence as to who are the members entitled to examine such roster or to vote at any meeting of the members.

(b) Failure to comply with the requirements of this section shall not affect the validity of any action taken at such meeting.

(c) An officer or agent having charge of the membership roster who shall fail to prepare the list of members or keep the same on file for a period of ten (10) days, or produce and keep it open for inspection as provided in this section, shall be liable to any member suffering damage on account of such failure to the extent of such damage. In the event that such

officer or agent does not receive notice of a meeting of members sufficiently in advance of the date of such meeting reasonable to enable him to comply with the duties prescribed by these By-Laws, the Corporation, but not such officer or agent, shall be liable to any member suffering damage on account of such failure, to the extent of such damage.

2.7 QUORUM OF MEMBERS

A majority of the members entitled to vote, present in person or represented by proxy, shall constitute a quorum at all meetings of the members for the transaction of business except as otherwise provided by statute, by the Articles of Incorporation, or these By-Laws. If, however, a quorum shall not be present or represented at any meeting of the members, the members entitled to vote, present in person or represented by proxy, 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. At such adjourned meeting, provided a quorum shall be present or represented, any business may be transacted which might have been transacted if the meeting had been held in accordance with the original notice thereof.

2.8 WITHDRAWAL OF QUORUM

If a quorum is present at any meeting, the vote of a majority of the members entitled to vote, present in person or represented by proxy, shall decide any question brought before such meeting, unless the question is one upon which a different vote is required by express provision of the statutes, the Articles of Incorporation or these By-Laws. The members present at a meeting at which a quorum is present may continue to transact business until adjournment, despite the withdrawal of members after the commencement of the meeting, which withdrawal leaves less than a quorum remaining at the meeting.

2.9 PROXIES

No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Each proxy shall be revocable unless otherwise made irrevocable by law.

2.10 ACTION WITHOUT MEETING OR BY USE OF CONFERENCE TELEPHONE

Any action permitted or required by law, these By-Laws or by the Articles of Incorporation of the Corporation, to be taken at a meeting of the members, the Board of Directors or any committee designated by the Board of Directors may be taken without meeting if a consent in writing, setting forth the action so taken is signed by all the members, or members of the Board of Directors or committee, as the case may be. Such consent shall have the same force and effect as a unanimous vote at a meeting, and may be stated as such in any document or instrument filed with the Secretary of State. Subject to the requirement for notice of meetings, members, members of the Board of Directors, or members of any committee designated by the Board of Directors, may participate in and hold a meeting of such membership, Board of Directors or committee, as the case may be, by means of conference telephone or similar communications equipment by means of which all persons participation in such a meeting shall constitute presence in person at such meeting, except where a person participates in the meeting for the purpose of objection to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE III – DIRECTORS

3.1 POWERS

The business and affairs of the Corporation and all corporate powers shall be managed by the Board of Directors, subject to any limitation imposed by statute, the Articles of Incorporation or these By-Laws as to action which requires authorization or approval by the members.

3.2 NUMBER; QUALIFICATIONS

The number of directors of the Corporation shall be three (3) unless and until otherwise determined by vote of a majority of the entire Board of Directors.

3.3 ELECTION

The Directors shall be elected at the annual meeting of the members, and each Director elected shall serve until his successor shall have been elected and qualified.

3.4 REMOVAL OF DIRECTORS

(a) At any meeting of members called expressly for the purpose of removing a Director, any Director or the entire Board of Directors may be removed, with or without cause, by a vote of a majority of the members then entitled to vote at an election of Directors.

(b) Unless cumulative voting is prohibited by the Articles of Incorporation, if less than the entire Board is removed, no one of the Directors may be removed if the votes cast against his removal would be sufficient to elect him if then cumulatively voted at an election of the entire Board of Directors.

3.5 VACANCIES

Any vacancy in the Board of Directors caused by death, resignation, removal or otherwise shall be filled by a majority of the remaining Directors through less than a quorum of the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

3.6 INCREASE OR DECREASE IN NUMBER

The number of Directors may be increased or decreased from time to time by amendment to these By-Laws, but no decrease shall have the effect of shortening the term of any incumbent Director. Any directorship to be filled by reason of an increase in the number of Directors shall be filled by election at an annual or special meeting of members.

ARTICLE IV – MEETING OF THE BOARD OF DIRECTORS

4.1 PLACE

Meetings of the Board of Directors, regular or special, may be held either within or without the State of Texas.

4.2 ANNUAL MEETING

Within thirty (30) days after each annual meeting of members, the Board of Directors elected at such meeting shall hold an annual meeting at which they shall elect Officers and transact such other business as shall come before the meeting.

4.3 REGULAR MEETINGS

Regular meetings of the Board of Directors may be held upon notice, or without notice unless notice is required under these By-laws and at such time at such place as shall from time to time be determined by the Board.

4.4 Special meetings of the Board of Directors may be called by the Chairman of the Board of Directors, the President, or by a majority of the Directors for the time being in office and shall be called by the Secretary on the written request to one (1) Director. Notice of each special meeting of the Board of Directors shall be given to each Director at least ten (10) days before the date of the meeting.

4.5 NOTICE AND WAIVER OF NOTICE

Attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends for the express purpose of objection to the transaction of any business on the grounds that the meeting is not lawfully called or convened. Except as may be otherwise provided by law or by the Articles of Incorporation or by these By-laws, 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.

4.6 QUORUM OF DIRECTORS

At all meetings of the Board of Directors a majority of the total number of Directors shall constitute a quorum for the transaction of business, and only the act of a majority, by total number of the Directors present at any meeting, shall be the act of the Board of Directors unless a greater number is required by statutes, the Articles of Incorporation, or the By-laws. If a quorum shall not be present at any meeting of Directors, the Directors present must adjourn the meeting, without notice other than announcement at the meeting, until a quorum shall be present. A Director may not appear by proxy in order to achieve a quorum.

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.

4.7 ACTION WITHOUT MEETINGS

Any action required or permitted to be taken at a meeting of the Board of Directors or any committee may be taken without a meeting or by means of a conference telephone if a consent in writing, setting forth the action so taken, is signed by all the members of the Board of Directors or committee, as the case may be.

4.8 ORDER OF BUSINESS

At meetings of the Board of Directors, business shall be transacted in such order as from time to time the Board by determine. At meetings of the Board of Directors, the Chairman of the Board, if any, shall preside. In the absence of the Chairman of the Board, the President shall preside, and in the absence of the President, a chairman shall be chosen by the Board from among the Directors present. The Secretary of the Corporation shall act as secretary of the meetings of the Board of Directors, but in the absence of the Secretary, the presiding officer may appoint any person to act as secretary at the meeting.

4.9 COMPENSATION

Directors, as such, shall not receive any stated salary for their service, but by resolution of the Board a fixed sum and expenses of attendance, if any, may be allowed for attendance at each annual, regular or special meeting of the Board; provided, that nothing contained herein shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

ARTICLE V – OFFICERS

5.1 ELECTION, NUMBER, QUALIFCATION, TERM, COMPENSATION

The officers of the Corporation shall be elected by the Board of Directors at the annual meeting of the Board of Directors provided for in Article IV, 4.2. The officers shall consist of a President, Vice-President, a Secretary/Treasurer. The Board of Directors may also elect a Chairman of the Board, additional Vice-Presidents, one or more Assistant Secretaries and Assistant Treasurers and such other officers and assistant officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall have such authority and exercise such powers and perform such duties as shall be determined from time to time by the Board by resolution not inconsistent with these By-laws. Two or more offices may be held by the same person, except that the office of President and Secretary may not be held by the same person. The Board of Directors shall have the power to enter into contracts for the employment and compensation of officers for such terms as the Board deems advisable. The salaries of all officers and agents of the Corporation shall be fixed by the Board of Directors.

5.2 REMOVAL

The officers of the Corporation shall hold office until their successors are elected or appointed and qualify, or until their death or until their resignation or removal from office. Any officer elected or appointed by the Board of Directors may be removed at any time by the Board whenever in its judgement the best interests of the Corporation will be served thereby. Such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer shall not, of itself, create contract rights.

5.3 VACANCIES

Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise, shall be filled by the Board of Directors.

5.4 AUTHORITY

Officers and agents shall have such authority and perform such duties in the management of the Corporation as may be provided in these By-laws or as may be determined by the Board of Directors, not inconsistent with these By-laws.

5.5 CHAIRMAN OF THE BOARD

The Chairman of the Board, if one is elected, shall preside at all meetings of the Board of Directors and shall have such other powers and duties as may from time to time be prescribed by the Board of Directors upon written directions given to him pursuant to resolutions duly adopted by the Board of Directors.

5.6 PRESIDENT

The President shall be the chief executive officer of the Corporation, shall have general and active management of the business and affairs of the Corporation, and shall see that all orders and resolutions of the board of Directors are carried into effect. He shall preside at all meetings of the members and at all meetings of the Board of Directors in the absence or disability of the Chairman of the Board. He or the Vice-President shall execute bonds, mortgages and other instruments requiring a seal, in the name of the Corporation, and, when authorized by the Board, he or the 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. He shall submit a report on the operations of the Corporation for the year to the Directors at their meeting next preceding the annual meeting of the members and to the members at their annual meeting.

5.7 VICE-PRESIDENT

The Vice-President, unless otherwise determined by the Board of Directors, shall, in the absence of disability of the President, perform the duties and have the authority and exercise the powers of the President. He shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe or as the President may from time to time delegate.

5.8 SECRETARY

The Secretary shall attend all meetings of the Board of Directors and all meetings of members, and record all of the proceedings of the meetings of the Board of Directors and of the members in a minute book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the members and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision he shall be. He shall keep in safe custody the seal of the Corporation and, when authorized by the Board of Directors, shall affix the same to any instrument requiring it and, when so affixed, it shall be attested by his

signature or by the Treasurer. In the absence of the Secretary, the minutes of all meetings of the Board and members shall be recorded by such person as shall be designed by the President or by the Board of Directors.

5.9 TREASURER

(a) The Treasurer shall have custody of the corporate funds and securities and shall keep full and accurate accounts and records of receipts, disbursements, and other transactions in books belonging to the Corporation, and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designed by the Board of Directors.

(b) The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render the President and the Board of Directors, at its regular meetings, or when the President or Board of Directors so requires, and account of all his transactions as Treasurer and of the financial condition of the Corporation.

(c) If required by the Board of Directors, the Treasurer shall give the Corporation a bond of such type, character and amount as the Board of Directors may require.

ARTICLE VI – INDEMNIFICATION OF OFFICERS, DIRECTORS AND EMPLOYEES

6.1 INDEMNIFICATION

The Corporation shall indemnify and Director of officer or former Director of officer of the Corporation, or any person who may have serviced at its request as a director or officer of former director or officer of another corporation in which it owns shares of capital stock or of which it is a creditor, against expenses actually and necessarily incurred by him in connection with the defense of any action, suit, or proceedings, whether civil or criminal, in which he is made a party by reason of being or having been such Director or Officer, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in performance of duty. The Corporation shall also reimburse any such Director or Officer or former Director or Officer or any such person serving or formerly serving in the capacities set forth in the first sentence above at the request of the Corporation for the reasonable cost of settlement of any such action, suit or proceeding, if it shall be found by a majority of the Directors not involved in the matter in controversy, that it was in the best interest of the corporation that such settlement be made, and that such Director or Officer or former Director or Officer or such person was not guilty of negligence or misconduct in the performance of duty.

6.2 INSURANCE

The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation, partnership, joint venture, trust or other enterprise against any liability asserted against

him and incurred by him in any such capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under these By-laws or the laws of the State of Texas.

6.3 ADVANCED EXPENSES

The Corporation may pay in advance any expenses which may become subject to indemnification if the Board of Directors authorizes the specific payment, and the person receiving the payment undertakes in writing to repay unless it is ultimately determined that he is entitled to indemnification by the Corporation.

6.4 OTHER PROTECTION AND INDEMNIFICATION

The protection and indemnification provided hereunder shall not be deemed exclusive of any other rights to which such Director or Officer or former Director or Officer or such person may be entitled, under any agreement, insurance policy or vote of members, or otherwise.

ARTICLE VII – DECLARATION OF WHISPERWOOD MADE A PART OF BY-LAWS

Those parts of The Declaration of Whisperwood signed by Paul Johnson as President of Tara Land Company on May 27, 1982, and filed of record in Volume 1786, page 875 of the Deed Records of Lubbock County, Texas, set out in full below, shall be and are hereby incorporated into the By-laws of the Whisperwood Home Owner's Association. The Whisperwood Home Owner's Association will abide by and be governed by such provisions set out below.

DECLARATION FOR WHISPERWOOD

ARTICLE I.

DEFINITIONS

Section 1. "Association" shall mean and refer to WHISPERWOOD HOME OWNERS ASSOCIATION, a nonprofit corporation, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. A reference to "Owner" shall include heirs, administrators, executors, successors, and assigns.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area that may or may not be unplatted.

Section 6. "Declarant" shall mean and refer to TARA LAND COMPANY, its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 8. "Notice" shall mean a written announcement. Any notice required to be sent to any member shall be deemed to have been properly sent when mailed to the last known address of the person or entity that appears as a member or owner on the records of the Association at the time of the mailing.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (a) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;
- (b) The right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period during which any

- assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;
- (c) The right of the Association to dedicate, transfer, or grant easements in, through, or upon all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members; provided that until the Common Area is conveyed to the Association, Declarant may dedicate, transfer or grant such easements to any public agency, authority, or utility for such purposes as Declarant may determine. After conveyance of the Common Area to the Association, no such dedication or transfer shall be effective except on vote of two-thirds of each class of members agreeing to such dedication or transfer as evidenced by a certification of the action taken by the Secretary of the Association duly recorded of record.

Section 2. Delegation of Use. Any owner may delegate, in accordance with the By-laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a Lot which is subject to assessments shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, they as a group shall be considered a voting member. The vote for such Lot shall be exercised as they themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
- (b) On December 1, 1992.

ARTICLE IV

COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligations of Assessment. The declarant, after its membership in the Association becomes Class A, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, (2) special assessments for capital improvements; (3) special assessments for home improvements, and, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing vendor's lien upon the property against which each such assessment is made in favor of the representative, organization, firm, or corporation entitled to collect the same; and payment may be enforced for the use and benefit of all property owners in the subdivision. Each such assessments, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties, administrative costs of the Association and for the improvement, maintenance, upkeep, replacements or additions, taxes and insurance of the Common Area. The good faith decision and acts of the Association in the expenditure of the assessments shall be binding and conclusive.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the execution and recording of this declaration, the maximum annual assessment shall be One Hundred Fifty & No/100 (\$150) Dollars per Lot, payable at such time as the Board of Directors of the Home Owner's Association shall determine.

- (a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than 10 percent (10%) above the maximum assessment for the previous year up to the maximum of Three Hundred Dollars (\$300) without a vote of the membership. This increase may be cumulative.
- (b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above 10 percent (10%) and above the maximum by a vote of two-thirds of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.
- (c) The Board of Directors may fix the annual assessment at an amount no in excess of the maximum for any one year.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose. If levied, the special assessment shall be due and payable within thirty (30) days after the official action making the level.

Section 5. Notice and Quorum for any Action Authorized Under Section 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 and 4 shall be sent to all members no less than fifteen (15) days nor more than fifty (50) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty-seven percent (67%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject of the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence on the first day of the month following the conveyance of the Common Area or any part thereof, to the Association. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether assessments on a specified Lot have been paid.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days shall bear interest from the due date at the rate of fourteen percent (14%) per annum. The Association may bring an action at law against the Owner personally obligated to apply the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage and all other liens which may be retained, given, or created to secure payment of any loan and any renewals, extensions, or modifications thereof which is made to any purchaser by any lender for the purchase price or any part of the purchase price of any lot, building plat, or the improvements thereon. Sale or

transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments which become due prior to sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. “Subordination of the Liens to Mortgages”. The liens of the assessments mentioned and provided for herein shall be subordinate to the lien of any first mortgage or any other purchase money lien or construction lien. Sale or transfer of any Lot shall not affect the assessment lien; however, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof. No extinguishment of the lien shall relieve the delinquent Lot Owner from his personal obligation and liability, therefore.

Section 11. Exempt Property. The following property subject to this Declaration shall be exempt from the assessments:

- (a) All properties dedicated and accepted by any local governmental authority and devoted to public use;
- (b) All Common Area as defined in Article I, Section 4 herein.

ARTICLE V.

Land use and building restrictions covering all the real property as described in Exhibit “A” are attached hereto as Exhibit “B” “C” and “D”.

ARTICLE VI.

GENERAL PROVISION

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by an Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgement or court order shall in no way affect any other provision which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with the title and bind the properties for a period of thirty (30) years from the date this

Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first thirty (30) year period by an instrument signed by the Owners of not less than eighty percent (80%) of the Lots, and thereafter by an instrument signed by the Owners of not less than two-thirds (2/3rds) of the Lots. To be effective, any amendment of this Declaration must be recorded.

IN WITNESS WHEREOF, the undersigned being the Declarant herein, has hereunto set its hand this 27th day of May, 1982.

TARA LAND COMPANY

BY: (signed by Paul W. Johnson)

ARTICLE VIII – MISCELLANEOUS PROVISIONS

8.1 FISCAL YEAR

The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

8.2 SEAL

The Corporation seal shall be circular in form and shall contain the name of the Corporation, and the word “TEXAS” encircling an image of the Lone Star. The seal may be used by causing it or a facsimile to be impressed or affixed or in any other manner reproduced. The Corporation seal may be altered by order of the Board of Directors at any time.

8.3 MINUTES

The Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its members and Board of Directors, and shall keep at its registered office or principal place of business, or at the office of its transfer agent or registrar, a roster of its members, giving the names and addresses of all members and the number of votes held by each.

8.4 RESIGNATIONS

Any Director or Officer may resign at any time. Such resignations shall be made in writing and shall take affect at the time specified therein, or if no time is specified at the time of its receipt by the Chairman of the Board, if any, the President or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

8.5 AMENDMENT

The Board of Directors shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at the meeting of members having voting rights, which may be either an annual or a special meeting. Written or printed notice setting forth the proposed amendment or a summary of the changes to be affected thereby shall be given to each member entitled to vote at such meeting within the time and in the manner provided in these By-laws for the giving of notice of meetings of members. The proposed amendment shall be adopted at a meeting of members, at which a quorum is present if the vote of two-thirds (2/3rds) of the members, present in person or represented by proxy, is received in favor of such amendment.

8.6 NOTICE

Any notice to Directors or members shall be in writing and shall be delivered personally or mailed to the Directors or members at their respective addresses appearing on the books of the Corporation. Notice by mail shall be deemed to be given at the time when the same shall be deposited in the United States Mail, postage prepaid. Notice to Directors may also be given by telegram. Whenever any notice is required to be given under the provisions of applicable statutes or of the Articles of Incorporation or of these By-laws, 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.

Mary Johnson, Secretary of
Whisperwood Home Owner's Association