

BY-LAWS OF
FAIRWAY CONDOMINIUMS OWNERS ASSOCIATION, INC.,
A TEXAS NON-PROFIT CORPORATION

00780

ARTICLE ONE

OFFICES

Principal Office The principal office of the Corporation shall be located at Pecan Plantation, in the Counties of Hood and Johnson, State of Texas. The Corporation may have such other offices as the Board of Directors may determine or as the affairs of the Corporation may require from time to time.

ARTICLE TWO

DEFINITIONS

The following words or phrases, when used in these Bylaws (unless the context shall prohibit), shall have the following meanings:

(a) "Association" and "Corporation" shall mean and refer to this non-profit Corporation.

(b) "The Property" shall mean and refer to The Fairway Condominiums at Pecan Plantation located within the Pecan Plantation Subdivision in Hood County, Texas, as delineated and depicted in the various plats and maps of said subdivision or parts thereof placed of record either by the Developer; by Republic Land Company d/b/a Pecan Plantation, a Texas Corporation; by Pecan Plantation Owners Association, Inc.; or by the Association from time to time.

(c) "Association Property" and "Common Facilities" shall mean and refer to the property owned by the Association, including the streets, roads and other public ways, fences, gates, fire and security equipment, and any other real and personal property used for the acquisition, ownership, construction, management, maintenance and care of "Association Property" and "Common Facilities."

(d) "Condominium Unit" and "Unit" shall mean and refer to each unit within the condominium buildings comprising the Fairway Condominiums at Pecan Plantation.

(e) "Owner" shall mean and refer to the owner or purchaser of record under a Contract of Sale or Deed, whether one or more person or entities, of the fee simple title to any Condominium Unit, but notwithstanding any applicable theory of the mortgage, shall not mean or refer to the mortgage of any unit unless and until such mortgagee has acquired title to such unit pursuant to foreclosure or any proceeding in lieu of foreclosure.

(f) "Developer" shall mean and refer to Custom Condominiums, Investments, Inc. a Texas Corporation, and its successors and assigns.

ARTICLE THREE

RESPONSIBILITIES OF CORPORATION - IN GENERAL

Section 1. Declaration of Covenants and Restrictions Binding on Corporation. The Declarations of Restrictions, Covenants, Easements and Liens recorded by Republic Land Company, d/b/a Pecan Plantation, with respect to Pecan Plantation Subdivision; and the Condominium Declaration, the exhibits, addendums, and amendments thereto recorded by the Developer, with respect to the property and all additional and further Restrictions, Covenants, Easements and Liens which may be filed of record on any part of the Property are acknowledged to be valid and binding upon the Association and its members.

Section 2. Functions of Corporation - In General. This Corporation shall have, exercise and enjoy all of the rights, privileges and remedies, and shall perform all of the functions and duties assigned to, delegated to, granted to and required of it by the terms and provisions of said Condominium Declaration and such further rights and powers as may be appropriate under the Articles of Incorporation and applicable law.

ARTICLE FOUR

USE, ENJOYMENT, MANAGEMENT AND OWNERSHIP OF ASSOCIATION PROPERTY AND COMMON FACILITIES

Section 1 Membership in the Pecan Plantation Owners Association. The Fairway Condominiums are a part of Pecan Plantation which is governed by the Pecan Plantation Owners Association. Prospective owners of Condominium Units must be accepted as members of Pecan Plantation Owners Association as a condition precedent to membership in this Association and they have the dual obligation to maintain membership in both associations and to pay all dues, assessments and charges as they become due.

Section 2 Use of Association Property and Common Facilities. The use and enjoyment of the Association Property and Common Facilities is limited to those persons or entities who are members of both the Association and the Pecan Plantation Owners Association, as hereinafter set forth, and their respective families and guests, subject to Section 3 hereof. Use and enjoyment of Association Property and Common Facilities shall, pursuant to rules and regulations established by the Board of Directors, be limited to members who are current in payment of assessments as provided herein.

Section 3 Regulations for use of Association Property and Common Facilities. Such rules and regulations as may be necessary for the orderly use and management of Association Property and Common Facilities, including, but not limited to, rules and regulations concerning the rights and

privileges of tenants and guests of members, shall be made by the Board of Directors of this Association or by committees appointed by the Board of Directors for such purposes; subject, however, to the provisions contained in these By-laws concerning appointment or designation of such committees.

Section 4 Management of Association Property and Common Facilities. The Association, by and through its Board of Directors, has the sole responsibility and liability for the ownership, maintenance, improvement, management, administration and regulation of the Association Property and Common Facilities, and funds for such purposes, including all taxes on said Association Property and Common Facilities, shall be secured by the Association from the Assessments as hereinafter provided, or such other funds as may be available to the Corporation.

ARTICLE FIVE

MEMBERS AND VOTING RIGHTS

Section 1. Requirements for Membership.

(a) Persons or entities who own a fee interest (under contract of sale or deed) in a Condominium Unit shall automatically be members of the Association; provided however that a person or entity holding legal title to a Condominium Unit as security for the performance of an obligation shall not be a member.

(b) The Board of Directors may, consistent with the Restrictions and Covenants of Pecan Plantation Subdivision, regulate or limit the number of memberships available to the owners of undivided interests in a Condominium Unit and may limit the memberships to one per Condominium Unit.

(c) Membership shall automatically terminate when the applicable requirement as to ownership ceases or when the member dies.

(d) Continued membership shall be conditioned upon the member's observance and compliance with these Bylaws, the restrictive covenants, other rules and regulations promulgated by the Board of Directors and payment, when due, of all dues and assessments levied by the Board of Directors and other charges incurred by the member.

Section 2. Suspension or Revocation of Membership Rights. The Board of Directors may suspend or revoke the membership rights (in whole or in part) of any member who fails to comply with applicable Bylaws, restrictive covenants, rules and regulations or who fails to pay dues or assessments or other charges due by such member, whether to the Association or to Pecan Plantation Owners Association. Such suspension or revocation shall not be ordered until after the member involved has been given an opportunity to appear before the Board to explain the delinquency or noncompliance with rules or regulations. Such suspension or revocation shall not have the effect of denying the member access to his condominium unit. Such suspension or revocation shall not affect the continuing obligation of the owner to pay assessments or other charges previously accrued or thereafter accruing.

Section 3 Voting Rights. of Members. Members in good standing of the Association shall be entitled to vote on a percentage basis such being the percentage interest of the member's unit as it bears to the entire Project, the same being identified in the Declaration. Where a condominium unit is owned by a corporation, firm or other entity or by more than one individual, one individual designated by the owner shall be entitled to vote for such owner. A member who is sixty (60) days or more delinquent in payment of any assessment or other charge due to the Association or to the Pecan Plantation Owners Association shall be ineligible to vote until such assessments or charges have been paid in full. Developer shall have a percentage vote for each Condominium Unit owned by it at the time of the voting.

ARTICLE SIX

MEETINGS OF MEMBERS

Section 1 Annual Meeting. An Annual Meeting of the voting members shall be held on the first Saturday in the month of July in each year, for the purpose of electing Directors and for the transaction of such other business as may properly come before the meeting. If the day fixed for the Annual Meeting shall be a legal holiday in the State of Texas, such meeting shall be held on the next succeeding Saturday. If the election of Directors shall not be held on the day designated herein for any Annual Meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members.

Section 2 Special Meetings. Special meetings of the voting members may be called by the President, the Board of Directors or by the Members holding the voting rights to not less than one tenth (1/10) of the total votes outstanding as defined in Article Five, Section 3.

Section 3 Place of Meeting. The Board of Directors shall designate the place of meeting for any Annual Meeting or for any special meeting called by the Board of Directors. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be at the Pecan Plantation Subdivision; but if all of the voting members shall meet at any time and place and consent to the holding of a meeting, such meeting shall be valid without call or notice, and at such meeting any corporate action may be taken.

Section 4. Notice of Meeting. Written or printed notice stating the place, day and hour of any meeting of members shall be delivered, either personally or by mail, to each member entitled to vote at such meetings as of the time the notice is sent, not less than ten (10) nor more than fifty (50) days before the date of such meeting, by or at the direction of the President, or the Secretary, or the officers or persons calling the meeting. In case of a special meeting or when required by statute or by these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the Notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States Mail, addressed to the member at his address as it appears on the records of the Corporation, with postage thereon prepaid.

Section 5 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 eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

Section 6. Quorum. The members holding ten (10) percent of the total voting rights of the Corporation shall constitute a quorum at a membership meeting. If a quorum is not present at any meeting of members, a majority of the voting members present in person or by proxy may adjourn the meeting from time to time without further notice.

Section 7. Procedures for Electing Directors at Annual Meeting.

(a) At least ninety (90) days before the Annual Meeting, the Board of Directors shall appoint a Nominating Committee of two (2) members who may or may not be members of the Board.

(b) Announcement of the Nominating Committee members shall be made to the membership by mail at least sixty (60) days before the Annual Meeting. Members shall be requested to suggest names and qualifications of Association members who, in their opinion, would be effective members of the Board.

(c) At least thirty (30) days before the Annual Meeting, the Nominating Committee shall announce to the membership by mail the names and qualifications of its nominees.

(d) Thereafter, additional nominations may be made by the membership at large by submitting the names and qualifications of such additional proposed Board members accompanied by the written endorsement of ten (10) members. Such additional nominations must be received at the Association office not later than twenty (20) days prior to the meeting in order to qualify. Notice of additional nominees shall be mailed to the membership no less than ten (10) days before meeting.

(e) The Nominating Committee shall be instructed to nominate twice the number of vacancies to be filled and these, plus any additional nominees provided in the preceding paragraph, shall constitute the slate to be voted on. The nominees receiving the largest number of votes shall be deemed elected.

(f) The Board shall designate the time and place for voting, providing that the place shall be at or convenient to the meeting place, and the period of time for voting shall be the time set for the Annual Meeting, voting to cease no later than at the time the meeting adjourns. The Board shall establish such other voting procedures as are necessary for a fair and orderly election.

ARTICLE SEVEN

BOARD OF DIRECTORS

Section 1. General Powers. The affairs of the Association shall be managed by its Board of Directors. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a residential Condominium Project. The Board of Directors may do all such acts and things that are not by these Bylaws or by the Condominium Declaration directed to be exercised and done by the Owners.

Section 2 Number, Tenure and Qualifications. The number of Directors shall be three (3). At the first election of Directors one (1) of the Directors shall be elected for a term of one (1) year, one (1) of the Directors shall be elected for a term of two (2) years and, one (1) of the Directors shall be elected for a term of three (3) years. After the first election and at the expiration of the term of the first Director, the subsequent terms of such Directors' positions shall all be for three (3) years. Each member of the Board of Directors of the Association except the initial Directors named in the Articles of Incorporation must be a fulltime resident at the Fairway Condominiums and be a member in good standing of the Association. A Director who ceases to be a fulltime resident of the Condominium shall resign his office.

Section 3 Regular meetings. The Board of Directors shall determine a time that is agreeable to all board members for their regular meeting without other notice than this by-law. The Board of Directors shall meet not less frequently than once every quarter.

Section 4 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) Directors. The person or persons authorized to call special meetings of the Board may fix any place within the State of Texas as the place for holding any special meeting of the Board called by them.

Section 5. Notice. Notice of any special meeting of the Board of Directors may be given by telephone or by written notice delivered in person, by mail or by telegram. Notice by telephone or personal delivery of notice shall be given at least three (3) days in advance of the meeting. Notice by mail or telegram shall be given at least five (5) days in advance of the meeting and such notice shall be deemed delivered when deposited in the U.S. first class mail, properly addressed and with postage prepaid or when delivered to the telegraph company for transmittal. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice to such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Bylaws.

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; but if less than a majority of the Directors is present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

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

Section 8 Vacancies. Any vacancy occurring in the Board of Directors shall be filled temporarily by the Board of Directors with such Director to serve until the next election of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 9. Compensation. Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors expenses of attendance may be allowed for attendance at each regular or special meeting of the Board. Nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation therefore.

Section 10 Limitation on Capital Expenditures. The Board of Directors shall have the authority to commit the Corporation for further capital additions and improvements in an amount not to exceed \$10,000.00 during any one fiscal year. Capital additions and improvements in excess of said amount in any one fiscal year must be approved by a majority vote of the members of the Corporation present at any regular or special meeting of the members at which a quorum is present. "Capital additions and improvements" refer to land, buildings, equipment and improvements beyond those currently existing, and do not refer to assets presently in existence which need replacement or repair because of obsolescence or wear and tear.

Section 11. Informal Action by Directors. Any action required by law to 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 EIGHT

OFFICERS

Section 1 Officers. The officers of the Corporation shall be a President, a Vice President, a Secretary, and 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 an Assistant Secretary, as it shall be deemed desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Vice President. The President must be a member of the Board of Directors, whereas the other officers may or may not be members of the Board.

Section 2 Election and Term of Office. The officers of the Corporation shall be elected annually by the Board of Directors. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until he is relieved or until his successor shall have been duly elected.

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 interest of the Corporation would be served.

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

Section 5 President. The President shall be the principal executive officer of the Corporation and shall in general supervise and control all of 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 proper officer of the Corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts 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 Bylaws 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 shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The 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. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. He shall have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article Nine of these Bylaws; 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.

Section 8. Secretary. The Secretary shall keep the minutes of the meeting of the members and of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records and of the seal of the Corporation and affix it to all documents, the execution of which on behalf of the Corporation under its seal

is duly authorized in accordance with the provisions of these Bylaws; keep a register of the post office address of each member which shall be furnished to the Secretary by such members; and in general perform all duties as from time to time may be assigned to him by the President or by the Board of Directors.

ARTICLE NINE

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 Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

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 Association.

Section 3. Deposits. All funds of the Corporation shall deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board Directors may select and designate by appropriate resolution.

Section 4. Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purpose or for any special purpose of the Corporation.

ARTICLE TEN

ACCOUNTING & BUDGET

The funds and expenditures of the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be common expenses;

(a) "Current expenses," which shall include all funds and expenditures to be made within the year for which the funds are budgeted, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves, to additional improvements, or to operations. The balance in this fund at the end of each year shall be applied to reduce the assessments for current expense for the succeeding year.

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

(c) "Reserve for replacement," which shall include funds for repair or replacement required because of damage, depreciation, or obsolescence.

(d) "Additional improvements," which shall include the funds to be used for capital expenditures for additional improvements or additional personal property which will be part of the common elements.

The Board of Directors shall adopt a budget for each calendar year which shall include the estimated funds required to defray common expenses and to provide funds for the accounts hereinabove listed in these Bylaws. The budget shall take into account the following items:

(a) "Current expense," the amount for which shall not exceed 105% of the budget for this account for the prior year.

(b) "Reserve for deferred maintenance," the amount for which shall not exceed 105% of the budget for the account for the prior year.

(c) "Reserve for replacement," the amount of which shall not exceed 105% of the budget for this account for the prior year.

(d) "Additional improvements," the amount for which shall not exceed \$10,000.00; provided, however, that in the expenditure of this fund no sum in excess of \$10,000.00 shall be expended for a single item or purpose without approval of the members of the Association.

(e) "Operations," the amount of which may be to provide a working fund or to meet losses.

The amount for each budgeted item may be increased over the foregoing limitations when approved by unit owners entitled to cast not less than sixty-seven percent (67%) of the votes of a quorum present at a meeting of the Association. Until the Developer has completed and sold seventy-five percent (75%) of the apartments of the condominium, or until the Developer elects to terminate its control of the condominium, whichever shall first occur, the Board of Directors may omit from the budget all allowances for contingencies and reserves. Copies of the budget and proposed assessments shall be transmitted to each member sixty (60) days prior to the Annual Meeting. If the budget is subsequently amended, a copy of the amended budget shall be furnished to each member.

ARTICLE ELEVEN

BOOKS AND RECORDS

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors and committees having any of the authority of the Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the members. All books and records of the Corporation may be inspected by any member eligible to vote, or his agent or attorney, for any proper purpose, during normal office hours.

ARTICLE TWELVE

FISCAL YEAR

The fiscal year for the Corporation shall begin on the first day of January and end on the last day of December of the following year.

ARTICLE THIRTEEN

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 the Bylaws 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 FOURTEEN

AMENDMENTS TO BYLAWS

Section 1. These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the vote of sixty-seven percent (67%) of the members of the Corporation present at any regular or special meeting of the members at which a quorum is present, in person or by proxy, provided, that no such proposal to alter, amend, repeal or enact new Bylaws shall be entitled to be voted on at such meeting unless the written notice of such proposal hereinafter provided for shall have been given. Until the first election of directors, all directors must approve any amendment.

Section 2. Written notice of proposals to alter, amend, repeal or enact new Bylaws shall be given to the members at least thirty (30) days and not more than fifty (50) days prior to the membership meeting at which the proposal is to be presented. Such notice shall state the substance of the proposed change, alteration or amendment (or state same verbatim) and shall briefly state the proponent's reasons therefore.

Section 3 Any such proposal to be made by a member shall be submitted in writing to the Board at least sixty (60) days prior to the membership meeting at which the proposal is to be presented, whereupon it shall be the duty of the Board to include notice of such proposal in the notice of the meeting to be given to the members.

Section 4. No amendment shall discriminate against any unit owner or against any unit or class or group of units unless the unit owners so affected shall consent. No amendment shall change any unit nor the share in the common elements appurtenant to it, nor increase the owner's share of the common expenses, nor change the voting rights of members, unless the record owner of the unit concerned and all record owners of liens thereon shall join in the execution of the amendment.

Section 5. A copy of each amendment shall be certified by the President and Secretary of the Association as having been duly adopted and shall be effective when recorded in the Deed Records of Hood County, Texas.

ARTICLE FIFTEEN

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. The Association shall indemnify every Director or officer, his heirs executors and administrators, against all loss, cost and expense, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director or officer of the Association, except in matters of gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters in which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Director or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director or officer may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association in connection with the foregoing indemnification provision shall be treated and handled by the Association as Common Expenses; provided, however, nothing contained in this Article shall be deemed to obligate the Association to indemnify any Member or Owner of a Condominium Unit, who is or has been a Director or officer of the Association, with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Condominium Declaration as a Member or Owner of a Condominium Unit covered thereby.

ARTICLE SIXTEEN

COMPLIANCE

Section 1. These Bylaws are set forth to comply with the requirements of the State of Texas Condominium Act. If any of these Bylaws conflict with the provisions of said statute, it is hereby agreed and accepted that the provisions of the statute will apply.

Section 2. The Property is subject to restrictions, covenants, rules and regulations by Republic Land Company d/b/a Pecan Plantation and by Pecan Plantation Owners Association, Inc. These Bylaws are set forth to comply with such restrictions, covenants, rules and regulations. If any of these Bylaws conflict with said instruments, it is hereby agreed and accepted that the provisions of said instrument will apply: that these Bylaws will be subordinate thereto.

ARTICLE SEVENTEEN

NON-PROFIT ASSOCIATION

Section 1. This Association is not organized for profit. No Unit Owner, member of the Board of Directors 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 as a salary or as compensation to or distributed to or inure to the benefit of any Member of the Board of Directors; provided, however, always (1) that reasonable compensation may be paid to any Member while acting as an agent or employee of the Association for services rendered in effecting one (1) or more of the purposes of the Association and (2) that any Member of the Board of Directors 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 EIGHTEEN

EXECUTION OF INSTRUMENTS

The persons who shall be authorized to execute any and all instruments of conveyance or encumbrances, including promissory notes, shall be the President and the Secretary of the Association.

ARTICLE NINETEEN

DEFINITIONS OF TERMS

The terms used in these Bylaws, to the extent they are defined in said Declaration, shall have the same definition as set forth in the Declaration for the Property, as the same may be amended from time to time, recorded in the office of the County Clerk of Hood County, Texas.

Any provision herein which restricts the sale, rental, or use of the described real property because of color or race is invalid and unenforceable under Federal law.
STATE OF TEXAS COUNTY OF HOOD
I hereby certify that this instrument was filed on the date and at the time stamped hereon by me and was duly RECORDED in the OFFICIAL PUBLIC RECORDS OF HOOD COUNTY TEXAS, in the Volume and Page as shown hereon.



Sally Oubre
SALLY OUBRE, County Clerk
Hood County, Texas

FILED FOR RECORD
AT 3:30 PM.

JAN 15 2003

Sally Oubre
County Clerk, Hood County, TX