



The State of Texas  
Secretary of State

CERTIFICATE OF INCORPORATION  
OF

WINDEMERE AIRPORT TAXIWAY ASSOCIATION, INC.  
CHARTER NUMBER 01496845

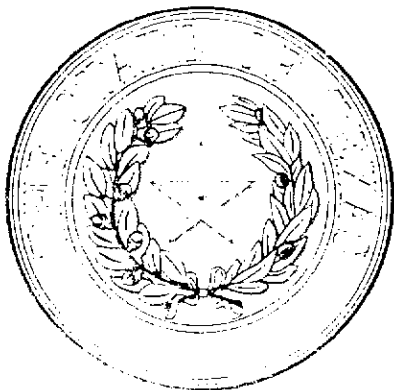
THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS,  
HEREBY CERTIFIES THAT THE ATTACHED ARTICLES OF INCORPORATION FOR THE  
ABOVE NAMED CORPORATION HAVE BEEN RECEIVED IN THIS OFFICE AND ARE  
FOUND TO CONFORM TO LAW.

ACCORDINGLY, THE UNDERSIGNED, AS SECRETARY OF STATE, AND BY VIRTUE  
OF THE AUTHORITY VESTED IN THE SECRETARY BY LAW, HEREBY ISSUES THIS  
CERTIFICATE OF INCORPORATION.

ISSUANCE OF THIS CERTIFICATE OF INCORPORATION DOES NOT AUTHORIZE  
THE USE OF A CORPORATE NAME IN THIS STATE IN VIOLATION OF THE RIGHTS OF  
ANOTHER UNDER THE FEDERAL TRADEMARK ACT OF 1946, THE TEXAS TRADEMARK LAW,  
THE ASSUMED BUSINESS OR PROFESSIONAL NAME ACT OR THE COMMON LAW.

DATED JUNE 24, 1998

EFFECTIVE JUNE 24, 1998



A handwritten signature in black ink, appearing to read "Alberto R. Gonzales".

Alberto R. Gonzales, Secretary of State

JUN 24 1998

Corporations Section

ARTICLES OF INCORPORATION  
OF

WINDERMERE AIRPORT TAXIWAY ASSOCIATION, INC.

The undersigned natural persons over the age of 18, adopt the following Articles of Incorporation of WINDERMERE AIRPORT TAXIWAY ASSOCIATION, INC.

ARTICLE 1

NAME

The name of the Corporation is WINDERMERE AIRPORT TAXIWAY ASSOCIATION, INC.

ARTICLE 2

NONPROFIT CORPORATION

The Corporation is a nonprofit corporation. When it dissolves, all of its assets will be distributed to the State of Texas or an organization exempt from taxes under Internal Revenue Code Section 501(c)(3) for one or more purposes exempt under the Texas franchise tax.

ARTICLE 3

DURATION

The Corporation will continue in perpetuity.

ARTICLE 4

PURPOSES

The purposes for organizing the Corporation are for providing for maintenance and preservation of:

- a. The properties known as Windermere Airpark, a platted subdivision in Burnet County, Texas, which is subject to the provisions of that certain Declaration of Covenants, Conditions and Restrictions of Windermere Airpark (hereinafter called the "Declaration"), recorded or to be recorded in the Real Property Records of Burnet County, Texas;
- b. The easements filed of record in the Burnet County Real Property Records allowing ingress, egress, taxiing and taking off, for the members; and
- c. Any additional properties that may hereafter be brought within the jurisdiction of this

Association by the imposition on such additional properties of one or more Supplemental Declarations of Covenants, Conditions and Restrictions covering such properties (hereinafter singly called a "Supplemental Declaration" and collectively called the "Supplemental Declarations"), and to perform the other functions and services and to achieve the other purposes provided for and referred to in the Declaration and the Supplemental Declarations; and to

a. Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration and all Supplemental Declarations, as the same may be amended or supplemented from time to time as therein provided, the same being incorporated herein as if set forth at length;

b. Fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration and all Supplemental Declarations; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the properties of the Associations.

## ARTICLE 5

### POWERS

Except as these Articles otherwise provide, the Corporation has all the powers provided in the Texas Non-Profit Corporation Act. Moreover, the Corporation has all implied powers necessary and proper to carry out its express powers. The Corporation may reasonably compensate members, directors, or officers for services rendered to or for the Corporation in furtherance of one or more of its purposes.

## ARTICLE 6

### RESTRICTIONS AND REQUIREMENTS

The Corporation may not pay dividends or other corporate income to its members, directors, or officers, or otherwise accrue distributable profits, or permit the realization of private gain. The Corporation may not take any action prohibited by the Texas Non-Profit Corporation Act. The Corporation may not engage in any activities, except to an insubstantial degree, that do not further its purposes as set forth in these Articles.

The Corporation may not take any action that would be inconsistent with the requirements for a tax exemption under Internal Revenue Code Section 501(c)(3) and related

regulations, rulings, and procedures. Nor may it take any action that would be inconsistent with the requirements for receiving tax-deductible charitable contributions under Internal Revenue Code Section 170(c)(2) and related regulations, rulings, and procedures. Regardless of any other provision in these Articles of Incorporation or state law, the Corporation may not:

a. Engage in activities or use its assets in manners that do not further one or more exempt purposes, as set forth in these Articles and defined by the Internal Revenue Code and related regulations, rulings, and procedures, except to an insubstantial degree.

b. Serve a private interest other than one clearly incidental to an overriding public interest.

c. Devote more than an insubstantial part of its activities to attempting to influence legislation by propaganda or otherwise, except as provided by the Internal Revenue Code and related regulations, rulings, and procedures.

d. Participate in or intervene in any political campaign on behalf of or in opposition to any candidate for public office. The prohibited activities include publishing or distributing statements and any other direct or indirect campaign activities.

e. Have objectives characterizing it as an "action organization" as defined by the Internal Revenue Code and related regulations, rulings, and procedures.

f. Distribute its assets on dissolution other than for one or more exempt purposes. On dissolution, the Corporation's assets will be distributed to the state government for a public purpose, or to an organization exempt from taxes under Internal Revenue Code Section 501(c)(3) to be used to accomplish the general purposes for which the Corporation was organized.

g. Permit any part of the Corporation's net earnings to inure to the benefit of any private shareholder or member of the Corporation or any private individual.

h. Carry on an unrelated trade or business, except as a secondary purpose related to the Corporation's primary, exempt purposes.

## ARTICLE 7

### MEMBERSHIP

The Corporation will have one or more classes of members as provided in the bylaws.

## ARTICLE 8

### INITIAL REGISTERED OFFICE AND AGENT

The street address of the Corporation's initial registered office is 205 Coventry Road,

Spicewood, Texas 78669. The name of the initial registered agent at this office is DANA J. WHATLEY.

## ARTICLE 9

### MANAGING BODY OF CORPORATION

The management of the corporation is vested in its Board of Directors and such committees of the board that the board may, from time-to-time, establish. The bylaws will provide the qualifications, manner of selection, duties, terms, and other matters relating to the Board of Directors.

In electing directors, members may cumulate their votes by giving one candidate as many votes as the number of directors to be elected or by distributing the same number of votes among any number of candidates.

The initial Board will consist of three(3) persons. The initial Board will consist of the following persons at the following addresses:

Name	Address
MALCOLM D. BAILEY	5818 Beverly Hill, Houston, Texas 77057
DANA J. WHATLEY	205 Coventry Road, Spicewood, Texas 78669
CHARLES VAN TREASE	4401 Hennig Drive, Austin, Texas 78738

The number of directors may be increased or decreased by amending bylaws. The number of directors may not be decreased to fewer than three.

## ARTICLE 10

### LIMITATION ON LIABILITY OF DIRECTORS

A director is not liable to the Corporation or members for monetary damages for an act or omission in the director's capacity as director except as otherwise provided by a Texas statute.

## ARTICLE 11

### INDEMNIFICATION

The Corporation may indemnify a person who was, is, or is threatened to be made a named defendant or respondent in litigation or other proceedings because the person is or was a director or other person related to the Corporation regardless of the provisions of the Texas Non-Profit Corporation Act governing indemnification.

As the bylaws provide, the Board may define the requirements and limitations for the

Corporation to indemnify directors, officers, members, or others related to the Corporation.

## ARTICLE 12

### CONSTRUCTION

All references in these Articles to statutes, regulations, or other sources of legal authority refer to the authorities cited, or their successors, as they may be amended from time to time.

## ARTICLE 13

### INCORPORATORS

The name and street address or post-office address of each incorporator is:

Name of Incorporator	Address
MALCOLM D. BAILEY	5818 Beverly Hill, Houston, Texas 77057
DANA J. WHATLEY	205 Coventry Road, Spicewood, Texas 78669
MARTIN WHATLEY	205 Coventry Road, Spicewood, Texas 78669

## ARTICLE 14

### ACTION BY WRITTEN CONSENT

Action may be taken by use of signed written consents by the number of members, directors, or committee members whose vote would be necessary to take action at a meeting at which all such persons entitled to vote were present and voted. Each written consent must bear the date of signature of each person signing it. A consent signed by fewer than all of the members, directors, or committee members is not effective to take the intended action unless consents, signed by the required number of persons, are delivered to the Corporation within 60 days after the date of the earliest-dated consent delivered to the Corporation. Delivery must be made by hand, or by certified or registered mail, return receipt requested. The delivery may be made to the Corporation's registered office, registered agent, principal place of business, transfer agent, registrar, exchange agent, or an officer or agent having custody of books in which the relevant proceedings are recorded. If delivery is made to the Corporation's principal place of business, the consent must be addressed to the president or principal executive officer.

The Corporation will give prompt notice of the action taken to persons who do not sign consents. If the action requires documents to be filed with the secretary of state, the filed documents will state that the written-consent procedures have been properly followed.

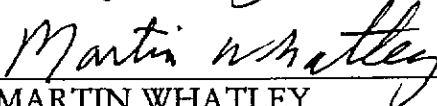
A telegram, telex, cablegram, or similar transmission by a member, director, or committee

member, or photographic, facsimile, or similar reproduction of a signed writing is to be regarded as being signed by the member, director, or committee member.

We execute these Articles of Incorporation on June 23, 1998.

  
MALCOLM D. BAILEY

  
DANA J. WHATLEY

  
MARTIN WHATLEY

**BYLAWS OF  
WINDERMERE AIRPORT TAXIWAY ASSOCIATION, INC.**

These Bylaws govern the affairs of WINDERMERE AIRPORT TAXIWAY ASSOCIATION, INC., a nonprofit corporation.

**ARTICLE 1**

**OFFICES**

**Principal Office**

1.01. The Corporation's principal office in Texas will be located at 205 Coventry Road, Spicewood, Texas 78669. The Corporation may have such other offices, in Texas or elsewhere, as the Board of Directors may determine. The Board may change the location of any office of the Corporation.

**Registered Office and Registered Agent**

1.02. The Corporation will maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical with the Corporation's principal office in Texas. The Board may change the registered office and the registered agent as permitted in the Texas Non-Profit Corporation Act.

**ARTICLE 2**

**MEMBERS**

**Membership**

2.01. Membership in the Association shall be governed by the provisions of the Declaration of Covenants, Conditions and Restrictions of Windermere Airpark, a subdivision of Burnet County, Texas.

**Resolving Disputes**

2.02. In any dispute between members relating to the Corporation's activities, all parties involved will cooperate in good faith to resolve the dispute. If the parties cannot resolve a dispute among themselves, they will cooperate to select one or more mediators to help resolve it.

**Waiving Interest in Corporate Property**

2.03. The Corporation owns all real and personal property, including all improvements



located on the property, acquired by the Corporation. A member has no interest in specific property of the Corporation. Each member waives the right to require partition of all or part of the Corporation's property.

#### Assessments

2.04. Assessments by the Association shall be governed by the provisions of the Declaration of Covenants, Conditions and Restrictions of Windermere Airpark, a subdivision of Burnet County, Texas.

### ARTICLE 3

#### MEETINGS OF MEMBERS

##### Annual Meeting

3.01. Beginning in 1998, the Board will hold an annual members' meeting at 10:00 o'clock a.m. on the 2nd Saturday of June each year or at another time that the Board designates. At the annual meeting, the members will elect directors and transact any other business that may come before the meeting. If, in any year, the election of directors is not held on the day designated for the annual meeting, or at any adjournment of the annual meeting, the Board will call a special meeting of the members, as soon as possible, to elect directors.

##### Special Meetings

3.02. Special meetings of the members may be called by the president, the Board, or not less than 10 % of the voting members.

##### Place of Meeting

3.03. The Board may designate any place, inside or outside Texas, as the place of meeting for any annual meeting or for any special meeting called by the Board. If the Board does not designate the place of meeting, the meeting will be held at the Corporation's registered office in Texas.

##### Notice of Meetings

3.04. Written or printed notice of any members' meeting, including the annual meeting, will be delivered to each member entitled to vote at the meeting not less than 10–nor more than 60–days before the date of the meeting. The record date for determining the members entitled to notice of any meeting of members will be established by the Board according to Article

1396–2.11A of the Revised Civil Statutes. After fixing the record date, the Board will cause to be prepared an alphabetical list of all members entitled to notice of any meeting of members. Notice will be given by or at the direction of the president or secretary, or the officers or persons calling the meeting. If all of the members meet and consent to holding a meeting, any corporate action may be taken at the meeting regardless of lack of proper notice.

#### Eligibility to Vote at Members' Meetings

3.05. A member in good standing is entitled to vote at a meeting of the members of the corporation. A member in good standing is one who has paid all required fees and dues and is not suspended as of the date of the meeting. The record date for determining the members entitled to vote at any meeting of members will be established by the Board according to Article 1396–2.11A of the Revised Civil Statutes. After a record date is fixed, an alphabetical list of members entitled to receive notice, including their addresses and number of votes each is entitled to cast, will be prepared. The list will contain a listing of members entitled to vote at the meeting but not entitled to receive notice and will be available for inspection at the principal office of the corporation from two business days after notice is given until the meeting is held. Any member entitled to vote at the meeting is entitled to access to the list for the purpose of communicating with other members. The member or the member's agent or attorney may make the inspection on written demand and copy the list at a reasonable time and at the member's expense. "Class B" members cannot vote on issues concerning the "platted" area called "Windermere Airpark".

#### Quorum

3.06. Members holding 10% of the votes that may be cast at a meeting who attend the meeting in person or by proxy will constitute a quorum at a meeting of members. The members present at a duly called or held meeting at which a quorum is present may continue to transact business, even if enough members leave so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of members required for a quorum. If a quorum is not present at any time during a meeting, a majority of the members who are present may adjourn and reconvene the meeting once without further notice.

#### Actions of Membership

3.07. The membership will try to act by consensus. However, if a consensus is not available on a matter or proposal, the vote of a majority of voting members in good standing,

present and entitled vote at a meeting at which a quorum is present, is enough to constitute the act of the membership unless law or the bylaws require a greater number. Voting will be by ballot or voice, except that any election of directors will be by ballot if demanded by any voting member at the meeting before the voting begins.

#### Proxies

3.08. A member entitled to vote at a meeting of members of the corporation may vote by proxy. All proxies must be in writing, bear the signature of the member giving the proxy, and must specify the date on which they are executed. No proxy is valid after 11 months from the date of its execution, unless the proxy specifically states a later date. Proxies are not valid if they purport to be valid to an indefinite date in the future or if they purport to be valid for more than one year.

#### Voting by Mail

3.09. The Board may authorize members to vote by mail on the election of directors and officers or on any other matter that the members may vote on.

### ARTICLE 4

#### BOARD OF DIRECTORS

##### Management of Corporation

4.01. The Board will manage corporate affairs.

##### Number, Qualifications, and Tenure of Directors

4.02. The number of Directors will be a number determined by the Board that is not less than three and not greater than five. Directors need not be Texas residents. If corporation has members, Directors need not be members of the Corporation. Each director will serve for a term of two years. The Board of Directors shall be made up of at least one Class "B" member, but in any event, Class "B" members may not hold a majority of the Board seats.

##### Nominating Directors

4.03. At any meeting at which the election of a director is held, a voting member in good standing or director may nominate a person with the second of any other voting member in good standing or director. In addition to nominations made at meetings, a nominating committee will consider possible nominees and make nominations for each election of directors. The secretary will include the names nominated by that committee, and any report of the committee, with the

notice of the meeting at which the election occurs.

#### Electing Directors

4.04. A person who meets the qualifications for director and who has been duly nominated may be elected as a director. Directors will be elected by the vote of the membership. Each director will hold office until a successor is elected and qualifies. A director may be elected to succeed himself or herself as director. Directors will be elected at the annual meeting of the members. If articles of incorporation authorize members to cumulate votes for directors, add: In electing directors, members may cumulate their votes by giving one candidate as many votes as the number of directors to be elected or by distributing the same number of votes among any number of candidates.

#### Vacancies

4.05. The Board will fill any vacancy in the Board and any director position to be filled due to an increase in the number of directors. A vacancy is filled by the affirmative vote of a majority of the remaining directors, even if it is less than a quorum of the Board, or if it is a sole remaining director. A director selected to fill a vacancy will be serve for the unexpired term of his or her predecessor in office.

#### Annual Meeting

4.06. The annual meeting of the Board may be held without notice other than these Bylaws. The annual Board meeting will be held at the corporation's registered office in Texas on the 2nd Sunday in June of each year, or immediately after, and at the same place as the annual members' meeting.

#### Regular Meetings

4.07. The Board may provide for regular meetings by resolution stating the time and place of such meetings. The meetings may be held inside or outside Texas, and will be held at the Corporation's registered office in Texas if the resolution does not specify the location of the meetings. No notice of regular Board meetings is required other than a Board resolution stating the time and place of the meetings.

#### Special Meetings

4.08. Special Board meetings may be called by, or at the request of, the president or any directors. A person or persons authorized to call special meetings of the Board may fix any place

within or without Texas as the place for holding a special meeting. The person or persons calling a special meeting will inform the secretary of the corporation of the information to be included in the notice of the meeting. The secretary of the Corporation will give notice to the directors as these Bylaws require.

#### Notice

4.09. Written or printed notice of any special meeting of the Board will be delivered to each director not less than seven, nor more than 30 days before the date of the meeting. The notice will state the place, day, and time of the meeting; who called and the purpose or purposes for which it is called.

#### Quorum

4.10. A majority of the number of directors then in office constitutes a quorum for transacting business at any Board meeting. The directors present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough directors leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of directors required for a quorum. If a quorum is never present at any time during a meeting, a majority of the directors present may adjourn and reconvene the meeting once without further notice.

#### Duties of Directors

4.11. Directors will discharge their duties, including any duties as committee members, in good faith, with ordinary care, and in a manner they reasonably believe to be in the Corporation's best interest. In this context, the term "ordinary care" means the care that ordinarily prudent persons in similar positions would exercise under similar circumstances. In discharging any duty imposed or power conferred on directors, directors may, in good faith, rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Corporation or another person that has been prepared or presented by a variety of persons, including officers and employees of the Corporation, professional advisors or experts such as accountants or legal counsel. A director is not relying in good faith if he or she has knowledge concerning a matter in question that renders reliance unwarranted.

Directors are not deemed to have the duties of trustees of a trust with respect to the Corporation or with respect to any property held or administered by the Corporation, including

property that may be subject to restrictions imposed by the donor or transferor of the property.

#### Duty To Avoid Improper Distributions

4.12. Directors who vote for or assent to improper distributions are jointly and severally liable to the Corporation for the value of improperly distributed assets, to the extent that, as a result of the improper distribution or distributions, the corporation lacks sufficient assets to pay its debts, obligations, and liabilities. Any distribution made when the Corporation is insolvent, other than in payment of corporate debts, or any distribution that would render the Corporation insolvent, is an improper distribution. A distribution made during liquidation without payment and discharge of or provision for payment and discharge of all known debts, obligations, and liabilities is also improper. Directors present at a Board meeting at which the improper action is taken are presumed to have assented, unless they dissent in writing. The written dissent must be filed with the secretary of the Corporation before adjournment of the meeting in question or mailed to the secretary by registered mail immediately after adjournment.

A director is not liable if, in voting for or assenting to a distribution, the director (1) relies in good faith and with ordinary care on information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by one or more officers or employees of the Corporation; legal counsel, public accountants, or other persons as to matters the director reasonably believes are within the person's professional or expert competence; or a committee of the Board of which the director is not a member; (2) while acting in good faith and with ordinary care, considers the Corporation's assets to be at least that of their book value; or (3) in determining whether the Corporation made adequate provision for paying, satisfying, or discharging all of its liabilities and obligations, relied in good faith and with ordinary care on financial statements or other information concerning a person who was or became contractually obligated to satisfy or discharge some or all of these liabilities or obligations. Furthermore, directors are protected from liability if, in exercising ordinary care, they acted in good faith and in reliance on the written opinion of an attorney for the Corporation.

Directors held liable for an improper distribution are entitled to contribution from persons who accepted or received the improper distributions knowing they were improper. Contribution is in proportion to the amount received by each such person.

### Delegating Duties

4.13. Directors may select advisors and delegate duties and responsibilities to them, such as the full power to buy or otherwise acquire stocks, bonds, securities, and other investments on the Corporation's behalf; and to sell, transfer, or otherwise dispose of the Corporation's assets and properties at a time and for a consideration that the advisor deems appropriate. The directors have no liability for actions taken or omitted by the advisor if the Board acts in good faith and with ordinary care in selecting the advisor. The Board may remove or replace the advisor at any time and without any cause whatsoever.

### Interested Directors

4.14. Contracts or transactions between directors, officers, or members who have a financial interest in the matter are not void or voidable solely for that reason. Nor are they void or voidable solely because the director, officer, or member is present at or participates in the meeting that authorizes the contract or transaction, or solely because the interested party's votes are counted for the purpose. However, every director with any personal interest in the transaction must disclose all material facts concerning the transaction, including all potential personal benefit and potential conflicts of interest, to the other members of the Board or other group authorizing the transaction. The transaction must be approved by a majority of the uninterested directors or other group with the authority to authorize the transaction.

### Actions of Board of Directors

4.15. The Board will try to act by consensus. However, if a consensus is not available, the vote of a majority of directors present and voting at a meeting at which a quorum is present is enough to constitute the act of the Board, unless the act of a greater number is required by law or by some other provision of these Bylaws. A director who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the Board's decision.

### Proxies

4.16. A director may not vote by proxy.

### Compensation

4.17. Directors may not receive salaries for their services. The Board may adopt a resolution providing for paying directors a fixed sum and expenses of attendance, if any, for

attending each Board meeting. A director may serve the Corporation in any other capacity and receive compensation for those services. Any compensation that the Corporation pays to a director will be reasonable and commensurate with the services performed

#### Removing Directors

4.18. The members may vote to remove a director at any time, without cause. A meeting to consider removing a director may be called and noticed following the procedures provided in these Bylaws for a special meeting of the members of the corporation. The notice of the meeting will state that the issue of possibly removing the director will be on the agenda.

At the meeting, the director may present evidence of why he or she should not be removed and may be represented by an attorney at and before the meeting. Also, at the meeting, the Corporation will consider possible arrangements for resolving the problems that are in the mutual interest of the Corporation and the director.

A director may be removed by the affirmative vote of 51 percent of the members.

### ARTICLE 5

#### OFFICERS

##### Officer Positions

5.01. The Corporation's officers will be a president, a secretary, one vice president, and a treasurer. The Board may create additional officer positions, define the authority and duties of each such position, and elect or appoint persons to fill the positions. The same person may hold any two or more offices, except for president and secretary.

##### Election and Term of Office

5.02. The Corporation's officers will be elected or appointed by the Board at the annual Board meeting in even-numbered years. If officers are not elected at this time, they will be elected as soon thereafter as possible.

Each officer will hold office until a successor is duly selected and qualifies. An officer may be elected to succeed himself or herself in the same office.

##### Removal

5.03. Any officer elected or appointed by the Board may be removed by the Board without good cause. Removing an officer will be without prejudice to the officer's contractual rights, if any.



#### Vacancies

5.04. The Board may select a person to fill a vacancy in any office for the unexpired portion of the officer's term.

#### President

5.05. The president is the Corporation's chief executive officer. He or she will supervise and control all of the Corporation's business and affairs and will preside at all meetings of the members and of the Board. The president may execute any deeds, mortgages, bonds, contracts, or other instruments that the Board authorizes to be executed. However, the president may not execute instruments on the Corporation's behalf if this power is expressly delegated to another officer or agent of the Corporation by the Board, these Bylaws, or statute. The president will perform other duties prescribed by the Board and all duties incident to the office of president.

#### Vice President

5.06. When the president is absent, cannot act, or refuses to act, a vice president will perform the president's duties. When acting in the president's place, the vice president has all the powers of—and is subject to all the restrictions on—the president. If there is more than one vice president, the vice presidents will act for the president in the order of appointment. A vice president will perform other duties as assigned by the president or Board.

#### Treasurer

5.07. The treasurer will:

- a. Have charge and custody of—and be responsible for—all the Corporation's funds and securities.
- b. Receive and give receipts for moneys due and payable to the Corporation from any source.
- c. Deposit all moneys in the Corporation's name in banks, trust companies, or other depositories as these Bylaws provide or as the Board or president directs.
- d. Write checks and disburse funds to discharge the Corporation's obligations. However, funds may not be drawn from the Corporation or its accounts for amounts greater than \$1,000.00 without the signature of the president or a vice president in addition to that of the treasurer
- e. Maintain the Corporation's financial books and records.
- f. Prepare financial reports at least annually.

- g. Perform other duties as assigned by the president or the Board.
- h. If the Board requires, give a bond for faithfully discharging his or her duties in a sum and with a surety as determined by the Board.
- i. Perform all of the duties incident to the office of treasurer.

#### Secretary

5.08. The Secretary will:

- a. Give all notices as provided in the bylaws or as required by law.
- b. Take minutes of the meetings of the members and the Board and keep the minutes as part of the corporate records.
- c. Maintain custody of the corporate records and seal.
- d. Affix the corporate seal to all documents as authorized.
- e. Keep a register of the mailing address of each member, director, officer, and employee of the Corporation.
- f. Perform duties as assigned by the president or the Board.
- g. Perform all duties incident to the office of secretary.

### ARTICLE 6

#### COMMITTEES

##### Establishing Committees

6.01. The Board may adopt a resolution establishing one or more committees delegating specified authority to a committee, and appointing or removing members of a committee. A committee will include two or more directors and may include persons who are not directors. If the Board delegates any of its management authority to a committee, the majority of the committee will consist of directors. The Board may also delegate to the president its power to appoint and remove members of a committee that has not been delegated any management authority of the Board. The Board may establish qualifications for membership on a committee. Establishing a committee or delegating authority to it will not relieve the Board, or any individual director, of any responsibility imposed by these Bylaws or otherwise imposed by law. No committee has the authority of the Board to:

- a. Amend the articles of incorporation.
- b. Adopt a plan of merger or of consolidation with another corporation.

c. Authorize the sale, lease, exchange, or mortgage of all or substantially all of the Corporation's property and assets.

d. Authorize voluntary dissolution of the Corporation.

e. Revoke proceedings for voluntary dissolution of the Corporation.

f. Adopt a plan for distributing the Corporation's assets.

g. Amend, alter, or repeal these Bylaws.

h. Elect, appoint, or remove a member of a committee or a director or officer of the Corporation.

I. Approve any transaction to which the Corporation is a party and that involves a potential conflict of interest as defined in paragraph 7.04, below.

j. Take any action outside the scope of authority delegated to it by the Board.

k. Take final action on a matter requiring membership approval.

#### Authorization of Specific Committees

6.02. The following committees are authorized: Membership, Nominating, Architectural Control, and Program Committees. The Board will define the activities and scope of authority of each committee by resolution.

#### Term of Office

6.03. Each committee member will continue to serve on the committee until the next annual members' meeting and until a successor is appointed. However, a committee member's term may terminate earlier if the committee is terminated, or if the member dies, ceases to qualify, resigns, or is removed as a member. A vacancy on a committee may be filled by an appointment made in the same manner as an original appointment. A person appointed to fill a vacancy on a committee will serve for the unexpired portion of the terminated committee member's term.

#### Chair and Vice-Chair

6.04. One member of each committee will be designated as the committee chair, and another member of each committee will be designated as the vice-chair. The chair and vice-chair will be appointed by the president. The chair will call and preside at all meetings of the committee. When the chair is absent, cannot act, or refuses to act, the vice-chair will perform the chair's duties. When a vice-chair acts for the chair, the vice-chair has all the powers of—and is

subject to all the restrictions on--the chair.

#### Notice of Meetings

6.05. Written or printed notice of a committee meeting will be delivered to each member of a committee not less than seven nor more than 30 days before the date of the meeting. The notice will state the place, day, and time of the meeting, and the purpose or purposes for which it is called.

#### Quorum

6.06. One-half of the number of committee members constitutes a quorum for transacting business at any meeting of the committee. The committee members present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough committee members leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of committee members required for a quorum. If a quorum is never present at any time during a meeting, the chair may adjourn and reconvene the meeting once without further notice.

#### Actions of Committees

6.07. Committees will try to take action by consensus. However, if a consensus is not available, the vote of a majority of committee members present and voting at a meeting at which a quorum is present is enough to constitute the act of the committee unless the act of a greater number is required by statute or by some other provision of these Bylaws. A committee member who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the act of the committee.

#### Proxies

6.08. A committee member may not vote by proxy.

#### Compensation

6.09. Committee members may not receive salaries for their services. The Board may adopt a resolution providing for paying committee members a fixed sum and expenses of attendance, if any, for attending each meeting of the committee. A committee member may serve the Corporation in any other capacity and receive compensation for those services. Any compensation that the Corporation pays to a committee member will be reasonable and commensurate with the services performed.

## Rules

6.10. Each committee may adopt its own rules, consistent with these Bylaws or with other rules that may be adopted by the Board.

## ARTICLE 7

### TRANSACTIONS OF CORPORATION

#### Contracts

7.01. The Board may authorize any officer or agent of the Corporation to enter into a contract or execute and deliver any instrument in the name of, and on behalf of, the Corporation. This authority may be limited to a specific contract or instrument, or it may extend to any number and type of possible contracts and instruments.

#### Deposits

7.02. All the Corporation's funds will be deposited to the credit of the Corporation in banks, trust companies, or other depositories that the Board selects.

#### Gifts

7.03. The Board may accept, on the Corporation's behalf, any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Corporation. The Board may make gifts and give charitable contributions not prohibited by these Bylaws, the articles of incorporation, state law, and provisions set out in federal tax law that must be complied with to maintain the Corporation's federal and state tax status.

#### Potential Conflicts of Interest

7.04. The Corporation may not make any loan to a director or officer of the Corporation. A member, director, officer, or committee member of the Corporation may lend money to and otherwise transact business with the Corporation except as otherwise provided by these Bylaws, the articles of incorporation, and applicable law. Such a person transacting business with the Corporation has the same rights and obligations relating to those matters as other persons transacting business with the Corporation. The Corporation may not borrow money from or otherwise transact business with a member, director, officer, or committee member of the Corporation unless the transaction is described fully in a legally binding instrument and is in the Corporation's best interests. The Corporation may not borrow money from or otherwise transact business with a member, director, officer, or committee member of the Corporation

without full disclosure of all relevant facts and without the Board's the members' approval, not including the vote of any person having a personal interest in the transaction.

#### Prohibited Acts

7.05. As long as the Corporation exists, and except with the Board's or the members' prior approval, no member, director, officer, or committee member of the Corporation may:

- a. Do any act in violation of these Bylaws or a binding obligation of the Corporation.
- b. Do any act with the intention of harming the Corporation or any of its operations.
- c. Do any act that would make it impossible or unnecessarily difficult to carry on the Corporation's intended or ordinary business.
- d. Receive an improper personal benefit from the operation of the Corporation.
- e. Use the Corporation's assets, directly or indirectly, for any purpose other than carrying on the Corporation's business.
- f. Wrongfully transfer or dispose of Corporation property, including intangible property such as good will.
- g. Use the Corporation's name (or any substantially similar name) or any trademark or trade name adopted by the Corporation, except on behalf of the Corporation in the ordinary course of its business.
- h. Disclose any of the Corporation's business practices, trade secrets, or any other information not generally known to the business community to any person not authorized to receive it.

### ARTICLE 8

#### BOOKS AND RECORDS

##### Required Books and Records

8.01. The Corporation will keep correct and complete books and records of account. The books and records include:

- a. A file-endorsed copy of all documents filed with the Texas Secretary of State relating to the Corporation, including but not limited to the articles of incorporation, and any articles of amendment, restated articles, articles of merger, articles of consolidation, and statement of change of registered office or registered agent.
- b. A copy of all bylaws, including these Bylaws, and any amended versions or amendments

