

47
REATA PLACE HOMEOWNERS ASSOCIATION, INC.

BYLAWS

OF

**REATA PLACE HOMEOWNERS ASSOCIATION, INC.
A NON-PROFIT CORPORATION**

ARTICLE I

OFFICES

1.01. Principal Offices. The principal office of this corporation shall be maintained at 5009 South Hulen Street, Suite 101-A, Fort Worth, Texas 76132, but, in the discretion of the Board of Directors, the location of the principal office may change from time to time and may be established at another place.

1.02. Registered Office and Registered Agent. The corporation shall have and continuously maintain in the State of Texas a registered office, and a registered agent whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act (the "Act"). The address of the registered office may be, but need not be identical with the principal office of the corporation in the State of Texas, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II

CONSTRUCTION OF BYLAWS

2.01. Declaration. These Bylaws are intended to be compatible with and construed with regard to the Declaration of Covenants, Restrictions, and Easements (the "Declaration"), executed by Team Ranch Partnership, a Kansas general partnership (the "Declarant"), applicable to the Reata Place at Team Ranch Subdivision, City of Benbrook, Texas (the "Subdivision"), a subdivision of the Team Ranch Development, and filed of record in the deed records of Tarrant County, Texas. In case of a conflict between these Bylaws and the Declaration, the provision adopted last will control, except that provisions of these Bylaws adopted pursuant to Section 16.28.025.D.12.h. of the City of Benbrook's Subdivision Ordinance, as in effect on the execution date of these Bylaws, shall control.

2.02. Master Declaration and Bylaws. These Bylaws are intended to be compatible with the Bylaws and Declaration of Covenants, Restrictions, and Easements (the "Master Bylaws" and "Master Declaration" respectively) of the Team Ranch Master Association, Inc., a Texas non-profit corporation (the "Master Association"), which shall oversee the control and operation of the Subdivision together with other phases of the Team Ranch Development, City of Benbrook, Texas (the "Master Development"). In the case of a conflict between these Bylaws and the Master Bylaws,

or Master Declaration, or both, the Master Bylaws, or Master Declaration, or both will control, except that provisions of these Bylaws adopted pursuant to Section 16.28.025.D.12.h. of the City of Benbrook's Subdivision Ordinance, as in effect on the execution date of these Bylaws, shall control. Neither Members nor the Board of Directors may amend these Bylaws or the Declaration to be inconsistent with the provisions of the Master Bylaws or Master Declaration, or any successors or amendments thereto, or the City of Benbrook's Subdivision Ordinance as in effect on the execution date of these Bylaws.

ARTICLE III

MEMBERS

3.01. Requirements for Membership. The Members of the corporation shall be the owners of each tract of property (the "Lots") in the Subdivision. The owner or owners of each Lot in the Subdivision are required to be Members of the corporation. The Subdivision includes any additional property added in subsequent phases of Subdivision and the owners of each of these additional Lots will be required to be Members of the corporation.

3.02. Use of Common Property. All Members have the right to use any and all real property (together with any and all improvements now or hereafter located thereon) owned by the corporation or in certain instances over which the Association has been granted permanent easements, for the common use and enjoyment of the owners of Lots, including all private streets, appurtenances, and common areas and facilities (including perimeter fences) of the Subdivision (collectively, the property is referred to as the "Common Property"). The use of Common Property may be specially limited by the corporation or the Board of Directors under the provisions of these Bylaws, the Declaration, the Master Bylaws, or the Master Declaration.

3.03. Voting Rights. These provisions regarding voting rights are intended to follow those set out in the Declaration of Covenants, Restrictions, and Easements on file in Tarrant County for the Subdivision to the extent necessary for purposes of these Bylaws. There are two (2) classes of Members as set forth below:

(a) Each owner of a Lot, with the exception of Declarant, shall be a Class A Member. Each Lot shall be entitled to one (1) Class A vote regardless of how many persons are owners of that Lot. Where an owner is a group or entity other than one individual person, the vote on behalf of such owner shall be exercised only by such individual person as shall be designated in a proxy instrument duly executed by or on behalf of such group or entity and delivered to the secretary of the corporation.

(b) The Declarant shall be the sole Class B Member and shall be entitled to nine (9) votes for each Lot owned; provided, however, in no event shall the Class B Member have less than the total number of Class A votes plus one (1). The Class B Membership shall cease and be converted to Class A Membership at such time as Declarant no longer retains the right to appoint and remove members of the Board and officers of the corporation under the terms of the Declaration.

(c) The Subdivision will be composed of Lots to be developed in phases containing unequal numbers of Lots. By acceptance of a deed conveying a Lot, each owner acknowledges that, upon the filing by Declarant of the Subdivision plats covering such phases, the total votes outstanding in the corporation will automatically increase based upon the number of Lots in the phases added and in accordance with the formula set forth in subsection (b) of this Section 3.03 and in no event shall Class B Membership cease and be converted to Class A Membership (as provided in subsection (b) of this Section 3.03) until after the final phase of the Subdivision has been platted.

3.04. Termination of Membership. Membership shall cease only when a person ceases to own property in the Subdivision.

3.05. Suspension of Membership Rights. The Board of Directors of the corporation may suspend the voting rights of any Member and the right of enjoyment of the Common Property by any person who:

(a) shall be subject to the Right of Abatement under the terms of the Declaration;

(b) shall be delinquent in the payment of any assessment levied by the corporation; or

(c) shall be in violation of the rules and regulations of the corporation relating to the use, operation, and maintenance of Common Property.

Such suspension shall be for the balance of the period in which said Member or person shall remain in violation, breach, or default, as aforesaid, except that in the case of a violation described in subsection (c) of this Section 3.05, the suspension may be for a period not to exceed sixty (60) days after the cure or termination of such violation. No such suspension shall prevent an owner's ingress to or egress from his Lot.

3.06. Annual or Special Meeting. The first annual meeting of the Members shall be held during the month of May, 2000. Thereafter, an annual meeting of the Members shall be held during the month of May at a time and place specified by the Board of Directors, for the purpose of transacting such business as may properly come before the meeting. Special meetings of the Members may be called by the President, the Board of Directors, or by Members having not less than one-tenth (1/10) of the votes entitled to be cast at the meeting.

3.07. Notice of Meeting. Written notice stating the place, day, and hour of the meeting shall be delivered to each Member entitled to vote at the meeting not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally, by facsimile transmission, or by mail. If mailed, notice 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 paid. If transmitted by facsimile, notice is deemed to be delivered

on successful transmission of the facsimile. The notice should be delivered by or at the direction of the President, the Secretary, the officers of the Corporation, or persons entitled to call the meeting. In the case of a special meeting, the notice must also state the purpose or purposes for which the meeting is called.

3.08. Quorum. At any annual or special meeting of the Members, a majority of the Members entitled to vote at the meeting, represented in person or by proxy, shall constitute a quorum for the transaction of business. The majority of the quorum shall decide the vote of the Members at any annual or special meeting.

3.09. Record Date. The Members entitled to notice of a Members' meeting, to vote, or to exercise any rights with regard to the corporation will be those persons who are Members as of the record date. The record date is sixty (60) days before the date of the Member meeting or the action that requires a determination of the Members.

3.10. Voting Member List. The corporation shall prepare an alphabetical list of the names of all voting Members entitled to notice of the meeting. The list must show the address and number of votes each voting Member is entitled to cast at the meeting.

(a) The corporation shall maintain, through the time of the Members' meeting, a list of Members who are entitled to vote at the meeting but are not entitled to notice of the meeting. This list shall be prepared on the same basis and be part of the list of voting Members.

(b) The list of voting members must be available for inspection, at the corporation's principal office or at a reasonable place identified in the meeting notice in the city where the meeting will be held, by any Member entitled to vote at the meeting for the purpose of communicating with other Members concerning the meeting.

(c) The corporation shall make the list of voting Members available at the meeting, and any voting Member or voting Member's agent or attorney is entitled to inspect the list at any time during the meeting or any adjournment.

3.11. Dividends Prohibited. No dividend shall be paid and no part of the income of the corporation shall be distributed to the corporation's Members, directors, or officers. The corporation may pay reasonable compensation to Members, directors, or officers for services rendered, may confer benefits upon Members in conformity with its purposes, and upon dissolution or final liquidation may make distributions to its Members, but only as permitted by the Act. Upon dissolution or final liquidation, the outstanding balance in the Corporation's Street and Common Area Maintenance Reserve Fund, established herein, shall be transferred to the City of Benbrook to the extent necessary for the City to make the Subdivision streets, roadways, and their improvements (including street lights and road signs) suitable for public use. Any balance remaining in the Street and Common Area Maintenance Reserve Fund shall be distributed to the Members consistent with the terms of the Corporation's dissolution or final liquidation.

ARTICLE IV

DIRECTORS

4.01. General Powers. The management of all the affairs, property, and business of the corporation shall be vested in a Board of Directors. The Board of Directors shall have such powers as may be authorized by the Articles of Incorporation, by these Bylaws as amended from time to time, and the powers now or hereafter authorized under the Act.

4.02. Number. The number of directors which shall constitute the whole Board of Directors shall be fixed from time to time by resolution of the Board of Directors, but shall not be less than three (3), and the original directors shall be those specified in the Articles of Incorporation, and shall serve until the next annual election of the directors or until their successors are appointed and qualified. The number of directors may be increased or decreased from time to time by amendment to these Bylaws as provided in ARTICLE XII hereof.

4.03. Election and Term of Office. The directors shall be elected at the annual meeting of the Board of Directors. Each director shall continue in office until his successor shall have been elected or until his earlier death, resignation, or removal in the manner hereinafter provided.

4.04. Vacancies and Additional Directorships. If any vacancy shall occur among the directors by reason of death, resignation, or removal, the vacancy may be filled by action of a majority of the remaining directors at any annual or special meeting. Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting or at a special meeting of members called for that purpose. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

4.05. Resignation. Any director may resign at any time by giving written notice of such resignation to the Board of Directors. Any such resignation shall take effect at any time specified therein, or, if no time be specified, upon receipt thereof by the Board of Directors; and, unless specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.06. Removal. A director may be removed from office with cause by the persons entitled to elect, designate, or appoint the director. If elected to office, the removal of the director requires an affirmative vote equal to the vote necessary to elect the director.

4.07. Control by Declarant.

(a) Declarant has the right to appoint and remove any member of the Board of Directors of the Corporation until 15 days after the first of the following events shall occur: (i) the expiration of twenty (20) years after the date of the recording of the Declaration; (ii) the date upon which all of the lots intended by Declarant to be a part of the Subdivision have been conveyed by Declarant to parties

other than a person or persons constituting Declarant; or (iii) the surrender by Declarant of the authority to appoint and remove directors by an express amendment to this Declaration executed and recorded by Declarant.

(b) Upon the expiration of the period of Declarant's right to appoint and remove directors and officers of the Corporation under this Section, such right automatically passes to the Board of Directors, including Declarant if Declarant is then a Director, and a special meeting of the Board of Directors shall be called at such time where the Directors will elect a new Board of Directors. Declarant will then deliver the books, accounts, and records, if any, that Declarant has kept on behalf of the Corporation and any agreements or contracts that Declarant has in its possession executed by or on behalf of the Corporation during such period.

4.08. Annual or Special Meetings. An annual meeting of the Board of Directors shall be held during the month of May at a time and place specified by the Board, for the purpose of electing officers and for the transaction of such other business as may properly come before the meeting. Special meetings of the Board may be called by any director or officer upon three (3) days notice, in writing. Neither the business to be transacted at, nor the purpose of, any annual or special meeting of the Board need be specified in the notice or waiver of the meeting.

4.09. Place of Meeting. All meetings of the Board of Directors shall be held at the principal office of the corporation, but may be held, on notice given to each director, at any place designated in such notice.

4.10. Quorum. At any annual or special meeting of the Board of Directors, a majority of the Board of Directors shall constitute a quorum for the transaction of business. The majority of the quorum shall decide the vote of the Board at any annual or special meeting. Directors present by proxy may not be counted toward a quorum.

4.11. Informal Action. Any action required by law to be taken at a meeting of the Board of Directors of a corporation, or any action that may be taken at a meeting of the Board 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 members of the Board of Directors, and such consent shall have the same force and effect as a unanimous vote of the Board of Directors, and may be stated as such in any document or instrument filed with the Secretary of State.

4.12. Participation in Meeting. Members of the Board of Directors may participate in and hold a meeting of such Board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 4.12 shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

4.13. Loans. No loans shall be made by the corporation to the directors. Any directors of the corporation who vote for or assent to the making of a loan to a director of the

corporation, and any officer or officers participating in making the loan, shall be jointly and severally liable to the corporation for the amount of the loan until repayment thereof.

ARTICLE V

OFFICERS

5.01. Number. The officers of the corporation shall be a President, one or more Vice Presidents, a Secretary, a Treasurer and, if the Board of Directors so determines, a Chairman of the Board.

5.02. Election and Term of Office. Each officer shall be elected by the Board of Directors. The Board of Directors may combine any two (2) or more offices to be held by the same person. Each officer shall hold his office until the annual meeting of the Board during the year following his election, or until his successor shall have been elected, or until his prior death, removal, or resignation.

5.03. Resignations. Any officer may resign at any time by giving written notice of such resignation to the Board of Directors. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by the Board of Directors.

5.04. Removal. Any officer elected or appointed may be removed by the Board of Directors whenever in their judgment the best interests of the corporation will be served thereby.

5.05. Vacancies. A vacancy in any office by reason of death, resignation, removal, disqualification, or any other cause shall be filled for the unexpired portion of the term in the manner prescribed by these Bylaws for regular election or appointment to such office.

5.06. Control by Declarant. Declarant has the right to appoint and remove any member of the Board of Directors of the Corporation and any officer or officers of the Corporation until 15 days after the first of the following events shall occur: (i) the expiration of twenty (20) years after the date of the recording of the Declaration; (ii) the date upon which all of the lots intended by Declarant to be a part of the Subdivision have been conveyed by Declarant to parties other than a person or persons constituting Declarant; or (iii) the surrender by Declarant of the authority to appoint and remove officers by an express amendment to the Declaration executed and recorded by Declarant.

5.07. The Chairman of the Board. The Chairman of the Board, if one is appointed, shall preside at all meetings of the directors and shall have such other powers and duties as shall be prescribed by the Board of Directors.

5.08. The President. The President, in the absence of the Chairman of the Board, shall perform the duties and exercise the powers of the Chairman of the Board; he shall have such power as may be by statute exclusively conferred upon the President and he shall have such other powers and duties as shall be prescribed by the Board of Directors.

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5.09. The Vice Presidents. The Vice President shall perform all the duties of the President, in his absence, and, when so acting, shall have all the powers of and be subject to all restrictions upon the President.

5.10. The Secretary. The Secretary shall

- (a) record all the proceedings of the Board of Directors, and any committees in a book or books to be kept for that purpose;
- (b) cause all notices to be duly given in accordance with the provisions of these Bylaws and as required by statute;
- (c) in general, perform all duties incident to the office of Secretary and such other duties as are given to him by these Bylaws or as from time to time may be assigned to him by the Board of Directors.

5.11. The Treasurer. The Treasurer shall

- (a) have charge of and supervision over and be responsible for the funds, receipts, and disbursements of the corporation;
- (b) cause the moneys and other valuable effects of the corporation to be deposited in the name of the corporation in such banks as the Board of Directors may direct;
- (c) render to the Board of Directors whenever requested, a statement of the financial condition of the corporation and of all his transactions as Treasurer;
- (d) in general, perform all duties incident to the office of Treasurer and such other duties as are given to him by these Bylaws or as from time to time may be assigned to him by the Board of Directors.

5.12. Surety Bonds. If the Board of Directors shall so require, any officer or agent of the corporation shall execute to the corporation a bond in such sum and with such surety or sureties as the Board of Directors may direct, conditioned upon the faithful discharge of his duties, including responsibility for negligence and for the accounting for all property, funds, or securities of the corporation that may come into his hands.

ARTICLE VI

INDEMNIFICATION

Section 6.01. Definitions. For purposes of this Article VI:

(a) "Director" means any person who is or was a director of the corporation and any person who, while a director of the corporation, is or was serving at the request of the corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of any other foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise.

(b) "Expenses" include court costs and attorneys' fees.

(c) "Official Capacity" means:

(1) when used with respect to a director, the office of director in the corporation; and

(2) when used with respect to a person other than a director, the elective or appointive office in the corporation held by the officer or the employment or agency relationship undertaken by the employee or agent in behalf of the corporation, but

(3) in both paragraphs (a) and (b) does not include service for any other foreign or domestic corporation or any partnership, joint venture, sole proprietorship, trust employee benefit plan, or other enterprise.

(d) "Proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, arbitrative, or investigative, any appeal in such an action, suit, or proceeding, and any inquiry or investigation that could lead to such an action, suit or proceeding.

Section 6.02. Standard for Indemnification. The corporation may indemnify a person who was, is, or is threatened to be made a named defendant or respondent in a proceeding because the person is or was a director of the corporation only if it is determined in accordance with Section 6.06 that the person:

(a) conducted himself in good faith;

(b) reasonably believed:

(1) in the case of conduct in his official capacity as a director of the corporation, that his conduct was in the corporation's best interests; and

(2) in all other cases, that his conduct was at least not opposed to the corporation's best interests; and

(c) in the case of any criminal proceeding, had no reasonable cause to believe his conduct was unlawful.

Section 6.03. Prohibited Indemnification. Except to the extent permitted by Section 6.05, a director may not be indemnified under Section 6.02 for obligations resulting from a proceeding:

- (a) in which the person is found liable on the basis that personal benefit was improperly received by him, whether or not the benefit resulted from an action taken in the person's official capacity; or
- (b) in which the person is found liable to the corporation.

Section 6.04. Effect of Termination of Proceeding. The termination of a proceeding by judgment, order, settlement, or conviction or on a plea of nolo contendere or its equivalent is not of itself determinative that the person did not meet the requirements set forth in Section 6.02. A person shall be deemed to have been found liable in respect of any claim, issue, or matter only after the person shall have been so adjudged by a court of competent jurisdiction after exhaustion of all appeals therefrom.

Section 6.05. Proceeding by or in Behalf of Corporation. A person may be indemnified under Section 6.02 against judgments, penalties (including excise and similar taxes), fines, settlements, and reasonable expenses actually incurred by the person in connection with the proceeding; but if the person is found liable to the corporation or is found liable on the basis that personal benefit was improperly received by the person, the indemnification:

- (a) is limited to reasonable expenses actually incurred by the person in connection with the proceeding; and
- (b) shall not be made in respect of any proceeding in which the person shall have been found liable for willful or intentional misconduct in the performance of his duty to the corporation.

Section 6.06. Determination of Indemnification. A determination of indemnification under Section 6.02 must be made:

- (a) by a majority vote of a quorum consisting of directors who at the time of the vote are not named defendants or respondents in the proceeding;
- (b) if such a quorum cannot be obtained by a majority vote of a committee of the Board of Directors, designated to act in the matter by a majority vote of all directors, consisting solely of two (2) or more directors who at the time of the vote are not named defendants or respondents in the proceeding;
- (c) by special legal counsel selected by the Board of Directors or a committee of the Board of Directors by vote as set forth in Subsection (a) or (b) of this section, or, if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all directors; or

(d) by the Members in a vote that excludes the vote of directors who are named defendants or respondents in the proceeding.

Section 6.07. Authorization of Indemnification. Authorization of indemnification and determination as to reasonableness of expenses must be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification and determination as to reasonableness of expenses must be made in the manner specified by Subsection (c) of Section 6.06 for the selection of special legal counsel. A provision contained in the Articles of Incorporation, the Bylaws, a resolution of Members or directors, or an agreement that makes mandatory the indemnification permitted under Section 6.02 shall be deemed to constitute authorization of indemnification in the manner required by this section even though such provision may not have been adopted or authorized in the same manner as the determination that indemnification is permissible.

Section 6.08. Successful Defense of Proceeding. The corporation shall indemnify a director against reasonable expenses incurred by him in connection with proceeding in which he is named defendant or respondent because he is or was a director if he has been wholly successful, on the merits or otherwise, in the defense of the proceeding.

Section 6.09. Court Order in Suit for Indemnification. If, in a suit for the indemnification required by Section 6.08, a court of competent jurisdiction determines that the director is entitled to indemnification under that section, the court shall order indemnification and shall award to the director the expenses incurred in securing the indemnification.

Section 6.10. Court Determination of Indemnification. If, upon application of a director, a court of competent jurisdiction determines, after giving any notice the court considers necessary, that the director is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not he has met the requirements set forth in Section 6.02 or has been found liable in the circumstances described by Section 6.03, the Court may order the indemnification that the court determines is proper and equitable; but if the person is found liable to the corporation or is found liable on the basis that personal benefit was improperly received by the person, the indemnification shall be limited to reasonable expenses actually incurred by the person in connection with the proceeding.

Section 6.11. Advancement of Expenses. Reasonable expenses incurred by a director who was, is, or is threatened to be made a named defendant or respondent in a proceeding may be paid or reimbursed by the corporation, in advance of the final disposition of the proceeding and without the determination specified in Section 6.06 or the authorization or determination specified in Section 6.07, after the corporation receives a written affirmation by the director of his good faith belief that he has met the standard of conduct necessary for indemnification under this Article V and a written undertaking by or on behalf of the director to repay the amount paid or reimbursed if it is ultimately determined that he has not met that standard or if it is ultimately determined that indemnification of the director against expenses incurred by him in connection with that proceeding is prohibited by Section 6.05.

Section 6.12. Obligation for Repayment of Advancement. The written undertaking required by Section 6.11 must be an unlimited general obligation of the director but need not be secured. It may be accepted without reference to financial ability to make repayment.

Section 6.13. Expenses of Director. The corporation may indemnify or advance expenses to a director who was, is, or is threatened to be made a named defendant or respondent in a proceeding, except in accordance with Section 6.18, only to the extent the indemnification or advancement is consistent with Article 1396-2.22A of the Act as limited by the Articles of Incorporation, if such limitation exists.

Section 6.14. Expenses of Witness. Notwithstanding any other provision of this Article VI, the corporation may pay or reimburse expenses incurred by a director in connection with his appearance as a witness or other participation in a proceeding at a time when he is not named defendant or respondent in the proceeding.

Section 6.15. Indemnification and Advancement of Expenses to Officers and Others. An officer of the corporation shall be indemnified as, and to the same extent, provided by Sections 6.08, 6.09, and 6.10 for a director and is entitled to seek indemnification under those sections to the same extent as a director. The corporation may indemnify and advance expenses to an officer, employee, or agent of the corporation to the same extent that it may indemnify and advance expenses to directors under this Article VI.

Section 6.16. Indemnification and Advancement of Expenses to Nominees and Designees. The corporation may indemnify and advance expenses to a person who is not or was not an officer, employee, or agent of the corporation but who is or was serving at the request of the corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise to the same extent that it may indemnify and advance expenses to directors under this Article VI.

Section 6.17. Further Indemnification and Advance of Expenses to Officers and Others. The corporation may indemnify and advance expenses to an officer, employee, agent, or person identified in Section 6.16 and who is not a director to such further extent, consistent with law, as may be provided by the Articles of Incorporation, these Bylaws, general or specific action of the Board of Directors, or contract or as permitted or required by common law.

Section 6.18. Liability Insurance and Other Arrangements.

(a) The corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the corporation or who is or was serving at the request of the corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise against any liability asserted against him and incurred by him in such a capacity

or arising out of his status as such a person, whether or not the corporation would have the power to indemnify him against that liability under this Article VI.

(b) Additionally, the corporation may purchase, maintain, or enter into other arrangements on behalf of any person who is or was a director, officer, or trustee of the corporation against any liability asserted against him and incurred by him in such capacity or arising out of his status as such a person, whether or not the corporation would have the power to indemnify him against liability under this Article VI.

(1) If the other arrangement is with a person or entity that is not regularly engaged in the business of providing insurance coverage, the arrangement may provide for payment of a liability with respect to which the corporation would not have the power to indemnify the person only if coverage for that liability has been approved by the members of the corporation.

(2) Without limiting the power of the corporation to procure or maintain any kind of other arrangement, the corporation, for the benefit of persons described in Subsection (b) of this Section, may:

- (i) create a trust fund;
- (ii) establish any form of self-insurance;
- (iii) secure its indemnity obligation by grant of a security interest or other lien on the assets of the corporation; or
- (iv) establish a letter of credit, guaranty, or surety arrangement.

(c) For the limited purposes of Subsection (b) of this Section only, any liability indemnification arrangement, other than coverage through an insurance carrier, is not considered to be the business of insurance under the Insurance Code, including the Texas Property and Casualty Insurance Guaranty Act, or any other law of this state.

(d) The insurance may be procured, or maintained with any insurer, or the other arrangement may be procured, maintained, or established within the corporation or with any insurer or other person considered appropriate by the Board of Directors regardless of whether all or part of the stock or other securities of the insurer or other person are owned in whole or in part by the corporation. In the absence of fraud, the judgment of the board of directors as to the terms and conditions of the insurance or other arrangement and the identity of the insurer or other person participating in an arrangement is conclusive and the insurance or arrangement is not voidable and does not subject the directors approving the insurance or arrangement to liability, on any ground, regardless of whether directors participating in the approval are beneficiaries of the insurance or arrangement.

Section 6.19. Report to Shareholders. Any indemnification of or advance of expenses to a director in accordance with this Article VI shall be reported in writing to the Members of the corporation with or before the notice or waiver of notice of the next meeting of Members or with or before the next submission to members of a consent to action without a meeting pursuant to Section A, Article 1396-9.10, of the Act, and, in any case, within the 12-month period immediately following the date of the indemnification or advance.

Section 6.20. Service to Employee Benefit Plan. For purposes of this Article VI, the corporation is deemed to have requested a director to serve an employee benefit plan whenever the performance by him of his duties to the corporation also imposes duties on or otherwise involves services by him to the plan or participants or beneficiaries of the plan. Excise taxes assessed on a director with respect to an employee benefit plan pursuant to applicable law are deemed fines. Action taken or omitted by him with respect to an employee benefit plan in the performance of his duties for a purpose reasonably believed by him to be in the interest of the participants and beneficiaries of the plan is deemed to be for a purpose which is not opposed to the best interests of the corporation.

ARTICLE VII

ACCOUNTING

7.01. Fiscal Year. The fiscal year of the corporation shall begin on the first day of January and end on the last day of December in each year.

7.02. Books and Records. The corporation shall keep at its registered office or principal office in this State (i) correct and complete books and records of account; (ii) minutes of the proceedings of its members, Board of Directors, and committees having any authority of the Board of Directors; and (iii) a record of the names and addresses of its Members entitled to vote. A Member of the corporation, on written demand stating the purpose of the demand, has the right to examine and copy, in person or by agent, accountant, or attorney, at any reasonable time, for any proper purpose, the books and records of the corporation relevant to that purpose, at the expense of the Member.

ARTICLE VIII

TEAM RANCH MASTER ASSOCIATION

8.01. Purposes, Powers, and Duties of The Master Association. The Master Association shall be formed as a non-profit corporation for the purpose of performing certain functions for the common good and general welfare of the Master Development. The Master Association (a) shall have all of the powers of a Texas non-profit corporation organized under the Act, and (b) shall have the power and duty to exercise all of the rights, powers, and privileges and to perform all of the duties and obligations of the Master Association as set forth in the Master Declaration.

8.02. Membership in the Master Association. The corporation shall automatically be a member of the Master Association and such membership shall terminate only as provided in the Master Declaration. The corporation will represent the collective interest of all owners in the Master Association. Members of the corporation will not be members of the Master Association except collectively through the corporation's membership in the Master Association. The corporation alone, rather than any of its individual Members will have the right to vote and participate in the affairs of the Master Association.

8.03. Voting Rights.

(a) All voting rights in the Master Association will be governed by the Master Declaration.

(b) The Master Development will be composed of multiple phases of development. Each such phase will be platted of record in the Office of the Clerk of Tarrant County, Texas, in accordance with the Master Declaration. By acceptance of a deed conveying a Lot, each owner acknowledges that, upon the filing of plats covering such phases, the total votes outstanding in the Master Association will automatically increase based upon the number of phases added and in accordance with the formula set forth in the Master Declaration. However, nothing contained herein shall obligate the Master Association to develop any proposed phase of the Master Development.

8.04. Master Declaration and Master Bylaws. A Master Declaration will be filed in the Office of the Clerk of Tarrant County, Texas, covering all the property of the Master Development. All Members, by acceptance of a deed conveying a Lot, accept and acknowledge that they will be bound by and subject to the terms and covenants of that Master Declaration and Master Bylaws and any amendments or successors thereto, regardless of whether the Master Declaration or Master Bylaws have been executed or filed of record as of the date of acceptance of the deed conveying the Lot.

8.05. Master Association Dues. Notwithstanding any other provision of this Declaration, the corporation has the power to levy on all Members dues or assessments (the "Master Assessments") to cover the payment of any dues, fees, fines, or assessments levied against the corporation by the Master Association. The Master Assessment may be levied by the corporation subject to the same terms and procedures as other assessments levied by the corporation under these Bylaws or the Declaration. However, the Master Assessments will be maintained in a separate account and may not be used for purposes of maintaining the Common Property of the corporation.

ARTICLE IX

CORPORATION RESPONSIBILITIES TO MAINTAIN

9.01. Ownership. The corporation owns all private streets, appurtenances, and common areas and facilities (including perimeter fences) of the Subdivision, which are also known as the Common Property of the Subdivision.

9.02. Maintenance. The corporation is responsible for the maintenance of the Common Property. The corporation shall be responsible for contacting the City of Benbrook Inspection Department every two (2) years, or as needed, from the time of construction to schedule an inspection by city staff and/or their designee of private streets or private roadways and common areas and facilities.

9.03. Maintenance by City of Benbrook. The City of Benbrook may assume the duty of performing all maintenance obligations of the corporation should the corporation dissolve or fail or refuse to perform its maintenance obligations. The City of Benbrook may use the outstanding balance in the Street and Common Area Maintenance Reserve Fund, as defined below to make the Subdivision streets, roadways, and their improvements (including street lights and road signs) suitable for public use. In the event the outstanding balance in the Street and Common Area Maintenance Reserve Fund is insufficient to cover this cost, the City of Benbrook may levy an assessment upon each lot on a pro rata basis for the cost of performing the maintenance obligations.

9.04. Indemnification of City. The corporation will indemnify, hold harmless, and defend the City of Benbrook, its officers, agents, and employees from any and all claims, lawsuits, judgments, costs, or causes of action of any nature whatsoever, whether real or asserted, brought for or on account of any injuries or damages to persons or property, including death, resulting from or in any way connected with the construction, maintenance, or operation of the Common Property.

ARTICLE X

ASSESSMENTS

10.01. Assessments. The Board of Directors has the power to levy assessments against the Members. The Members have a duty to pay any assessment levied by the Board of Directors. The purpose, amount, and procedure for levying and collecting these assessments is as set out in the Declaration.

10.02. Annual Assessment. The Members shall pay to the corporation an Annual Assessment in an amount to be determined by the Board of Directors. The Board of Directors shall, after consideration of current maintenance costs and future needs of the corporation, fix the actual Annual Assessment for the year. Annual Assessments are to be the estimated

operating expenses of the corporation, including without limitation, the costs of maintaining the Common Property of the Subdivision.

10.03. Special, Parcel, and Specific Assessments. In addition to the Annual Assessments authorized by Section 10.02 hereof, the Board of Directors may levy Special, Parcel, and Specific Assessments for the purpose of defraying, in whole or in part, the cost of any shortfall in funds of the corporation.

10.04. Master Assessments. The corporation through the Board of Directors, may levy Master Assessments to cover any expenses or costs related to the corporation's membership in the Master Association.

10.05. Member's Personal Obligation for Payment of Assessments. All assessments shall be due and payable on the "Due Date" as determined each year by the Board of Directors and shall be a personal and individual debt of the Member. No Member may exempt himself from liability for such assessments. In the event of default in the payment of any such assessment, the unpaid assessment shall bear interest at the lower of (i) highest rate allowed by law, (ii) the rate of eighteen percent (18%) per annum, or (iii) such rate as the Board of Directors may from time to time establish that is not in violation of the laws of the State of Texas. In the event of default of payment of any one or more assessments, (or installments thereof) the Board may declare any remaining balance of the assessment at once due and payable. If a Member fails to pay fully any portion of any assessment prior to the Due Date, such unpaid portion (including any remaining balance declared immediately due and payable in accordance with the preceding sentence), together with interest and costs of collection, including without limitation reasonable attorneys' fees, shall be a binding personal obligation of the Member, as well as a lien on the Member's property.

10.06. Enforcement of Assessment Obligation. The corporation, under the Declaration, has a continuing charge and lien upon the Member's property against which the assessments are made to secure payment of the assessments and any interest thereon as provided in Section 10.05 hereof and costs of collection including reasonable attorneys' fees. The continuing charge and lien binds the property in the hands of the Member, and the Member's heirs, devisees, legal representatives, successors, and assigns. Such charge and lien is superior to any and all charges, liens or encumbrances that may hereafter in any manner arise or be imposed upon the property whether arising from or imposed by judgment or decree or by any agreement, contract, mortgage, deed of trust, or other instrument, except (i) such liens for taxes or other public charges as are by applicable law made superior, and (ii) all deeds to secure debt given to secure a loan the proceeds of which are used (1) to purchase a residence or residences (together with any and all structures which may from time to time be placed or located thereon), and (2) to finance the construction repair or alteration of structures. Furthermore, no sale or transfer at foreclosure or in lieu of foreclosure shall relieve the property from liability for any assessment thereafter assessed; and all assessments (together with interest thereon and costs of collection including reasonable attorneys' fees) levied against the property shall be a personal obligation that will survive any sale or transfer of the property. A lien may be enforced by judicial foreclosure by the corporation, as holders of the lien. Anything herein to the contrary

notwithstanding, the corporation may file a suit to recover a money judgment for the unpaid assessments, interest, and attorneys' fees, without foreclosing its lien.

ARTICLE XI

STREET AND COMMON AREA MAINTENANCE RESERVE FUND

11.01. Reserve Fund. In addition to any assessments levied, the corporation will establish a separate account named the Street and Common Area Maintenance Reserve Fund (the "Reserve Fund"). The Reserve Fund will not be commingled with any other property or account of the corporation.

11.02. Use of Reserve Fund. The Reserve Fund is established for the maintenance, repair, and reconstruction of private streets, access controlled structures and equipment, and common areas and facilities of the Subdivision.

11.03. Fees Payable to Reserve Fund. Each Member will be assessed an annual Reserve Fund fee by the corporation. The Reserve Fund fee will be no less than \$1.00 for each front foot of each lot owned by the Member in the Subdivision. On the fifth anniversary of its creation, the accumulated balance of the Reserve Fund may not be less than \$5.00 per front foot of each lot in the Subdivision. The formula used to determine the annual Reserve Fund fee may be reviewed and amended by the Board of Directors of the corporation as needed, upon the approval of the City of Benbrook.

11.04. Statement of Fund Balance. Upon the request of the City of Benbrook, the corporation will provide the City an audited statement of the Reserve Fund balance.

ARTICLE XII

MISCELLANEOUS

12.01. Amendment. The Board of Directors shall have power to amend or repeal these Bylaws.

12.02. Waiver of Notice. Whenever any notice is required to be given under the provisions of the Act or under the provisions of the Articles of Incorporation or these Bylaws of the corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

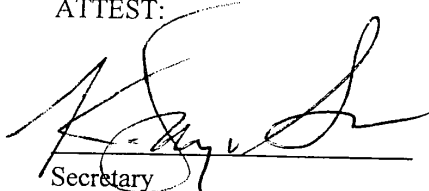
12.03. Governing Law. These Bylaws are adopted pursuant to and the corporation is governed by the laws of the State of Texas, most specifically, the Texas Non-Profit Corporation Act (the "Act"). However, to the extent these Bylaws conflict with the Act, these Bylaws will prevail.

2008-08-08 10:00:00 AM

12.04. Severability. If any term or provision of these Bylaws is illegal or invalid for any reason whatsoever, that term or provision will be ineffectual and void, and the validity of the remainder of these Bylaws will not be affected.

12.05. Headings. All headings are for convenience or reference only and are not intended to qualify the meaning of any section.

ATTEST:



Secretary

53280v8

61265

THE STATE OF TEXAS §
 §
COUNTY OF TARRANT §

Before me, Stephanie M. Bourland, a Notary Public in and for the State of Texas, on this day personally appeared Wayne Lee, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 23rd day of September, A.D., 1999.



Stephanie M. Bourland
Notary Public -- State of Texas

D199245972
STEPHANIE M BOURLAND
BRACKETT & ELLIS
100 MAIN STREET
FT WORTH TX 76102 3090

WARNING-THIS IS PART OF THE OFFICIAL RECORD--D O N O T D E S T R O Y

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T O: LANDCON INC

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B Y: 

ANY PROVISION WHICH RESTRICTS THE SALE RENTAL OR USE
OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE
IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.