

**BYLAWS**  
**HICKS AIRFIELD PILOT ASSOCIATION**  
**A NON-PROFIT CORPORATION**

The name of this non-profit corporation shall be HICKS Airfield PILOTS ASSOCIATION, (the “Association”).

**ARTICLE I**  
**PURPOSE AND PARTIES**

1. The purpose for which the Association is formed is to govern Hicks Field, a private airfield in Tarrant County, Texas, (the ‘Project’) located upon the approximately 50 acre tract of land described on Exhibit “A” annexed hereto and made a part hereof (the “Property”), the Property having been (or intended to be) subjected to a Declaration of Covenants, Conditions and Restrictions (the “Declaration”) imposed (or to be Imposed) on the Property by Hicks Airfield, Inc., a Texas corporation (the ‘Declarant’), and recorded in the Deed Records of Tarrant County, Texas. All definitions contained in said Declaration shall apply hereto and are incorporated hereby by reference, unless any term is otherwise used or defined herein.

2. All present or future Owners, tenants, future tenants, of any “lot” (as that term is defined in the Declaration) or any other person who might use in any manner the facilities of the Project are subject to the provisions and any regulations set forth in these By-Laws. The mere acquisition, lease or rental of any lot or the mere act of occupancy of a lot will signify that the By-Laws are accepted, approved, ratified, and will be complied with.

**ARTICLE II**  
**MEMBERSHIP, VOTING MAJORITY OF CO-OWNERS ("OWNERS"), QUORUM,**  
**PROXIES**

1. MEMBERSHIP. Membership in the Association, and voting rights, shall be set forth in the Declaration.

2. Quorum. Except as otherwise provided in these By-laws, the presence in person or by proxy

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of fifty-One percent (51%) in interests of the Owners (in accordance with the voting rights attributable to the lots owned as set forth in the Declaration, and whenever the term “in interest, of the Owners” is used in these By-Laws, it shall have the meaning) shall constitute a quorum; provided, however, that the presence in person or by proxy of thirty-three percent (33%) in interests of the Owners shall constitute a quorum at the first meeting of the Association. In the event a quorum is not present, then the meeting called shall be adjourned, and notice of a new meeting for the same purposes within two (2) to four (4) weeks shall be sent by mail, at which meeting the number of Owners represented in person or by proxy shall be sufficient to constitute a quorum. An affirmative vote of majority interest, of the Owners present, either in person or by proxy, shall be required to transact the business of the meeting.

3. Proxies. Votes may be cast in person or by written proxy. No proxy shall be valid after eleven (11) months from the date of its execution unless specifically provided in the proxy. All proxies must be filed with the Secretary or Assistant Secretary of the Association before the appointed time of each meeting.

### **ARTICLE III ADMINISTRATION**

1. Association Responsibilities. The Owners of the lots will constitute the Association, which will have the responsibility of administering the Project through a Board of Director.

2. Place of Meeting. Meetings of the Association shall be held at such suitable place as the Board of Directors may determine.

3. Annual Meetings. The first meeting of the Association shall be held (i) thirty (30) days after the expiration of ninety (90) days from the date upon which there has occurred the conveyance by the Declarant of seventy-five percent (75%) in numbers of the lots at the Project, or (ii) three (3) years after the first lot is conveyed, whichever occurs first. At the sole option of Declarant the first meeting of the Association may be held sooner than set forth above but not later. Thereafter, the annual meetings of the Association shall be held during the same month of each succeeding year with the second annual meeting occurring not sooner than twelve (12) months after the first annual meeting. At such meetings there shall be elected by ballot of the Owner, a Board of Directors in,

accordance with, the requirements of Paragraph 5 of Article IV of the By-laws, The Owners may also transact such other business of the Association as may properly come before them. Each first mortgage on any lot, or its agent, shall have the right to designate a representative to attend the meetings.

4. Special Meetings. It shall be the duty of the President to call a special meeting of the Owners as directed by resolution of the Board of Directors or upon a petition signed by a majority in interests of the Owners which has been presented to the Secretary or Assistant Secretary of the Association. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business except as stated in the notice shall be transacted at a special meeting unless by consent of two-third (2/3) in interests of the Owners present, either in person or by proxy. Any such meetings shall be held after the first annual meeting and shall be held within thirty (30) days after receipt by the Secretary or Assistant Secretary of such resolution or petition.

5. Notice of Meetings. It shall be the duty of the Secretary or Assistant Secretary of the Association to mail or deliver a notice of each annual or special meeting, stating the purpose thereof as well as the time and place it is to be held, to each Owner and first mortgagee of record, at least ten (10) days, but not more than thirty (30) days, prior to such meeting. The mailing of a notice in the manner provided in this Paragraph shall be considered notice served.

6. Adjourned Meetings. If any meeting of Owners cannot be organized because a quorum has not attended, the Owners who are present, either in person or by proxy, may adjourn the meeting from time to time. Until a quorum is obtained, however, the place of the meetings must remain as stated in the notice.

7. Order of Business. The order of business at all meetings of the Owners shall be as follows:

- (a) Roll call and certifying proxies;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading and disposal of unapproved minutes;
- (d) Reports of officers;
- (e) Reports of committees;
- (f) Election of directors;
- (g) Unfinished business;

- (h) New business; and
- (i) Adjournment.

## ARTICLE IV BOARD OF DIRECTORS

1. Number and Qualification. ~~Until the first annual meeting of the Association, the affairs of the Association shall be governed by a Board of Directors consisting of three (3) persons delineated in the Articles of incorporation of the Association. At the first annual meeting, there shall be elected any two (2) members of the Association to the Board of Directors (it being understood that the Directors who resign may be reelected) to serve with one remaining Board of Director Member and the new Board of Directors shall thereafter govern the affairs of this Association until their successors have been duly elected and qualified.~~

Notwithstanding any other provision contained in this Section or any other Section of these Bylaws the members of the Board of Directors of the Association shall at all times be not less than four (4) nor more than seven (7). In the event the number of Directors falls below four (4), the remaining Directors will elect new Directors to fill any unexpired term.<sup>1</sup>

2. Powers and Duties. The Board of Directors shall have the power and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Project including the promulgation of Rules and Regulations for the Project. The Board of Directors may do all such acts and things except as by law or by these By-Laws or by the Declaration may not be delegated to the Board of Directors.

3. Other Powers and Duties. Such powers and duties of the Board of Directors shall include, but shall not be limited to, exercising all powers, and carrying out all duties, of the Association and Board of Directors specified in the Declaration. The Board of Directors may appoint a Managing Agent (herein so called) to carry out the day-to-day operation of the Association subject to supervision of the Board of Director.

4. No waiver of Rights. The omission or failure of the Association or any Owner to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provision of the Declaration, these By-Laws or the regulations adopted pursuant thereto, shall not constitute or

be deemed a waiver, modification or release thereof, and the Board of Directors or the Managing Agent shall have the right to enforce the same thereafter.

5. Elections and Term of Office. At the first annual meeting of the Association, the Owners shall elect a Board of Directors in accordance herewith. The term of office of one of the two (2) Directors, elected shall be fixed at two (2) years and the others shall be fixed at one year. The remaining Director shall serve for one (1) year after the first annual meeting. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of two (2) years. The Directors shall hold office until their resignation or until successors have been elected and hold their first meeting, except as otherwise provided.

6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they say constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association.

7. Removal of Directors. At any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a majority in interests of the Owners, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting.

8. Organizational Meeting. The first meeting of a newly elected Board of Directors following the annual meeting of the Owners shall be held within ten (10) days thereafter at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board of Directors shall be present.

9. Regular Meetings. Regular meeting of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors but at least one such meeting shall be held during each calendar quarter. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least five (5) days prior to the day named for such meeting.

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<sup>1</sup> Revision Voted In at General Meeting, Jan 10, 1989

10. Special Meetings. Special meetings of the Board of Directors may be called by the President on five (5) days notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary or Assistant Secretary of the Association in like manner and on like notice on the written request of one or more Director.

11. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

12. Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, which thereafter a quorum is obtained, any business which might have been transacted without further notice.

13. Fidelity Bonds. The Board of Directors shall require that the Association maintain adequate fidelity coverage to protect against dishonest acts by its officers, directors, trustees, and employees and all others who are responsible for handling funds of the Association. Such fidelity bonds shall meet the following requirements: all shall be written for an amount at least equal to the estimated maximum of funds, including reserves, in the custody of the Association, but in no event shall the aggregate of such bonds be an amount less than a Sum equal to three (3) months' aggregate assessments on all Lots plus reserves; all shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of 'employee' or similar expression; all shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium without at least thirty days prior written notice to each holder, insured and guarantor of any first mortgage on any Lots. The premiums on such bonds shall be paid by the Association.

14. Compensation. No member of the Board of Directors shall receive any compensation for acting as such.

## **ARTICLE V FISCAL MANAGEMENT**

The provisions for fiscal management of the Project for and in behalf of all of the Owners as set forth in the Declaration shall be supplemented by the following provisions:

Accounts. The funds and expenditures of the Owners by and through the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be expenses of the Association:

(a) Current expense, which shall include all funds and expenditures within the year for which the funds are budgeted, including a reasonable allowance for contingencies and Working funds, except expenditures chargeable to reserves and to additional improvements.

(b) Reserve for deferred maintenance, which shall include funds for maintenance items, which occur less frequently than annually.

(c) Reserve for replacement (sinking fund), which shall include funds for repair or replacement required because of damage, wear or obsolescence.

## **ARTICLE VI OFFICERS**

1. Designation. The officers of the Association shall be a President, a Vice President and a Secretary/ Treasurer, all of whom shall be elected by the Board of Directors, and such assistant officers as the Board of Directors shall, from time to time, elect. Such officers may be (but need not be) members of the board of Directors. The office of the Vice President and Secretary/Treasurer may be held by the same person.

2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors. At the organizational meeting of each new board and shall hold office subject to the continuing approval of the Board.

3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purposes.

4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all the general powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint committees from among the Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association or as may be established by the Board or by the members of the Association at any regular or special meetings.

5. Vice President. The Vice President shall have all the powers and authority and perform all the functions and duties of the President, in the absence of the President, or his inability for any reason to exercise such powers and functions or perform such duties, and also perform any duties he is directed to perform by the president.

6. Secretary. The Secretary shall keep all the minutes of the meeting of the Board of Directors and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all duties incident to the office of Secretary and as is provided in the Declaration and the By-Laws.

The Secretary shall compile and keep up to date at the principal office of the Association a complete list of members and their last known addresses as shown on the records of the Association. Such list shall also show opposite each member's name the number or other appropriate designation of the Lots owned by such member, and the percentage of each aggregate regular assessment, by Lot, for which such, Owner is responsible. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

7. Assistant Secretary. The Assistant Secretary shall have all the powers and authority and perform all the functions and duties of the Secretary, in the absence of the Secretary, or his inability for any reason to exercise such powers and functions or perform such duties, and also perform any duties he is directed to perform by the Secretary.

8. Treasurer. The Treasurer shall have the responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursement, in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name,

and to the credit, of the Association is such depositories as may from time to time be designated by the Board of Director. In the event a Managing Agent has the responsibility of collecting and disbursing funds, the Treasurer shall review the accounts of the Managing Agent within fifteen (15) days after the first day of each month.

## ARTICLE VII

### INDEMNIFICATION OF OFFICERS, DIRECTORS AND MANAGING AGENT

1. Civil or Criminal Proceedings. The Association may have the power to indemnify any Officer, Director, or Managing Agent thereof, who was, or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (whether or not by or in the right of the Association) by reason of the fact that such person is or was, an Officer, Director or Managing Agent of the Association, against expenses (including but not limited to the attorneys' fees and cost of the proceeding), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with or in defense of such action, suit or proceeding if such person acted in good faith, and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Association. Provided, that with respect to (1) any criminal action or proceeding, such person had no reasonable cause to believe that his conduct was unlawful; or (2) any civil claim, issue or matter, such person shall not be guilty of gross negligence or willful misconduct in the performance of his duties to the Association. Termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that such person has reasonable cause to believe that his conduct was unlawful, or that such person did not act in good faith or in a manner which he reasonably believed to be in or not opposed to the best interest of the Association, all such matters being determined solely and exclusively for the purpose of indemnification as herein provided.

Indemnification under the preceding Paragraph shall be made by the Association only as authorized in each specific case upon the determination that indemnification of such person is proper in the circumstances because he has met the applicable standards of conduct as set forth herein. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding; or (2) if such a quorum is not obtainable by (a) independent legal counsel in a written opinion, or (b) the members of the Association and no member shall be disqualified from voting because he is or was party to

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such action, suit or proceeding. Indemnification so determined may be paid, in part, before the termination of such action, suit or proceeding, upon the receipt by the Association of an undertaking by or behalf of the person claiming such indemnification to repay all sums so advanced if it is subsequently determined that he is not entitled thereto as provided in this Article.

To the extent that an Officer, Director, or Managing Agent of the Association has been successful on the merits or otherwise in the defense of any action, suit or proceeding, whether civil or criminal, such person shall be indemnified against such expenses (Including coats and attorneys' fees) actually and reasonably incurred by his in connection therewith.

Indemnification provided herein shall be exclusive of any and all other rights and claims to which those indemnified may be entitled as against the Association, and every Director or Officer thereof under any By-law, resolution, agreement or law and any request for payment hereunder shall be deemed a waiver of all such other rights, claims or demands as against the Association and each Director, Officer and employee thereof. *The* indemnification provided herein shall issue to the benefits of the heirs, executors, administrators and successor of any person entitled thereto under the provision of this Article.

The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee or agent of the Association 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 Association would have the power to indemnify him against such liability under the provision of this Article.

Any liability, loss, damage, cost expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provision shall be treated and handled by the Association as expenses of the Association; provided, however, that nothing contained in this Article VII shall be deemed to obligate the Association to indemnify any member who is or has been a Director or Officer of the Association with respect to any duties or obligations assumed or liability incurred by him under and by virtue of the Declaration and these By-Laws that were assumed or incurred outside of his conduct specifically related to the fulfillment of his duties as an Officer or Director of the Association.

2. Other. Contracts or other commitments made by the board of Directors, Officers or Managing Agent shall be made as agent for the Association, and they shall have no personal responsibility on any such contract or commitment (except such liability as may be ascribed to them in their capacity as Owners), and the liability of any Owner on such contract or commitment shall

be limited to such proportionately divided between each lot in accordance with the share of regular assessments attributable to such lot as provided in the Declaration.

### **ARTICLE VIII AMENDMENTS TO BY-LAWS**

1. Amendments to By-Laws. These By-Laws may be amended in writing by the Association at a duly constituted meeting called for such purpose or in any regular meeting so long as the notice of such meeting sets forth the complete text of the proposed amendment. Amendments to these By-Laws may be made upon approval of sixty-seven percent (67%) in interests of the Owners.

### **ARTICLE IX MORTGAGES**

1. Notice to Association. An owner who mortgages his lot shall notify the Association through the Manning Agent, if any, or the Secretary or Assistant Secretary of the Association, giving the name and address of his mortgagee. The Association shall maintain such information.
  
2. Notice of Unpaid Assessments. The Board of Directors, upon written request by a mortgagee of a lot or an insurer or guarantor of a first mortgage on a lot, shall promptly report any default by the Owner thereof and any unpaid assessments due from the Owner thereof which remain unpaid for sixty (60) days after the date on which said assessment became due.
  
3. Notice of Default. The board of Directors, when giving notice to an Owner of a default in paying assessments or other default, shall send a copy of such notice to each holder, insurer and guarantor of first mortgage covering such lot whose name address has therefore been furnished to the Board of Directors.
  
4. Examination of Declaration, By-Laws and Books and Financial Statements. Each Owner, mortgagee, and insurer of a lot and each insurer and guarantor of any first mortgage on any lot shall be permitted to examine the Declaration, these By-Laws, all other rules and regulations promulgated by the Association, and the books of account of the Association at reasonable times on business days after notice of request thereof. Upon written request by a holder, insurer or guarantor of any first

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mortgage on an lot, the Board of Directors shall send to such holder, insurer or guarantor an audited financial statement. if any, of the Association for the immediately preceding fiscal year.

5. Notice to Mortgagee, Insurer and Guarantor. If requested by any mortgage, of any lot or any insurer or guarantor of any first mortgage on any lot, the Board of Directors shall give to such mortgagee, insurer or guarantor notice in writing of any loss to, or taking of, the Common Elements of the Project if such loss or taking exceeds \$10,000.00 or damage to a lot covered by such mortgage exceeds \$1,000.00.

## ARTICLE X

### EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS AND DESIGIATION OF VOTING RESENTATIVE

1. Proof of Ownership. Except for those owners who initially purchase a lot from Declarant, any person, on becoming an Owner of a lot, shall furnish to the Managing Agent or Board of Directors a true and Correct copy of the original or certified copy of the recorded instrument vesting that person with en interest or ownership in the lot, which copy shall remain in the files of the Association. A member shall not be deemed to be in good standing nor shall he be entitled to vote at any annual or special meeting of members unless this requirement is first net.

2. Registration of Mailing Address. The Owner or several Owners of an individual lot shall have one and the same registered mailing address to be used by the Association for mailing of statements, notices, demands and all other communications, and such registered address shall be the only mailing address of a person or persons, firm, corporation, firm, partnership, association or other legal entity or any combination thereof to be used by the Association. Such registered address of a lot Owner(s) shall be furnished by such Owner(s) to the Managing Agent or Board of Directors within fifteen (15) days after transfer of title, or after a change of address, and such registration shall be in written for, and signed by all of the Owners of the lot or by such persons as are authorized by law to represent the interest of (all of) the Owner(s) thereof.

All notices or demands intended to be served upon the Association or Board of Directors thereof shall be sent certified mail, postage prepaid, to HICKS AIRFIELD PILOTS ASSOCIATOIN, Attn: Don Davis, 1845 Precinct Line Road. Suite 101, Hurst, Texas 76054 or such other address as the Board of Directors may establish by notice to all Owners.

3. Designation of Voting Representative - Proxy. If a lot is owned by one person, his right to vote shall be established by the record title thereto. If title to a lot is held by more than one person or by a firm, corporation, partnership, association, or other legal entity, or an. combination thereof, such Owners shall execute a Proxy appointing and authorizing one person *or* alternate persons to attend all annual and special meetings of members and thereat to cast whatever vote the Owners themselves might collectively cast if they were personally present. Such proxy shall be effective and remain in force unless voluntarily revoked, amended or sooner terminated by operation *of* law: provided, however, that no proxy shall be valid after eleven (11) months from the date of execution unless specifically provided therein. Within thirty (30) days after such revocation, amendment or termination, the Owners shall reappoint and authorize one person or alternate persons to attend all annual and special meetings as provided by this Paragraph 3.

The requirements herein contained in this Article X shall be first met before an Owner of a lot shall be deemed in good standing and entitled to vote at an annual or special meeting of members.

## **ARTICLE XI**

### **OBLIGATIONS OF THE OWNERS**

1. License Fee and Assessments. Each Owner shall pay the license fee and assessments against his lot(s) as provided in the Declaration.
  
2. Compliance with Restrictions Governing the Project. Each Owner shall comply fully with the following:
  - (a) The Declaration;
  - (b) The restrictions and other covenants and agreements contained in the Warranty Deed by which such Owner acquired his lot(s);
  - (C) These bylaws;
  - (D) The Rules and Regulations from time to time adopted by the Association; and
  - (e) All provision, of applicable law, whether federal, state or local.

Each Owner shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which the Project was established.

3. Notice of Lien or Suit. An Owner shall give notice to the Association of every lien or encumbrance upon his lot, other than for taxes and assessments, and notice of every suit or other proceeding which may affect the title to his lot, and such notice shall be given within five (5) days after the Owner has knowledge thereof.

4. Mechanic's Lien. Each owner agrees to indemnify and to hold each of the other Owners harmless from any and all claims of mechanic's liens filed against other lots and the Common Elements for labor, materials, services or other products incorporated in the improvements located on such Owner's lot. In the event such a lien is filed and/or a suit for foreclosure of a mechanic's lien is commenced, then within ten (10) days thereafter such Owner shall be required to deposit with the Association cash or negotiable securities equal to one and one half (1 1/2) of the amount of such claim plus interest for one (1) year together with the sum equal to ten percent (10%) of the amount of such claim, but not less than FIVE HUNDRED and 00/100 DOLLARS (\$500.00) which latter sum may be used by the Association for any costs and expenses incurred, including attorney's fees incurred for legal advice and counsel. Except as is otherwise provided, such sum or securities shall be held by the Association pending final adjudication or settlement of the claim or litigation. Disbursement of such funds or proceeds shall be made by the Association to insure payment of or on account of such final judgment or settlement. Any deficiency, including attorney's fees incurred by the Association, shall be paid forthwith by the subject owner, and his failure to so pay shall entitle the Association to make such Payment, and the amount thereof shall be a debt of the Owner and constitute a lien against his lot that may be foreclosed as is provided in the Declaration for non-payment of debts to the Association. All advancements, payments, costs and expenses including attorney's fees incurred by the Association shall be forthwith reimbursed to it by such Owner(s), and the Owner(s) shall be liable to the Association for the payment of interest at the maximum rate permitted by law on all such sums paid or incurred by the Association.

5. Right of Entry. Each Owner shall and does grant the right to maintain a key and the right of entry to the Managing Agent or to any other person authorized by the Association in case of an emergency originating in or threatening his lot, whether the Owner is present at the time or not.

6. Rules and Regulations. The Board of Directors, pursuant to Paragraph 2 of Article-IC of these By-Laws, reserves the power to establish, make and enforce compliance with such Rules and

Regulations as may be necessary or desirable for the efficient and enjoyable operation, use and occupancy of the Project with the right to amend same from time to time. Copies of such rules and regulations shall be furnished to each Owner prior to the date when the same shall become effective.

7. Destruction of Obsolescence. Each Owner, upon becoming an Owner of a lot, hereby grants power of attorney in favor of the Association, irrevocably appointing the Association his attorney in fact to deal, at its option, with the Owner's lot upon its damage, destruction or obsolescence.

## **ARTICLE XII**

### **ABATEMENT AND ENJOINMENT OF VIOLATIONS BY OWNERS**

1. Abatement and Enjoinment. The violation of any Rule or Regulation accepted by the Board of Directors, or the breach of any By—law, or the Breach of any provision of the Declaration, or the breach of any restriction, covenant or agreement contained with the deed by which an Owner acquired his lot(s) shall give the Board of Directors of the Managing Agent the right, in addition to any other rights set forth therein, (I) to enter the lot in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, and person, structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions thereof, and the Board of Directors or Managing Agent shall not be deemed guilty in any manner of trespass, and to expel remove and put out, any person, animal, or thing whatsoever using such force as may be necessary in so doing, without being liable to prosecution or any damages therefor: and (ii) to enjoin, abate, or remedy By appropriate legal proceedings, either at law or in equity, the continuance of any breach. The Board of Directors, or Managing Agent, may assess a fine of up to \$250.00 for each occurrence against and Owner violating the Rules and Regulations, these By—Laws, the Declaration, or any restriction, covenant or agreement contained within the deed by which an Owner acquired his lot(s), in addition to any other remedies provided herein or in the Declaration.

## **ARTICLE XIII**

### **WAIVER OF SUBROGATION**

Each and every Owner and/or occupant subject to these By—Laws agrees, by acceptance hereof, to grant ad hereby does grant a waiver of subrogation in favor of each and every other Owner and/or

occupant, regarding any claims or rights each may have under any insurance policies of physical damage regarding his lots or contents therein held by him individually. To the extent any lot or contents therein is uninsured (beyond any coverage required to be maintained as herein prescribed), each Owner and/or occupant shall and hereby does waive his right of recovery against all other owners and/or occupants, and shall hold harmless all other Owner and/or occupants to the same extent that he would have had he made recovery for such damage lot or contents therein under a standard “replacement value” insurance policy insuring same.

#### **ARTICLE XIV COMPENSATION**

This Association is not organized for profit. No Owner, member of the Board of Directors, officer or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid a. salary or compensation to, or distributed to, or inure to the benefit of any Owner (other than Declarant, under the circumstances and as provided in the Declaration), member of the Board of Directors, or officer, provided, however, always (1) that reasonable compensation may be paid to any .member, manager or officer while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and (2) that any member, manager or officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

#### **ARTICLE XV EXECUTION OF DOCUMENTS**

The persons who shall be authorized to execute any and all contracts, documents, instruments, conveyances or encumbrances Including promissory notes, shall be two, one of each of the President or Vice president and the Secretary or Assistant Secretary of the Association.

#### **ARTICLE XVI PROXY TO TRUST**

Lot Owners shall have the right to irrevocably constitute and appoint the beneficiary of a deed of trust their true and lawful; attorney to vote their membership in this Association at any and all meetings of the Association and to vest in such beneficiary or his nominees any and all rights, privileges, and powers that they have as Owners under the By—Laws of this Association or by virtue of the Declaration. Such prxy shall become effective upon the Filing of a notice by the beneficiary with the Secretary or Assistant Secretary of the Association at such time or times as the beneficiary shall deem its security in jeopardy. Such proxy shall be valid until withdrawn by said Beneficiary or until such time as a release of the beneficiary’s deed of trust is executed and a copy thereof delivered to the Secretary or Assistant Secretary of the Association. Nothing herein contained shall be construed to relieve Owners, or to impose upon the beneficiary of the deed of trust, the duties and obligations of an Owner.

**ARTICLE XVII**  
**CONFLICTING OR INVALID PROVISIONS**

Notwithstanding anything contained herein to the contrary, should all or part of any Article of these By-Laws be in conflict with the provisions of the laws of the State of Texas, including specifically the Texas Non-Profit corporation Act, as amended, such laws shall control; and should any part of these By-laws be invalid or inoperative for any reason, the remaining parts, so far as is possible and is reasonable, shall be valid and operative.

By or signatures hereto the undersigned, being all of the initial Directors of the Association, hereby adopt the foregoing By-laws for the Association as of the 3<sup>rd</sup> day of Dec. 1985.

Don Davis /s/

Bob R. Franks /s/

Gary McFay /s/