

22,
AMENDMENTS TO THE BY LAWS OF THE
DECORDOVA BEND ESTATES OWNERS ASSOCIATION, INC.
&
DECORDOVA BEND ESTATES COUNTRY CLUB, INC.

2046
VOL.

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Executed by the President of The DECORDOVA BEND ESTATES OWNERS ASSOCIATION, INC., and as voted on by the property owners of DeCordova Bend Estates Owners Association, Inc., on May 15, 2004 as indicated on the Exhibit "A"

DECORDOVA BEND ESTATES OWNERS ASSOCIATION, INC.

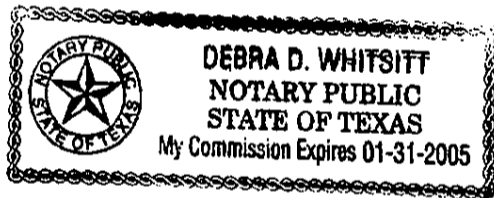
By: Doyle D. Davis
President, Doyle Davis

State of Texas §

County of Hood §

"Before ME, the undersigned authority, on this day personally appeared Doyle Davis, President of the DeCordova Bend Estates Owners Association, Inc., for the term of 2004/2005, a Texas Corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, as the act and deed of said corporation, and in the capacity therein stated.

"Given under my hand and seal of office this 8 day of October, 2004."



Debra D. Whitsitt
Notary Public Signature

2045 0937 AMENDED
BY-LAWS OF
DECORDOVA BEND ESTATES OWNERS ASSOCIATION, INC.
A TEXAS NON-PROFIT CORPORATION
(MAY 15, 2004)

ARTICLE I - OFFICES

Section 1. Principal Office

The principal office of the corporation shall be located at DeCordova Bend Estates in the County of Hood, 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 II - DEFINITIONS

The following words, when used in these By laws (unless the context shall prohibit), shall have the following meaning:

- (a) "Corporation" shall mean and refer to this Non-Profit Corporation.
- (b) "Country Club" shall mean and refer to DeCordova Bend Estates Country Club, Inc., a Non-Profit Corporation.
- (c) "Recreational Area" shall mean and refer to certain portions of the real estate and land (together with any improvements thereon) located in DeCordova Bend Estates, a subdivision of Hood County, Texas, which was conveyed to the Association by Texlan, Inc. by deed dated November 17, 1972, recorded in Volume 195, page 43, Deed Records of Hood County, Texas, to-wit: clubhouse, swimming pool, golf course, tennis courts, marina, stables, park and picnic areas, parking areas, and maintenance shops.
- (d) "Facilities" shall mean streets, roads and other public ways, fences, gates, security equipment, structures used to house and maintain such equipment and associated real estate.
- (e) "Subdivision" shall mean and refer to all that certain real estate and land (together with any improvements thereon) located in DeCordova Bend Estates, Hood County, Texas
- (f) "Lot" shall mean and refer to each numbered lot shown on the recorded plats of Subdivision, and also to any plot of land shown upon any future recorded subdivision map or plat of the Subdivision, or any part thereof, and each condominium unit within the Subdivision, or any part thereof, and each condominium unit within the Subdivision.
- (g) "Residential Lot" shall mean and refer to all lots shown on the recorded plats of DeCordova Bend Estates, Hood County, Texas, and also to any plot of land shown upon any future recorded Subdivision map or plat of the Subdivision or any part thereof, for which the use thereof is restricted to a single family residential dwelling.
- (h) "Multifamily Lot" shall mean and refer to any plot of land shown upon any Subdivision map or plat of the property or any part thereof of DeCordova Bend Estates, Hood County, Texas, for which the applicable Restrictions permit the use thereof for duplexes or multifamily housing. Where applicable, said lot shall be administered in accordance with the Condominium Act for the State of Texas, and any Condominium Declaration filed pursuant to such Act.
- (i) "Owner" shall mean and refer to the record owner or purchaser under a Contract of Sale, whether one or more persons or entities, of the fee simple title to any lot situated upon the Property, and also to the record owner of the fee simple title to any un-platted parts of the property (not platted of record or sold as tract acreage), but not withstanding any applicable theory of the mortgage, shall not mean or refer to the mortgagee of any lot or part pursuant to foreclosure or any proceeding in lieu of foreclosure. Tenants or lessees shall not be considered Owners; however, they must be approved for membership in the Corporation as Associate members subject to special charges as approved by the Board of Directors even though membership assessments shall be payable by the owner of the property and not by the tenant or lessee.

ARTICLE III - RESPONSIBILITIES OF CORPORATION IN GENERAL

Section 1 - Declaration of Covenants and Restrictions Binding on Corporation

The Declarations of Restrictions executed by DeCordova Bend Estates Owners Association, Inc. and filed of record in the Deed Records of Hood County, Texas, are binding on this Corporation

and upon the members thereof. This Corporation and the members thereof shall be governed by all the terms of said Declarations of Restrictions.

Section 2 - Functions of Corporation in General

This corporation shall have, exercise and enjoy all the rights, privileges and remedies, and shall perform all the functions and duties assigned to, delegated to, granted to and required of it by the terms and provisions of said Declarations of Restrictions, and all further rights and powers as may be appropriate under the Articles of Incorporation and these By-Laws.

ARTICLE IV - USE, OWNERSHIP, MAINTENANCE, MANAGEMENT AND CONTROL OF FACILITIES

Section 1 - Services Provided

This Corporation shall provide security and related services, construction and maintenance of streets, roads and other public ways, fences and gates in the Subdivision, to its members, their property and to the Country Club.

Section 2 - Use of Facilities

Except as otherwise provided, the use and enjoyment of Facilities is limited to those persons or entities who are members (including tenants or lessees approved as Associate Members, even though assessments are not directly owed by said tenants/lessees to the Country Club) of this Corporation, as hereinafter set forth, and their respective families and guests, subject to Section 3 hereof.

Section 3 - Regulations for Use of Facilities

Such rules and regulations as may be necessary for the orderly use and management of said Facilities, including, but not limited to, rules and regulations concerning the rights and privileges of members and guests of members, shall be made by the Board of Directors of this Corporation.

Section 4 - Management of Facilities

This Corporation, by and through its Board of Directors, has responsibility for the ownership, maintenance, improvements, management, administration and regulation of said Facilities. The funds for such purposes shall be secured by the Corporation from the assessments as hereinafter provided. This Corporation may provide for additional charges, other than assessments. The Corporation may also provide for special charges to be paid by lessees and tenants for the use of Facilities (including Recreational Area). Also, the Corporation may require Tenants and Lessees, as a condition for approval of Association membership, to make a security deposit of a reasonable amount to insure payment of debts due the Corporation or Country Club that may have been incurred by said Tenant or lessees. In no case shall the Board of Directors commit the membership to any indebtedness or special charges without a 2/3 vote of approval by the membership.

ARTICLE V - MEMBERS AND VOTING RIGHTS

Section 1 - Requirements for Membership

Every person or entity must apply for and be accepted as a member of the Corporation prior to the consummation of any purchase or transfer to such person or entity or any record ownership of a fee interest of any lot, as herein defined, which is subject by covenant of record to assessment by the Corporation. Provided however, that a person or entity who acquires a record ownership of a fee interest in any such lot by transfer of such property pursuant to a duly probated will or by virtue of intestacy, pursuant to the laws of the State of Texas, may subsequently apply and be accepted for membership. Membership in the Corporation, shall as all times require that a person or entity both: (1) Apply and be accepted as a member of the Corporation, and (2) be a record owner of a fee interest in any lot, as herein described which is subject by covenant of record to assessments by the Corporation; provided however, that any such person or entity who holds such interest merely as security for the performance of any obligation shall not be a member. In the event a lot is owned (1) jointly by two or more persons or entities, or (2) by a corporation, partnership, proprietorship or other business entity, such joint owners or business shall designate in writing one person who shall be recognized as the "member" for the purpose of using the recreational facilities with respect to that lot. Upon approval for membership, such member, spouse, and family shall be accorded the same privileges and be subject to the same rules and regulations as any individual lot owner. All other provisions of the By-laws and deed restrictions relating to lot ownership shall apply to the lot.

Section 2 - Voting Rights of Members

Members of the Corporation shall be granted one vote for each Lot or Multifamily lot owned. Any member who is at least thirty days delinquent in the payment of an assessment and/or charges due the corporation shall be ineligible to vote on any matter until such assessments and/or charges are paid in full prior to voting. No member shall be allowed to vote by proxy. Owners of Lots not subject to assessment shall not be granted a vote for such Lots.

Section 3 - Membership in Country Club

Every member or Associate member of the Corporation shall automatically be a member or Associate member, respectively, of the Country Club and termination of membership in the Corporation shall likewise result in automatic termination of membership in the Country Club.

Section 4 - Associate Membership

Lessees or tenants of lots must apply for Associate membership in the Corporation and be accepted as an Associate Member in the Corporation. A lessee or tenant shall pay to the Corporation a monthly Associate Membership fee, in the amount to be set by the Corporation. No lease of any lot shall be consummated unless and until the lessee and/or tenant has applied for and been accepted as an Associate Member of the Corporation. In the event of a failure to comply with the terms of this provision, the membership rights of the owner of a leased lot shall be subject to suspension in accordance with the terms of these By-Laws, and the lessee of said lot shall be prohibited from using any of the facilities and recreational area of the Subdivision. Associate Members shall have no voting rights.

ARTICLE VI - MEETING OF MEMBERS**Section 1 - Annual Meeting of Members**

An annual meeting of the members shall be held on the third Saturday of the month of May in each year, to commence at an hour to be set by the Board of Directors and for the transaction of such other business as may 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 business day. If the election of Directors shall not be held on the day designated herein for any annual meeting, or any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be.

Section 2 - Special Meetings

Special meetings of the members may be called by the President, the Board of Directors, or by the Members holding the voting rights to not less than 1/10th of the total votes outstanding as defined in Article V, Section 2. Special Meetings should be called on a Saturday when all members have time to attend meetings.

Section 3 - Place of Meeting

The Board of Directors may designate any place as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be the registered office of the Corporation in the State of Texas; but if all of the 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 meeting, not less than thirty or more than fifty 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 By-Laws, 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. All notices required to be given under these By-Laws may be waived in writing by the person or entity entitled to receive such notice.

Section 5 - Informal Action by Members

Any action required by law to be taken at a meeting of the members, or any action which may be taken at a meeting of members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof.

Section 6 - Quorum

The members holding 10% of the total votes qualified of the Corporation shall constitute a quorum at such meeting. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting from time to time without further notice, and transact any appropriate business when a quorum is present.

Section 7 - Procedures for Electing Directors

- 1) At least ninety (90) days before the Annual Meeting, the Board shall appoint a Nominating Committee of five (5) members, three (3) or more of whom shall be non-board members.
- 2) Announcement of the Nominating Committee appointment shall be made to the membership by mail at least sixty days before the Annual Meeting. Members shall be requested to suggest names and qualifications of Corporation members who, in their opinion, would be effective Board members.
- 3) At least thirty (30) days before the Annual Meeting, the Nominating Committee shall announce to the membership by mail the names and occupations and other pertinent personal data of its nominees.
- 4) Thereafter, additional nominations may be made by the membership at large by submitting the names and occupations and other pertinent personal data of such additional proposed Board members accompanied by the written endorsement of twenty-five (25) members (only one endorser per single or multiple lot owner will be recognized). Such additional nominations must be received at the Corporation office not later than twenty (20) days prior to the meeting in order to qualify.
- 5) The Nominating Committee shall nominate twice the number of vacancies to be filled and these, plus any additional nominees provided by way of the preceding paragraph, shall constitute the slate to be voted on and their names shall be placed on the ballot.
- 6) Voting for Directors shall be in accordance with Article XI.
- 7) The three (3) nominees receiving the most votes shall be elected for three year terms. In the case of a vacancy(ies), the nominee(s) receiving the next highest number of votes, taken in descending order, shall be elected to serve out the remaining term(s) of the vacated directorship(s). Any director elected as the result of a vacancy may become eligible for election as a Director after remaining off the Board for one year.

ARTICLE VII - BOARD OF DIRECTORS

Section 1 - General Powers

The affairs of the Corporation shall be managed by its Board of Directors.

Section 2 - Number Tenure and Qualifications

The number of Directors shall be nine (9) and shall be divided into staggered groups of three (3) to serve for 3-year terms each. Each Director shall hold office for the designated term until his successor shall have been elected and qualified. Three (3) Directors shall be elected annually, each of whom shall serve a term of three (3) years. No person may be elected to the Board if by such election more than one member of a family (related by blood or marriage) would be serving on the Board simultaneously. This BY-Law should be effective with the election of Directors in May 1989, with full implementation to be accomplished in stages at the end of the membership election in May, 1991 at which time nine (9) persons would be the total number of Board members.

- No person shall be eligible to be nominated, elected or appointed to succeed himself as a Director after serving a three (3) year term. He may become eligible for election after remaining off the Board for one (1) year.
- Any one or more of the Directors may be removed, either with or without cause, at any time by act of the Directors at any meeting of the Directors called for that purpose, or by majority vote of a quorum present at any general meeting of the members, or special meeting of the members called for that purpose.

Section 3 - Regular Meetings

A regular annual meeting of the Board of Directors shall be held without other notice than this By-Law, immediately after, and at the same place as, the annual meeting of members. The Board of Directors may provide by resolution the time and place for the holding of additional regular meetings of the Board without other notice than resolution. There shall be a regular midyear Board meeting in the month of November each year, such meeting being open to the Corporation members; notice of such regular Board meeting shall be delivered, either personally or by mail in the monthly bulletin or otherwise to each member not less than ten days or more than fifty days before the date of such meeting. Further, a semiannual written report shall be made to the membership by the Board of Directors reporting the highlights of the Corporation's operations and financial affairs for the six months ending August 31.

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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 Directors. The person or persons authorized to call special meetings of the Board may fix any place as the place for holding any special meeting of the Board called by them.

Section 5 - Notice

Notice of any special meetings of the Board of Directors shall be given at least two days previously thereto by written notice delivered personally or sent by mail or telegram to each Director at his address as shown by the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. 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 because 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 By-Laws.

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 are 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 By-Laws.

Section 8 - Vacancies

All vacancies must first be filled in accordance with Article VI, Section 7. (7). Any remaining vacancies may be filled by appointment, by the Board, and the appointed director shall serve out the remaining term of the vacated directorship. Any appointed director may become eligible for election as a director after remaining off the Board for one year.

Section 9 - Compensation

Directors as such shall not receive monetary compensation for their services as Directors or in any other capacity.

Section 10 - Informal Action By Directors

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

Section 11 - Executive Committee

There shall be one Executive Committee composed of the President, the Vice-President (or the First Vice-President if there is more than one), and one additional member selected by the Board of Directors from the Board. It shall have all the power and shall exercise all of the duties and responsibilities of the Board, subject to such limitations as the Board of Directors may impose. The Executive Committee shall meet whenever called by any one member thereof and the notices for such meeting shall be the same as special directors meeting.

Section 12 - Limitation on Capital Expenditures

No work or expenditures for Capital Additions and Improvements will begin prior to the approval of a Capital Additions and Improvements budget by a 2/3 approval vote of the members of the Corporation voting in accordance with Article XI. "Capital Additions and Improvements" relate to land, buildings, equipment and improvements beyond those currently existing, but does not relate to assets which need replacement because of obsolescence or wear and tear.

Section 13 - Capital Contingency

Each fiscal year, the Board of Directors may authorize expenditures of up to \$25,000 (for the Corporation and Country Club, combined) for Capital Additions and Improvements without a vote of the membership, as required in Section 12 (above).

Section 14 - Limitation on transfers to the City of DeCordova

The Board of Directors shall not voluntarily transfer to the City of DeCordova without a 2/3 vote of the membership in accordance with Article XI any function or activity; 1. Involving an annual budgetary item greater than \$25,000 and 2. That is now controlled and operated by the DCBE Owners Association.

Section 1 - Officers

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

Section 2 - Election and Term of Office

The officers of the Corporation shall be elected each year by the Board of Directors at the regular annual meeting of the Board of Directors. A person shall not be elected an officer, nor shall he be qualified to serve as an officer unless such person is a duly elected member of the Board of Directors. If the election of officers shall not be held at such meeting, such offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.

Section 3 - Removal

Any officer elected or appointed to the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation would be served thereby.

Section 4 - Vacancies

A vacancy in any office because of death, resignation, removal, disqualification or otherwise, shall be filled by the Board of Directors for the un-expired portion of the term.

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 By-Laws or by statute to some other officer or agent of the Corporation; and in general he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6 - Vice President

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

Section 7 - Treasurer

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 in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article X of these By-Laws; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 8 - Secretary

The Secretary shall keep the minutes of the meetings 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 By-Laws or as required by law; be custodian of the corporation records and of the seal of the Corporation and see that the seal of the Corporation under its seal is duly authorized in accordance with the provisions of these By-Laws; keep a register of the post office address of each member which shall be furnished to the Secretary by such member; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 9 - Assistant Treasurers and Assistant Secretaries

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

ARTICLE IX - COMMITTEES**Section 1 - Membership Committee**

The Board of Directors shall appoint a Membership Committee. The Membership Committee shall receive all applications for membership, make such investigation as appears necessary to the Committee, act pursuant to the By-Laws and the rules of procedure which may be adopted by the Board of Directors and shall report in writing its recommendations as to the admission of applicants, to the Board of Directors for action. It also shall have charge of all matters pertaining to resignation, cancellations, suspensions and transfers in classification and shall make written recommendations pertaining to the same to the Board of Directors, who shall have full and final authority to act with respect thereof. The Chairman of the Membership Committee shall be a member of the Board of Directors. Authority to approve applications for membership may be delegated by the Board of Directors to the Membership Committee.

Section 2 - Finance Committee

The Board of Directors shall appoint a Finance Committee which is responsible for reviewing, monitoring and advising on all financial matters including budget, finance, accounting, audit, taxes, credits, collections, etc., and shall advise the Board of Directors as to its recommendations. The Chairman of the Finance Committee shall be a member of the Board of Directors.

Section 3 - Architectural Control Committee

(a) The Architectural Control Committee shall exercise the functions assigned to Declarant or the Committee in the Declarations of Restrictions with regard to the review and approval or rejection of proposed construction or alteration plans, site plans and location of improvements; and the Committee shall perform the duties hereinafter set forth provided no such Committee action shall be inconsistent with the applicable Declarations of Restrictions. The Architectural Control Committee shall consist of as many persons as are designated by the Board of Directors. The Board of Directors, by resolution adopted by a majority of the Directors in office, shall designate and appoint the members of the Architectural Control Committee, as hereinafter provided, which persons may consist of members of the Board of Directors, persons who are members of the Property Owners Association and qualified architects, planners and builders as designated by the Board of Directors.

(b) No erection of buildings or exterior additions or alterations to any buildings situated upon the property nor erection of or changes or additions in fences, hedges, walls or other structures shall be commenced, erected, or maintained until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design, appearance, and location in relation to surrounding structures and topography by said Architectural Control Committee.

(c) In the event said committee fails to approve or disapprove such design and location within thirty days after said plans and specifications have been submitted to it, approval will be deemed to have been given, and this section will be deemed to have been fully complied with. The members of such committee shall not be entitled to compensation for services performed pursuant to this section.

(d) This section shall apply to all construction within the subdivision, including residential lots and multifamily lots.

(e) The Committee shall have the power to make variations, alterations and changes as long as said variations, alterations and changes are not in conflict with the protective covenants of record affecting the property as to any one or more of the lots provided the same is accomplished for the mutual benefit of the particular owner and of the surrounding building site owners.

Section 4 - Additional Committees

The Board of Directors may, from time to time, by resolution create and designate one or more other committees as may be necessary or advisable in the orderly management of the Corporation. Except as may be otherwise provided in such resolution, the members of such other committee shall be appointed by the Board of Directors and the Chairman of such committee shall be a member of the Board of Directors. No committee or any member thereof shall have

any authority to act on behalf of the Corporation, the Board or 'Committee, and the Committee shall act only in an advisory capacity to the Board. The Board of Directors cannot delegate its responsibility to any committee and any delegated authority shall not relieve the Board of Directors nor its individual members from the responsibility imposed on it, him or her by these By-Laws or by law.

Section 5 - General Provisions

- (a) Each member of a committee shall continue in office until the next annual membership meeting and thereafter until his successor is appointed, unless such member shall be removed from the committee or the member shall cease to qualify as a member, or the Committee is abolished.
- (b) The Board of Directors shall appoint the Chairman of each committee from its membership.
- (c) The Board of Directors shall by appointment fill any vacancies that appear in the membership of any committee.
- (d) Each committee may adopt rules for its own government so long as such rules are not in conflict with these By-Laws, rules or resolutions adopted by the Board of Directors, or the Declarations of Restrictions, and subject to approval by the Board of Directors.

ARTICLE X - CONTRACTS, CHECKS, DEPOSITS AND FUND

Section 1 - Contracts

The Board of Directors may authorize any officer, agent or agents of the Corporation, in addition to the officers so authorized by these By-Laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. No officer, Director, member, employee or agents of the Corporation is authorized to execute contracts or commit any expenditure of funds without such authorization. Anything herein to the contrary notwithstanding, no sale, disposition, mortgage or pledge as security for any loan or indebtedness of the "Recreational Area" or DCBE Owners' Association property as defined herein shall be made unless such action has been authorized by the affirmative and written vote of at least 67 percent of the total number of voting members of the Corporation present at any meeting held under the terms hereof at which there is a quorum present. The Board of Directors shall not permit or approve the sale or transfer of any DCBEOA owned lots for any value below the current fair market value of said lots. The fair market value of DCBEOA owned lots shall be determined by utilizing the average lot value as appraised by at least three unbiased real estate agents within the Granbury/Acton/DCBE area.

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 absences 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 organization.

Section 3 - Deposits

All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may elect.

Section 4 - Gifts

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

ARTICLE XI - VOTING PROCEDURES

The Board of Directors shall designate the time and place for voting, providing that the place shall be on the premises of the Corporation or the Country Club and convenient to any meeting related to the voting. For the election of directors, for voting on assessment increases, for approval of capital expenditures, and for voting on amendments to these By-Laws, the Board may provide for limited absentee voting for up to fourteen days prior to the official date for voting. The Board may also allow for up to eight hours of voting on the official date for voting, regardless of whether there is a meeting of the membership on the date. Notice of the proposed voting must be mailed to each member not more than fifty days and not less than thirty days before the designated date for voting. The Board shall appoint an Election Committee of five judges, no more than one of whom shall have been on the most recent nominating committee, and no more than one of whom shall be a member of the Board of Directors. Such Committee shall oversee the counting of ballots and certify the results in writing to the Corporate Secretary. All ballots must be retained for three months. No election or vote is valid unless at least ten percent

of the members participate. All other matters to be voted on by the membership must be voted on during a meeting with a quorum present. The Board of Directors may establish such other procedures as are necessary for a fair and orderly election or vote. VOL. PG.

ARTICLE XII - BOOKS AND RECORDS

Section 1 - 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 entitled to vote. All books and records of the Corporation may be inspected by any member, or his agent or attorney for any proper purpose at any reasonable time.

Section 2 - Accountants

The Board of Directors each year shall engage an independent certified public accountants to examine the annual financial statements of the Corporation and express an opinion thereof in a report to be delivered within 60 days after the close of the fiscal year of the Corporation.

Section 3 - Annual Report

An Annual Report, including audited financial statements is to be mailed to all members at least ten days prior to the date of the annual meeting. Such Annual Reports shall include comments of the President and the Board of Directors and the annual operating budget for the ensuing year in the same form and compared with the actual results for the year reported. The proposed budget of capital additions and improvements for the ensuing year, to be voted upon at the annual meeting, as provided by Article VII, Section 12, shall also be included in the Annual Report.

ARTICLE XIII - FISCAL YEAR

The fiscal year for the corporation shall begin on the first day of March and end on the last day of February in each year.

ARTICLE XIV - ASSESSMENTS

Section 1 - Corporation to Make Assessments

By virtue of the authority delegated to it and subject to the provisions of the Declaration of Restrictions, hereto fore described in Article III of these By-Laws, the Board of Directors of this Corporation may fix, levy and collect annual assessments or charges.

Section 2 - Parts of Property Not Assessed

This section deleted per membership vote on May 15, 2004.

Section 3 - Purpose of Assessments

The assessments levied by the Corporation shall be used for the purpose of the improvement, maintenance, management and administration of the "Facilities" (including "Recreation Area") as defined in Article II, including, but not limited to, the payment of taxes and insurance thereon and repair, replacement and additions thereto, and for the cost of labor, equipment, materials, management and supervision thereof, and for the expenses of administering and enforcing the Declarations of Restrictions heretofore mentioned in Article III and for carrying out the purposes of the Corporation as stated in the Article of Incorporation as amended and restated.

Section 4 - Basis and Maximum of Annual Assessments

The combined total maximum annual assessment levied by this corporation and that levied by the Country Club may be increased by a 2/3 approval vote of the members voting in accordance with Article XI. The Board of Directors of this Corporation may, after considering the current costs and future needs of this Corporation, fix the actual assessment allocated to this Corporation for any year at any amount, which when combined with the actual assessment allocated to the Country Club, may not exceed the combined maximum authorized assessment for the two corporations, or the Board of Directors may fix no assessment whatsoever for any year, depending upon the needs of this Corporation. This section governs the maximum amount to be fixed as annual assessment, but in no way limits the authority of the Board of Directors of the Corporation to fix a lesser amount or no assessment whatsoever for any year.

The owner of a condominium unit shall be assessed as if he were the owner of a "Residential Lot", as defined in Article II. The owner of a "Multifamily Lot" shall be assessed as if he were the owner of a "Residential Lot" so long as his property is unimproved. From and after the time a structure or structures have been completed on a "Multifamily Lot", the owner shall be assessed as if each living unit contained in such structure or structures were a separate "Residential Lot", whether or not said living units have been rented or leased and without regard to whether such units are occupied.

Section 5 - Date of Commencement of Annual Assessment: Due Dates

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The annual assessments provided for herein shall commence on the date (which shall be the first day of a month) fixed by the Board of Directors of the Corporation to be the date of commencement.

Section 6 - Duties of the Board of Directors

- (a) The Board of Directors of the Corporation shall fix the date of commencement and the amount of assessment, if any is so fixed, against each Lot for each assessment period at least thirty days in advance of such date or period and shall, at that time, prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Corporation and shall be open to inspection by any member.
- (b) Written notice of the assessment shall be sent to every member subject thereto if such assessment has been increased from the last assessment period.
- (c) The Corporation shall upon demand at any time furnish to any member liable for said assessment, or to any first mortgage holder of any properties liable for said assessment, a certificate in writing signed by an officer of the Corporation, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 7 - Effect of Non-Payment of Assessments Charges and Fines; The Personal Obligation of the Owner; the Lien; Remedies of the Corporation

- (a) If the assessments are not paid on the date when due, then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, and all other charges, fines or monies owed to the Corporation by said owners thereupon become a continuing lien upon the lots assessed which shall bind such property in the hands of the then owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then owner to pay such assessment and charges however, shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them.
- (b) If the assessment, charges and fines are not paid within thirty days after the due date, the assessment and charges shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum or the maximum allowed by law, which ever is the least and the Corporation may bring an action at law against the owner personally obligated to pay same or to foreclose the lien against the property, and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action and in the event a judgment is obtained, such judgment shall include interest on the assessments as above provided and reasonable attorney's fees to be fixed by the court together with the costs of the action. (Article XIV, Section 7 Amended May 15, 1993).
- (c) In the event the Corporation, through its Board of Directors decides to take title to any such property, by purchase at a trustee's sale or otherwise, then in that event, the Corporation shall have authority to sell the same, subject to approval of the Board of Directors and subject to all other provisions of these By-Laws and subject to all restrictions and covenants.

Section 8 - Subordination of the Lien to Mortgages

The lien of any assessment, charges or fines provided for herein shall be subordinate to the lien of any duly recorded first mortgage or first deed of trust now or hereinafter placed upon the property subject to assessment; provided however, that such subordination shall apply only to the assessments which have become due and payable prior to the sale of any such property pursuant to a decree of foreclosure of any such mortgage or pursuant to the sale thereof under power of sale in any such deed of trust. Such sale shall not relieve the property from liability for any assessment thereafter becoming due nor from the lien of any such subsequent assessment.

Section 9 - Country Club Assessment

The Corporation may additionally collect all assessments, charges and fees owed to the Country Club by Country Club members and all the above lien and collection rights shall apply to these assessments, charges and fees equally and Corporation may fully enforce same as though said assessments, charges and fees were owed to it.

ARTICLE XV - RIGHT OF CORPORATION TO PURCHASE

Section 1- Option

Should the owner of any Residential lot decide to sell, lease, permit a change in occupancy or dispose of said lot and the proposed transferee thereof has not been approved for membership in the Corporation, which approval shall not be withheld on the basis of race, color or religion, the

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Corporation shall have an option to buy or lease such lot from the owner at the same price and on the same terms as those which appear in a good faith offer of purchase, or proposed agreement for rent or lease, or for the reasonable market value thereof, if other disposition is contemplated.

Section 2 - When Option Not Applicable

The option contained in Section 1 of this Article XV shall not apply and the Corporation shall have no rights or options in respect to:

- (a) Sales or other dispositions of lots to which the Corporation has waived, in writing, its option, or
- (b) Bona fide gifts of a lot to a spouse or other member of the family of the owner of such lot, or,
- (c) Transfer of or succession to any such lot by will or as the result of intestacy, but the option shall apply to said lot in the hands of any such successor to the title, or,
- (d) Sales of any such lots pursuant to a decree of foreclosure of any mortgage or pursuant to a power of sale in foreclosure of any deed of trust, but the option shall apply to such Lot in the hands of any purchaser at any such sale.

Section 3 - Procedure

A copy of the proposed sales contract, lease or letter explaining the agreement to rent or otherwise dispose of such Lot shall be delivered by the owner of such lot as soon as possible to one of the officers of the Corporation at the office address of the Corporation in care of such officer. If the information so delivered by the owner is not considered by the Corporation to be sufficient to enable it to determine whether to exercise or waive its option, the owner will on request, give such additional information with respect to said sale or other disposition as is requested by the Corporation.

Section 4 - Exercise of Option

The Corporation will notify the owner in writing within 15 days from the date of said delivery of its election to exercise or waive the option rights hereinabove set forth. Failure by the Corporation to give any notice within the said 15 days will constitute its waiver of the said option, but the option hereinabove granted shall survive any waiver and every succeeding contract, proposal to lease, rent or otherwise dispose of any such lot shall give rise to said option rights to the Corporation.

Section 5 - Default in Loan

Whenever the owner of any such Lot is advised of a default in any loan secured by a deed of trust or mortgage on such Lot, said owner will immediately notify the Corporation. Failure of any owner to so notify the Corporation will not affect the rights of a bona-fide-mortgagee.

ARTICLE XVI - 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 Incorporations or the By-Laws of the Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XVII - RIGHT OF OWNERS ASSOCIATION TO PURCHASE UTILITY SYSTEM(S)

It is expressly reserved that the Owners Association has the right to acquire utility system(s) serving the Subdivision together with such real and personal property which is incident to the providing of such service and maintenance thereof. This right is reserved until and in the event the Board of Directors deems the acquisition of such system(s) advantageous, and in the Owners Association's best interest.

ARTICLE XVIII - AMENDMENTS TO BY-LAWS

Section 1-Amendments to By-Laws

These By-Laws may be altered, amended or repealed and new By-Laws may be adopted by the vote of a majority of the members of the Corporation voting in accordance with Article XI.

Section 2 - Notice

The notice, under Article XI, to alter, amend, repeal or enact new By-Laws shall contain the substance of the proposed change, alteration or amendment (or state same, verbatim) and shall briefly state the proponent's reasons therefore.

Section 3 - Member Proposal

Any such proposal to be made by the membership at large shall be submitted in writing to the Board, and shall be accompanied by the written endorsement of ten percent (10%) of the membership (only one endorser per lot), at least sixty (60) days prior to any vote. It shall then be the duty of the Board to include notice of such proposal in accordance with Article XI.

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ARTICLE XIX - REGULATIONS AND RULES OF CONDUCT: ACCESS AND SUSPENSION

Section 1 - Rules of Conduct

The Board of Directors shall make and publish such Rules of Conduct prescribing the standard of conduct acceptable on or about "Facilities" as in the Board's sole discretion they deem advisable.

Section 2 - Violations

Any person who violates any provisions of the regulations shall be subject to a fine and suspension from membership, but with no reduction of any assessments due monthly or annually to Corporation or to Country Club, all as determined by the Board of Directors after affording the alleged violator an opportunity for a hearing before it.

ARTICLE XX - REGULATIONS TO PROTECT LIFE, HEALTH AND PROPERTY

Section 1 - No person shall drive a motor-driven vehicle on the streets or roads of the subdivision unless such person shall have in his possession a valid operator's license or permit as defined by the laws of the State of Texas.

Section 2 - No person shall drive a vehicle at a speed greater than is reasonable and prudent under the conditions then existing, and in no event in excess of 25 miles per hour, in the subdivision.

Section 3 - Motor bikes, motor scooters, motorcycles and similar vehicles shall be driven only on streets and roads and not on private property of others or; further, such vehicles shall be driven only as a method of transportation from point to point.

Section 4 - Golf carts may be driven on the golf course and on the streets and roads in accordance with rules and regulations as established by the Board of Directors.

Section 5 - Every motor vehicle must have a muffler and/or other device in good working order which shall at all times be in constant operation to prevent excessive or unusual noises and annoying smoke.

Section 6 - Every motor vehicle other than a motorcycle while on the roads or streets, when in operation, during one-half hour after sunset to one-half hour before sunrise, and at all times when fog or other atmospheric conditions render the operation of such vehicles unusually dangerous to traffic and the use of the roads shall carry at the front at least two lighted lamps showing the white lights visible under normal atmospheric conditions at least five hundred feet in the direction toward which such motor vehicle is facing, and shall also carry at the rear a lighted lamp exhibiting one red light plainly visible for a distance of five hundred feet to the rear. At the times and under the conditions hereinbefore specified every motorcycle or bicycle while on the roads or streets shall carry on its front one lighted lamp showing a white light visible under normal atmospheric conditions at least two hundred feet in the direction such vehicle is facing, and shall have at the rear one red light plainly visible from the rear.

Section 7 - Any person who violates any provision of these regulations shall be issued a citation naming the offense and assessed a penalty as assessed by the Board of Directors, which shall be charged to the lot account of such person; if the violator does not own a lot or lots or have an account in this Corporation, then such assessment shall be made to the account of the parent, guardian or host of such violating person; such fines are subject to the lien provisions provided in Article XIV and in the event any person receives three or more citations for the above offenses, then such person shall refrain from driving any motor-driven vehicle in the confines of DeCordova Bend Estates.

ARTICLE XXI - INDEMNIFICATION & LIABILITY OF OFFICERS & DIRECTORS

Section 1 - Indemnification of Officers and Directors

Any and all of this corporation's directors or officers or former directors or officers shall be indemnified against expenses actually and necessarily incurred by them in connection with the defense of any action, suit or proceeding in which they, or any of them, are made parties, or a party, by reason of being or having been directors or officers or a director or officer of this corporation, except in relation to matters as to which any such director or officer or former director or officer or persons shall be adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of duty. The foregoing right to indemnify shall include reimbursement of the amounts and expenses paid in settling any such

action, suit or proceeding, when settling or a plea of nolo contendere appears to be in the interest of the corporation.

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Section 2 - Limitation of Liability of Directors

No director of the corporation shall be personally liable to the corporation or any of its members for monetary damages for an act or omission in the director's capacity as a director except that this Article does not eliminate or limit the liability of a director for: (1) a breach of a director's duty of loyalty to the corporation or its members; (2) an act or omission not in good faith or that involves intentional misconduct or knowing violation of the law; (3) a transaction from which a director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office; or (4) an act or omission for which the liability of a director is expressly provided for by statute. neither the amendment nor the repeal of this Article, nor the adoption of any provision of the Articles of Incorporation inconsistent with this Article, shall eliminate or reduce the effect of this Article in respect of any matter occurring, or any cause of action, suit or claim that, but for this Article, would accrue or arise, prior to such amendment, repeal or adoption of any inconsistent provision. if, after approval by the members of this Article, the Texas Non Profit Corporation Act or the Texas Miscellaneous Corporation Laws Act are amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the corporation shall be eliminated or limited to the fullest extent permitted by the Texas Non-Profit Corporation Act or the Texas Miscellaneous Corporation Laws Act, as so amended from time to time.

ARTICLE XXII - PARLIAMENTARY PROCEDURE

All special and regular meetings of the members of DeCordova Bend Estates Owners Association, Inc., and or DeCordova Bend Estates Country Club, Inc., and all special and regular meetings of the Board of Directors of both corporations shall be governed by and conducted according to Roberts Rules of Order Newly Revised in all respects in which these By-Laws are silent and insofar as they do not conflict with the letter and spirit of the Articles of Incorporation, these By-Laws or applicable laws of the State of Texas.

**AMENDED
BY-LAWS OF
DECORDOVA BEND ESTATES COUNTRY CLUB, INC.
A TEXAS NON-PROFIT CORPORATION
(MAY 15, 2004)**

ARTICLE I - OFFICERS

Section 1 - Principal Office

The principal office of the Corporation shall be located at DeCordova Bend Estates in the County of Hood, 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 II - DEFINITIONS

The following words, when used in these By-Laws (unless the context shall prohibit), shall have the following meanings:

- (a) "Corporation" and "Country Club" shall mean and refer to this Non-Profit Corporation.
- (b) "Association" shall mean and refer to DeCordova Bend Estates Owners Association, a Non-Profit Corporation.
- (c) "Recreational Area" shall mean and refer to certain portions of the real estate and land (together with any improvements thereon) located in DeCordova Bend Estates, a subdivision of Hood County, Texas, which was conveyed to the Association by Texlan, Inc. by deed dated November 17, 1972, recorded in Volume 195, page 43, Deed Records of Hood County, Texas, to-wit: clubhouse, swimming pool, golf course, tennis courts, marina, stables, park and picnic areas, parking areas, and maintenance shops.

ARTICLE III - RESPONSIBILITIES OF CORPORATION - IN GENERAL

Declaration of Covenants and Restrictions Binding on Corporation. The Declaration of Restrictions executed by DeCordova Bend Estates Owners Association, Inc. and filed of record in the Deed Records of Hood County, Texas is binding on this Corporation and upon the members thereof. This Corporation and the members thereof shall be governed by all the terms of said Declarations of Restrictions.

ARTICLE IV - USE, ENJOYMENT, MANAGEMENT AND OWNERSHIP OF RECREATIONAL AREA

Section 1 - Use of Recreational Area

Except as otherwise provided, the use and enjoyment of Recreational Area, including the clubhouse, golf course, tennis courts, marina, swimming pool and all other recreational facilities located thereon, is limited to those persons or entities who are members of the Corporation, as hereinafter set forth, and their respective families and guests, subject to Section 2 hereof. Use and enjoyment of the recreational area and facilities shall, pursuant to rules and regulations established by the Board of Directors, be limited to members who are current on all payments of any kind for any reason due to the corporation.

Section 2 - Regulations for Use of Recreational Area

Such rules, regulations and charges as may be necessary for the orderly management of said Recreational Area, including, but not limited to, rules and regulations concerning the rights and privileges of guests of members, shall be made by the Board of Directors of this Corporation or by a committee appointed by the Board of Directors for such purpose; subject, however, to the provisions contained in these By-Laws concerning appointment or designation of such committees.

Section 3 - Management of the Recreational Area

The Corporation by and through its Board of Directors, has the sole responsibility and liability for the maintenance, improvement, management, administration and regulations of said Recreational Area, and funds for such purposes, including all taxes on said Recreational Area, shall be secured by the Corporation from the assessments as hereinafter provided. The Corporation may provide for additional charges, other than assessments, for the use of the facilities in said Recreational Area, and for services provided for members.

ARTICLE V - MEMBERS

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Section 1 - Requirements for Membership

Every person or entity who is a member in good standing of the Association and who has not assigned, transferred or otherwise alienated or encumbered his membership rights in the Association or Country Club, shall automatically be a member of the Country Club. Upon attaining membership, such member, spouse and dependent family, as defined according to the Internal Revenue Service, shall be accorded all the rights and privileges pertaining thereto.

ARTICLE VI - ISSUANCE OF STOCK TO ASSOCIATION

One hundred (100) shares of stock authorized by the Articles of Incorporation are to be issued to the Association as consideration for and payment in full for the assets originally transferred from the Association to the Country Club which comprise the recreational area and personal property used in connection therewith. Any person or entity may make additional capital contributions to the Country Club, as determined by the Board of Directors of the Country Club and if acceptable to the Board, but no stock shall be issued therefor except to the Association.

ARTICLE VII - RESTRICTIONS ON ISSUANCE OF STOCK

The authorized stock of this Country Club is restricted from issuance or transfer except to DeCordova Bend Estates Owners Association, Inc., and any other issuance, transfer or assignment is expressly prohibited.

ARTICLE VIII - VOTING RIGHTS OF STOCK

Each share of issued stock shall have one (1) vote in the election of the Country Club's Board of Directors and any other matter requiring stockholder action. The shares of stock shall be voted on by such person or persons and in the manner as shall be designated by the Board of Directors of the Association at the annual meeting or any special meeting of the membership of the Country Club and provided for in the ARTICLE IX hereof.

ARTICLE IX - MEETINGS OF MEMBERS AND STOCKHOLDER

Section 1 - Annual Meeting

An annual meeting of the members and stockholder shall be held on the third Saturday in the month of May, in each year, and such meetings shall be held jointly with the annual meeting of the Association. 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.

Section 2 - Special Meetings

Special Meetings of the members and stockholder may be called by the President or the Board of Directors.

Section 3 - Place of Meetings

The Board of Directors may designate any place as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be the registered office of the Corporation in the State of Texas; but if all of the 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.

ARTICLE X - BOARD OF DIRECTORS

Section 1 - General Powers

The affairs of the Corporation shall be managed by its Board of Directors.

Section 2 - Number, Tenure and Qualifications

The number of Directors shall be nine (9) and shall be elected for one (1) year terms. Each Director shall hold office for the designated term and until his successor shall have been elected and qualified. No person may be elected to the Board if by such election more than one member of a family (related by blood or marriage) would be serving on the Board simultaneously. Any one or more of the Directors may be removed, either with or without cause, at any time by act of the Directors at any meeting of the Directors called for that purpose. Each member of the Board of Directors of the Corporation must be a member in good standing of the Association and be a member of the Association's Board of Directors. (Article X, Section 2 Amended November 20, 1993)

Section 3 - Regular Meetings

A regular annual meeting of the Board of Directors shall be held without other notice than this By-Law, immediately after, and at the same place as, the annual meeting of the members and stockholder. The Board of Directors may provide by resolution the time and place for the holding of additional regular meetings of the board without other notice than such resolution.

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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 as the place for holding any special meetings of the Board called by them.

Section 5 - Notice

Notice of any special meeting of the Board of Directors shall be given at least two days previously thereto by written notice delivered personally or sent by mail or telegram to each Director at his address as shown by the records of the Corporation. If mailed such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. 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 because 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 By-Laws.

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 are 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 By-Laws.

Section 8 - Vacancies

Any vacancy in the Board of Directors shall be filled by the Board of Directors. A Director so elected to fill a vacancy shall be elected and serve for the un-expired term of his predecessor in office.

Section 9 - Compensation

Directors as such shall not receive any monetary compensation for their services as Directors or in any other capacity.

Section 10 - Informal Action by Directors

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

Section 11 - Limitation on Capital Expenditures

No work or expenditures for Capital Additions and Improvements will begin prior to the approval of a Capital Additions and Improvements budget by a 2/3 approval vote of the members of the corporation voting in accordance with Article XI of the Owners Association By-Laws. "Capital Additions and Improvements" relate to land, buildings, equipment and improvements beyond those currently existing but does not relate to assets which need replacement because of obsolescence or wear and tear.

Section 12 - Capital Contingency

Each fiscal year, the Board of Directors may authorize expenditures of up to \$25,000 (for the Corporation and Association, combined) for Capital Additions and Improvements without a vote of the membership, as required in Section 11 above.

ARTICLE XI - OFFICERS

Section 1- Officers

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

Section 2 - Election and Term of Office

The officers of the Corporation shall be elected each year by the Board of Directors at the regular annual meeting of the Board of Directors and shall serve for one (1) year. A person shall not be elected an officer, nor shall he be qualified to serve as an officer unless such person is a duly elected member of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. New officers may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.

Section 3 - Removal

Any officer elected or appointed by the Board of directors may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation would be served thereby.

Section 4 - Vacancies

A vacancy in any office because of death, resignation, removal, disqualification or otherwise, shall be filled by the Board of Directors for the un-expired portion of the term.

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 with the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws or by statute to some other officer or agent of the Corporation; and in general he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6 - Vice President

In the absence of the President or in the event of his inability or refusal to act, the Vice President (or in the event there be more than one Vice-President, the Vice-President in the order of their election) 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. Any Vice-President shall perform such other duties as from time to time may be assigned to him by the President or by the board of Directors.

Section 7 - Treasurer

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 by the Corporation; 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 meetings 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 By-Laws or as required by law; be custodian of the corporation records and of the seal of the Corporation and see that the seal of the Corporation is affixed 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 By-Laws; keep a register of the post office address of each member which shall be furnished to the Secretary by such member; and in general perform all duties incident to the office of Secretary and such other duties incident to the office of Secretary and other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 9 - Assistant Treasurers and Assistant Secretaries

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

ARTICLE XII - COMMITTEES

Section 1 - Membership Committee

The Board of Directors shall appoint a Membership Committee. The Membership Committee shall receive all applications for membership, make such investigation as appears necessary to the

Committee, act pursuant to the By-Laws and the rules of procedure which may be adopted by the Board of Directors and shall report in writing its recommendations as to the admission of applicants, to the Board of Directors for action. It also shall have charge of all matters pertaining to resignation, cancellations, suspensions and transfers in classification and shall make written recommendations pertaining to the same to the Board of Directors, who shall have full and final authority to act with respect thereof. The Chairman of the Membership Committee shall be a member of the Board of Directors. Authority to approve applications for membership may be delegated by the Board of Directors to the Membership Committee.

Section 2 - Additional Committees

The Board of Directors may, from time to time, by resolution create and designate one or more other committees as may be necessary or advisable in the orderly management of the Corporation. Except as may be otherwise provided in such resolution, the members of such other Committee shall be appointed by the Board of Directors and the Chairman of such committee shall be a member of the Board of Directors. No committee or any member thereof shall have any authority to act on behalf of the Corporation, the Board or Committee, and the Committee shall act only in an advisory capacity to the Board. The Board of Directors cannot delegate its responsibility to any committee and all delegated authority shall not relieve the Board of Directors nor its individual members from the responsibility imposed on it, him or her by these By-Laws or by law.

Section 3 - General Provisions

- (a) Each member of a committee shall continue in office until the next annual membership and stockholder meeting and thereafter until his successor is appointed, unless such member shall be removed from the committee or the member shall cease to qualify as a member, or the Committee is abolished.
- (b) The Board of Directors shall appoint the Chairman of each Committee from its membership.
- (c) The Board of Directors shall by appointment fill any vacancies that appear in the membership of any committee.
- (d) Each committee may adopt rules for its own government so long as such rules are not in conflict with these By-Laws, rules or resolutions adopted by the Board of Directors, and subject to approval by the Board of Directors.

ARTICLE XIII - CONTRACTS, CHECKS, DEPOSITS AND FUND

Section 1 - Contracts

The Board of Directors may authorize any officer, agent or agents of the Corporation, in addition to the officers so authorized by these By-Laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. Anything herein to the contrary notwithstanding, no sale, disposition, mortgage or pledge as security for any loan or indebtedness of the "Recreational Area,, as defined herein shall be made unless such action has been authorized by the affirmative and written vote of at least two-thirds (2/3) of the total number of voting members of the Corporation present at any meeting held under the terms hereof at which there is a quorum present, which vote is hereby expressly given to the members.

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 organization.

Section 3 - Deposits

All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may elect.

Section 4 - Gifts

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

ARTICLE XIV - BOOKS AND RECORDS

Section 1 – Records

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of all 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 entitled to vote. All books and records of the Corporation may be inspected by any member, or his agent or attorney for any proper purpose during regular office hours.

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Section 2 – Accountants

The Board of Directors each year shall engage a well recognized firm of independent Certified Public Accountants to examine the Annual Financial Statements of the Corporation and express an opinion thereof in a report to be delivered within 60 days after the close of the fiscal year of the Corporation.

Section 3 - Annual Report

An Annual Report, including audited financial statements is to be mailed to all members within seventy five (75) days after the close of the fiscal year of the Corporation.

ARTICLE XV - FISCAL YEAR

The fiscal year for the corporation shall begin on the first day of March and end on the last day of February in each year.

ARTICLE XVI - ASSESSMENTS AND CHARGES

The Board of Directors of the Association shall have the authority to collect, as agent for the Country Club, a monthly assessment for membership in the Country Club, which said assessment shall be a portion of the assessment levied and assessed against each lot owner and member of the Association, such portion to be in an amount to be determined by the Board of Directors of Country Club; likewise, the Board of Directors of Country Club; likewise, the Board of Directors of the Association shall have the authority to collect any and all other charges that may be due and owing to the Country Club. Such assessments and other charges so collected by the Association as agent for the Country Club shall not be interpreted as a capital contribution to the Country Club by the Association.

Such assessments or charges collected by the Association as agent for the Country Club shall be for the purpose of the improvement, maintenance, management and administration of the Recreational Area and Facilities, and general operation of the Country Club including, but not limited to the payment of taxes and insurance thereon and repair, replacement and additions thereto, and for the costs of labor, equipment, materials, management and supervision thereof, and for carrying out the purposes of the Country Club as stated in its Articles of Incorporation.

The Country Club may grant to the Association the full power to collect, sue for, or any other manner enforce collection of the assessment or other charges in its name or otherwise. If an assessment or other charge is not paid on the date when due, then such assessment or charge shall be delinquent and shall, together with such interest thereon and costs of collection thereof as hereinafter provided.

If the assessment or other charges are not paid within thirty (30) days after the delinquency date, the assessment or other charges shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum or the maximum allowed by law whichever is the least, and the Association, as agent for the Country Club, may bring an action at law against the owner personally obligated to pay the same and to foreclose any lien against the property that the Association may have. There shall be added to the amount of such assessment and other charges, court costs and reasonable attorney's fees incurred in prosecuting such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment and other charges as above provided and a reasonable attorney's fee to be fixed by the Court together with the costs of the action. (Article XVI Amended May 15, 1993).

ARTICLE XVII - 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 Incorporations or the By-Laws of the Corporation, a waiver thereof in writing signed by the person or persons or entity entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XVIII - AMENDMENTS TO BY-LAWS

Section 1- Amendments to By-Laws

These By-Laws may be altered, amended or repealed and new By-Laws may be adopted by the vote of a majority of the members voting in accordance with Article XI of the Owners Association By-Laws.

Section 2 - Notice

The notice, under Article XI of the Owners Association By-Law, to alter, amend, repeal or enact new By-Laws shall contain the substance of the proposed change, alteration or amendment (or state same, verbatim) and shall briefly state the proponent's reasons therefor.

Section 3 - Member Proposal

Any such proposal to be made by the membership at large shall be submitted in writing to the Board, and shall be accompanied by the written endorsement of ten percent (10%) of the membership (only one endorser per lot), at least sixty (60) days prior to any vote. It shall then be the duty of the Board to include notice of such proposal in accordance with Article XI of the Owners Association By-Laws.

ARTICLE XIX - REGULATIONS AND RULES OF CONDUCT: ACCESS AND SUSPENSION**Section 1 - Rules of Conduct**

Smoking shall be prohibited in all areas of the Clubhouse except the bar. The Board of Directors shall make and publish such other Rules of Conduct prescribing the standard of conduct acceptable on or about the "Recreational Area" as in the Board's sole discretion they deem advisable. (Article XIX, Section 1 Amended May 15, 1993)

Section 2 - Violations

Any person who violates any provisions of the regulations shall be subject to a fine, denial of access to "Recreational Area", and rights attendant thereto and suspension from membership, but with no reduction of any assessments due monthly or annually to Corporation or the Association, all as determined by the Board of Directors after affording the alleged violator an opportunity for a hearing before it.

ARTICLE XX - INDEMNIFICATION & LIABILITY OF OFFICERS & DIRECTORS**Section 1 - Indemnification of Officers and Directors**

Any and all of this corporation's directors or officers or former directors or officers shall be indemnified against expenses actually and necessarily incurred by them in connection with the defense of any action, suit or proceeding in which they, or any of them, are made parties, or a party, by reason of being or having been directors or officers or a director or officer of this corporation, except in relation to matters as to which any such director or officer or former director or officer or persons shall be adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of duty. The foregoing right to indemnify shall include reimbursement of the amounts and expenses paid in settling any such action, suit or proceeding, when settling or a plea of nolo contendere appears to be in the interest of the corporation.

Section 2 - Limitation of Liability of Directors

No director of the corporation shall be personally liable to the corporation or any of its members for monetary damages for an act or omission in the director's capacity as a director except that this Article does not eliminate or limit the liability of a director for: (1) a breach of a director's duty of loyalty to the corporation or its members; (2) an act or omission not in good faith or that involves intentional misconduct or knowing violation of the law; (3) a transaction from which a director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office; or (4) an act or omission for which the liability of a director is expressly provided for by statute. Neither the amendment nor the repeal of this Article, nor the adoption of any provision of the Articles of Incorporation inconsistent with this Article, shall eliminate or reduce the effect of this Article in respect of any matter occurring, or any cause of action, suit or claim that, but for this Article, would accrue or arise, prior to such amendment, repeal or adoption of any inconsistent provision. If, after approval by the members of this Article, the Texas NonProfit Corporation Act or the Texas Miscellaneous Corporation Laws Act are amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the corporation shall be eliminated or limited to the fullest extent permitted by the Texas Non-Profit Corporation Act or the Texas Miscellaneous Corporation Laws Act, as so amended from time to time.

ARTICLE XXI - PARLIAMENTARY PROCEDURE

All special and regular meetings of the members of DeCordova Bend Estates Owners Association, Inc., and or DeCordova Bend Estates Country Club, Inc., and all special and regular meetings of the Board of Directors of both corporations shall be governed by and conducted according to Roberts Rules of Order Newly Revised in all respects in which these By-Laws are silent and insofar as they do not conflict with the letter and spirit of the Articles of Incorporation, these By-Laws or applicable laws of the State of Texas.

DECORDOVA BEND ESTATES OWNERS ASSOCIATION, INC. &
DECORDOVA BEND ESTATES COUNTRY CLUB, INC.
JOINT ANNUAL MEETING OF THE MEMBERSHIP
MAY 15, 2004
ELECTION TALLY SHEET

154 required for quorum

ITEM NO. 1 - ELECTION OF DIRECTORS

DAVE BROWN	<u>262</u> ✓	REX HARGIS	<u>257</u>
CAROLYN MCLEOD	<u>312</u> ✓	STEWART PIERCE	<u>280</u> ✓
RUEL DIXON	<u>237</u>	HERMAN POWELL	<u>246</u>
JOHN LAMOND	<u>232</u>		

BOARD OF DIRECTORS ELECTED:

Listed below are the three (3) newly elected Members to the Board of Directors:

<u>CAROLYN MCLEOD</u>	Three (3) Year Term
<u>STEWART PIERCE</u>	Three (3) Year Term
<u>DAVE BROWN</u>	Three (3) Year Term
<u>REX HARGIS</u>	First Alternate

Item No. 2 - BY-LAW ADDITION - SUBMITTED BY MEMBER PETITION
ADD NEW SECTION TO ARTICLE VII OF THE DCBE OWNERS ASSOCIATION BY-LAWS

245 YES 418 NO = 663 37% - Failed

Item No. 3 - BY-LAW AMENDMENT
REVISE ARTICLE III OF THE DCBE OWNERS ASSOCIATION BY-LAWS

597 YES 58 NO = 651 92% Passed

Item No. 4 - BY-LAW AMENDMENT
REVISE ARTICLE XIV OF THE DCBE OWNERS ASSOCIATION BY-LAWS

595 YES 62 NO = 657 92% Passed

Item No. 5 - BY-LAW AMENDMENT
REVISE ARTICLE XV OF THE DCBE OWNERS ASSOCIATION BY-LAWS - SECTION 1

565 YES 59 NO = 624 91% Passed

Item No. 6 - BY-LAW AMENDMENT
REVISE ARTICLE XV OF THE DCBE OWNERS ASSOCIATION BY-LAWS - SECTION 2

562 YES 59 NO = 621 91% Passed

Item No. 7 - BY-LAW AMENDMENT
REVISE ARTICLE III OF THE DCBE COUNTRY CLUB BY-LAWS

571 YES 53 NO = 624 92% Passed

ELECTION OFFICIALS SIGNATURES:

Phil Delucchi Thomas O. McKelvey
Bill Halman [Signature]
Bill Cunningham Election Judge

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 _____ 12:49 P.M.

OCT 08 2004

Sally Oubre
County Clerk, Hood County, TX