# BYLAWS OF LA PALOMA HOMEOWNER'S ASSOCIATION, INC.

These Bylaws (referred to as the "Bylaws") govern the affairs of LA PALOMA HOMEOWNER'S ASSOCIATION, INC., a nonprofit corporation (referred to as the "Association") organized under the Texas Non-Profit Corporation Act (referred to as the "Act").

## ARTICLE I
## DEFINITIONS

1.01. "Association" refers to the La Paloma Homeowner's Association, Inc., its successors and assigns, a non-profit corporation organized and existing under the laws of the State of Texas.

1.02. "Properties" refers to La Paloma Estates Unit No. 1 and La Paloma Estates Unit No. 4, both subdivisions in Potter County, Texas, which are more fully described on Exhibit "A" attached hereto.

1.03. "Common Area" refers to the areas that have been designated as Common Areas on the plats of La Paloma Estates Unit No. 1 and La Paloma Estates Unit No. 4.

1.04. "Owner" refers to the record or equitable owner, whether one or more persons or entities, of the fee simple title to any lot or portion of a lot situated within the Properties but, notwithstanding any applicable theory of the mortgage, does not mean or refer to the mortgage (lender) of any of the Properties unless and until the mortgagee (lender) has acquired title through foreclosure or any proceeding in lieu of foreclosure.

1.05. "Member" or " members" refers to all lot Owners who have joined the Association and are current in paying Association dues.

## ARTICLE 2
## PRINCIPAL OFFICE

2.01. The principal office of the Association in the State of Texas will be located at 4502 Fairway Drive, Amarillo, Potter County, Texas, 79124.

## ARTICLE 3
## MEMBERSHIP

3.01. Each person or entity who is an Owner of any lot or portion of a lot included in the Properties is eligible to be a Member of the Association. No lot carries with it more than one membership. Memberships are appurtenant to and may not be separated and sold separately from ownership of any lot.

3.02. The rights of membership are subject to the payment of annual dues declared by the Association.

3.03. The membership rights of any person may he suspended by action of the Board of Directors during any period when dues are due but unpaid, but, upon payment of dues, the rights and privileges of such person will be automatically restored. If the Board of Directors has adopted and published rules and regulations governing the use of the Common Area and facilities and the personal conduct of any person is in violation of these rules and regulations, the Board of Directors may suspend all rights and privileges of the person for a period not to exceed thirty (30) days and until the violator complies with the rules and regulations. This provision applies to any Member, the family of any Member, the guest of any Member, and the tenant of any Member.

## ARTICLE 4
## VOTING RIGHTS

4.01. Each Member is entitled to one vote. Members who own more than one lot or portion of a lot are entitied to as many votes, provided they pay dues for each membership.

## ARTICLE 5
## RIGHTS OF ENJOYMENT AND REGULATION OF COMMON AREAS

5.01. Use and enjoyment of the Common Areas and its facilities are subject to rules and regulations that may be passed by the Board of Directors.

5.02. Any Owner may delegate his rights of enjoyment in the Comnion Area and its facilities to the members of his family who reside on any lot in the Properties or to tenants who reside there under a leasehold interest for a term of one (1) year or more. The Member must notify the Secretary/Treasurer of the Association in writing of the name of any such person. The rights and privileges of such person are subject to suspension under Article 3, Section 3, to the same extent as those of the Members.

## ARTICLE 6
## ASSOCIATION PURPOSES AND POWERS

6.01. The Association has been organized for the purposes as stated in Article 4 of the Articles of Incorporation.

## ARTICLE 7
## BOARD OF DIRECTORS

7.01. The number of Directors of the Association will initially be five (5) but, subject to the limitation that the number of Directors will never be less than three (3), the number of Directors may be increased or decreased from time to time, by vote of the membership of the Association. All elected officers of the Association are members of the Board of Directors. The Directors of the Association will be elected by its Members. At the option of the Members of the Association exercised at any annual meeting at which Directors are elected, the terms of the Directors may be staggered, so that one-third (1/3rd) of the Directors are elected each year.

7.02. Vacancies in the Board of Directors will be filled by appointment by the remaining Directors. Any such appointed Director will hold office until his successor is elected by the Membets at the next annual meeting of the Members or at any special meeting called for that purpose.

## ARTICLE 8
## ELECTION OF DIRECTORS

8.01. Election of Officers and Directors will be by written ballot if requested by any Member. At the election, the Members or their proxies may cast one Vote per membership for each vacancy. The person receiving the largest number of votes for each vacancy shall be elected to that position.

8.02. Nominations for election will be made from the floor at the meeting at which the election is held. Nominations may be made by Members for each office and place to be filled on the Board of Directors, except that nominations may also be made by the spouse of a Member who resides with the Member. There will be separate nominations made for each place to be filled.

## ARTICLE 9
## POWERS AND DUTIES OF THE BOARD OF DIRECTORS

9.01. The Board of Directors has the Power:

A. To call special meetings of the Members whenever it deems necessary, and it shall call a meeting at any time upon written request of thirty percent (30%) of the voting membership;

B. To appoint and remove, in its discretion, all agents and employees of the Association, prescribe their duties, fix their compensation, and require of them any secutity or fidelity bonds as it may deem prudent. Nothing contained in these Bylaws will be construed to prohibit the employment of any Member, officer or Director of the Association in any capacity whatsoever;

C. To establish an annual budget, propose the dues payable by Members, and submit the budget and dues to a membership vote at the regular annual meeting of the membership.

D. To adopt and publish rnles and regulations governing the use of the Common Areas and its facilities and the personal conduct of the Members and their guests while on these premises;

E. In the event that any member of the Board of Directors is absent from three (3) consecutive regular meetings of the Board of Directors without being excused from attendanee by the Board of Directors, the Board of Directors may declare the office of the absent Director to be vacant during the meeting in which the third absence occurs or at any time afterwards.

9.02. It is the duty of the Board of Directors:

A. To cause to be kept a complete record of all its acts and corporate affairs;

B. To supervise all officers, agents and employees of this Association and to see that their duties are properly performed;

C. To prepare a roster of the Members and applicable dues which will be kept in the office of the Association and will be open to inspection by any Member; and

D. To perform all other duties and powers normally required of Directors and which may be reasonably necessary for the proper conduct of the affairs of the Association.

## ARTICLE 10
## DIRECTORS' MEETINGS

10.01. A regular meeting of the Board of Directors, if any, will be held at the time and frequency decided by the Board of Directors by resolution.

10.02. Notice of the regular meetings may be waived. If the day for the regular meeting falls on a holiday or weekend, the meeting will be held at the same hour on the first day following which is not a holiday or weekend, and no notice need be given.

10.03. Special meetings of the Board of Directors will be held when called by any officer of the Association or by two Directors after at least three (3) days notice to each Director. Notice may be either by mail addressed to each Director at his or her residence address or by oral notification to each Director either by telephone or in person.

10.04. The transaction of any business in any meeting of the Board of Directors, however called and noticed, or wherever held, will be as valid as though made in a meeting held after regular call and notice, if all of the Directors are present or, if either before or after the meeting, each of the Directors not attending signs a written waiver, consent, or an approval of the minutes of the meeting. All such waivers, consents or approvals will be filed with the corporate records and made a part of the minutes of the meeting.

10.05. The majority of the Board of Directors will constitute a quorum for decision making.

## ARTICLE 11
## OFFICERS

11.01. The Officers of the Association are a President, a Vice President, and a Secretary/Treasurer. All officers are members of the Board of Directors.

11.02. The Officers are chosen by a majority vote of the Members.

11.03. The President presides at all meetings of the Board of Directors and of the Association and sees that orders and resolutions of the Board of Directors are carried out, and signs all notes, checks, leases, mortgages, deeds and all other written instruments pertaining to the business of the Association.

11.04. The Vice President performs all the duties of the President in the absence of the President.

11.05. The Secretary/Treasurer is the ex officio Secretary of the Board of Directors, records the votes and keeps the minutes of all proceedings in a book to be kept for that purpose, and maintains and records in a book kept for that purpose the names of all Members of the Association, together with their addresses as registered by the Members. The Secretary/Treasurer receives and deposits in appropriate bank accounts all monies of the Association and disburses the funds as provided by resolution of the Board of Directors; provided, however, that a resolution of the Board of Directors is not necessary for disbursements made in the ordinary course of business conducted within the limits of the budget adopted by the Board. The Secretary/Treasurer shall sign all checks and notes of the Association, but all such checks and notes shall also be signed by the President or the Vice President. The Secretary/Treasurer shall also keep proper books of account and cause audits of the books to be made as the Board of Directors directs.

## ARTICLE 12
## COMMITTEES

12.01. There will be such committees of the Association as the Board of Directors determines.

## ARTICLE 13
## MEETINGS OF MEMBERS

13.01. The regular annual meeting of the Members will be held on a date established by the Board of Directors. If the day for the annual meeting of the Members falls on a holiday, the meeting will be held at the same hour on the first day following which is not a holiday or weekend.

13.02. Special meetings of the Members for any purpose may be called at any time by the President or by any two (2) or more Members of the Board of Directors or upon written request of 30% of the Members.

13.03. Notice of all meetings must be given to thc Members by the Secretary/Treasurer. Notice may be given to the Members either personally or by sending a copy of the notice through the United States mail. Each Member must register his address with the Secretary/Treasurer, and notices of meetings will be mailed to such Member at such address. Notice of any meeting, regular or special, will be mailed at least ten (10) days but less than thirty (30) days in advance of the meeting and will set forth in general the nature of the business to be transacted.

13.04. The presence at the meeting of Members entitled to cast fifty percent (50%) of the votes, either in person or by duly executed proxies, shall constitute a quorum for any action.

## ARTICLE 14
## PROXIES

14.01. At all Association meetings of the Members, each Member may vote in person or by proxy. All proxies must be in writing and filed with the Secretary/Treasurer. No proxy shall extend beyond a period of eleven (11) months, and every proxy will automatically cease when the Member executing the proxy sell s his lot.

## ARTICLE 15
## BOOKS AND PAPERS

15.01. The books, records, and papers of the Association will at all times be kept at the office of the Association and will be subject to the inspection of any Member during resonable business hours.

## ARTICLE 16
## MISCELLANEOUS PROVISIONS

16.01. References in the masculine gender also include the feminine.

## ARTICLE 17
## AMENDMENTS

17.01. These Bylaws may be amended, at a regular or special meeting of the Members, by the vote of a majority of a quorum of Members present in person or by proxy; provided, however, that those provisions of these Bylaws which are governed by the Articles of Incorporation of the Association may not be amended except as therein provided or as allowed by law.

17.02. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control.

ADOPTED at the initial meeting of Members this the _____ day of _____, 2005.

_____
Secretary/Treasurer

ATTACHMENTS:
Exhibit "A": Description of "Properties" [Plat]

EXHIBIT "A"
Unit 1

# DESCRIPTION

A 22.088 acre tract of land out of a 154.68 acre tract of land, according to that certain Cash Warranty Deed recorded in Volume 2710, Page 268 of the Official Public Records of Potter County, Texas, situated in Section 23, Block 9, B. S. & F. Survey, Potter County, Texas, and said 22.088 acre tract of land being more particularly described by metes and bounds as follows:

Commencing at a 3 inch iron pipe, found at the common corner of Sections 11, 12, 23 and 24 of said Block 9, from whence a 3 inch iron pipe, found at the common corner of Sections 12, 13, 22 and 23 of said Block 9 bears N. 00°19'05" W., 5367.99 feet (bearings contained herein are relative to true north as determined by G.P.S. observations at an origin point of 35°14'15.9670" North Latitude and 101°54'52.2948" West Longitude (NAD 83);

Thence N. 89°46'41" W., 1337.50 feet along the common line of said Sections 23 and 24 to a ½ inch iron rod with a cap stamped "KEYS R.P.S.", found at the southwest corner of said 154.68 acre tract of land and the southeast corner of a 494.397 acre tract of land, according to that certain Special Warranty Deed recorded in Volume 2549, Page 54 of the Official Public records of Potter County, Texas, from whence a 5/8 inch iron rod with an aluminum cap stamped "RAY KELLEY LS 1583", found at the common corner of Sections 23, 24, 45 and 46 of said Block 9 bears N. 89°46'41" W., 4015.34 feet;

Thence N. 00°19'05" W., 60.00 feet along the west line of said 154.68 acre tract of land to a ½ inch iron rod with a cap stamped "KEYS R.P.L.S. 2507", found at the southwest and **BEGINNING CORNER** of this tract of land, same being the northeast corner of a 1.762 acre tract of land, according to that certain General Warranty Conveyance recorded in Volume 2720, Page 681 of the Official Public Records of Potter County, Texas;

Thence N. 00°19'05" W., 2621.99 feet to a ½ inch iron rod with a cap stamped "KEYS R.P.L.S. 2507", found at the northwest corner of said 154.68 acre tract of land and the northwest corner of this tract of land;

Thence S. 89°46'23" E., 687.99 feet along the north line of said 154.68 acre tract of land and the south line of a 370.093 acre tract of land, according to that certain Special Warranty Deed recorded in Volume 2949, Page 49 of the Official Public Records of Potter County, Texas, to a ½ inch iron rod with a cap stamped "KEYS R.P.L.S. 2507", set at the northeast corner of this tract of land, from whence a ½ inch iron rod with a cap stamped "KEYS R.P.L.S. 2507", found in the common line of said Sections 12 and 23 bears S. 89°46'23" E., 649.51 feet;

Thence S. 00°13'37" W., 118.42 feet to a ½ inch iron rod with a cap stamped "KEYS R.P.L.S. 2507", set at a corner of this tract of land;

Thence Southwesterly, 136.29 feet along a curve to the left having a radius of 275.00 feet and a chord of S. 76°01'46" W., 134.90 feet to a ½ inch iron rod with a cap stamped "KEYS R.P.L.S. 2507", set at a corner of this tract of land;

Thence Southwesterly, 96.25 feet along a curve to the right having a radius of 325.00 feet and a chord of S. 70°18'59" W., 95.90 feet to a ½ inch iron rod with a cap stamped "KEYS R.P.L.S. 2507", set at a corner of this tract of land;

Thence S. 01°25'05" E., 683.68 feet to a ½ inch iron rod with a cap stamped "KEYS R.P.L.S. 2507", set at a corner of this tract of land;

Thence S. 21°04'55" W., 708.17 feet to a ½ inch iron rod with a cap stamped "KEYS R.P.L.S. 2507", set at a corner of this tract of land;

Thence S. 00°19'05" E., 189.66 feet to a ½ inch iron rod with a cap stamped "KEYS R.P.L.S. 2507", set at a corner of this tract of land;

Thence S. 07°19'05" E., 910.75 feet to a ½ inch iron rod with a cap stamped "KEYS R.P.L.S. 2507", set at a corner of this tract of land;

Thence N. 89°46'41" W., 331.01 feet along the north right-of-way line of Fairway Drive, according to that certain General Warranty Conveyance recorded in Volume 2705, Page 84 of the Official Public Records of Potter County, Texas, to the **POINT OF BEGINNING.**

EXHIBIT "A"
Unit 4

## DESCRIPTION

A 28.071 acre tract of land out of a 154.68 acre tract of land, according to that certain Cash Warranty Deed recorded in Volume 2710, Page 268 of the Official Public Records of Potter County, Texas, situated in Sections 12 and 23, Block 9, B. S. & F. Survey, Potter County, Texas, and said 28.071 acre tract of land being more particularly described by metes and bounds as follows:

Commencing at a 3 inch iron pipe, found at the common corner of Sections 11, 12, 23 and 24 of said Block 9, from whence a 5/8 inch iron rod with an aluminum cap stamped "RAY KELLEY LS 1583", found at the common corner of Sections 23, 24, 45 and 46 of said Block 9 bears N. 89°46'41" W., 5352.84 feet (bearings contained herein are relative to true north as determined by G.P.S. observations at an origin point of 35°14'15.9670" North Latitude and 101°54'52.2948" West Longitude (NAD 83);

Thence N. 00°19'05" W., 90.01 feet along the common line of said Sections 12 and 23 to a ½ inch iron rod with a cap stamped "KEYS R.P.S.", found at the **BEGINNING CORNER** of this tract of land, from whence a 3 inch iron pipe, found at the common corner of Sections 12, 13, 22 and 23 of said Block 9 bears N. 00°19'05" W., 5277.98 feet;

Thence Southwesterly, 259.46 feet along the north right-of-way line of Fairway Drive, according to that certain General Warranty Conveyance recorded in Volume 2705, Page 84 of the Official Public Records of Potter County, Texas, being a curve to the left having a radius of 2060.00 feet and a chord of S. 86°48'20" W., 259.29 feet to a ½ inch iron rod with a cap stamped "C.I. R.P.L.S. 2601", set at a point of reverse curvature;

Thence Southwesterly, 237.85 feet along the north right-of-way line of Fairway Drive, being a curve to the right having a radius of 1940.00 feet and a chord of S. 86°42'35" W., 237.71 feet to a ½ inch iron rod with a cap stamped "C.I. R.P.L.S. 2601", found at the point of tangency;

Thence N. 89°46'41" W., 97.43 feet along the north right-of-way line of Fairway Drive to a ½ inch iron rod with a cap stamped "KEYS R.P.L.S. 2507", set at the southwest corner of this tract of land;

Thence N. 05°01'55" E., 575.21 feet to a ½ inch iron rod with a cap stamped "KEYS R.P.L.S. 2507", set at a corner of this tract of land;

Thence N. 00°49'05" W., 711.14 feet to a ½ inch iron rod with a cap stamped "KEYS R.P.L.S. 2507", set at the northwest corner of this tract of land;

Thence N. 62°45'55" E., 546.64 feet to a ½ inch iron rod with a cap stamped "KEYS R.P.L.S. 2507", set at the most northerly corner of this tract of land;

Thence S. 09°05'44" E., 386.15 feet to a ½ inch iron rod with a cap stamped "KEYS R.P.L.S. 2507", set in the common line of said Sections 12 and 23 at an interior corner of this tract of land;

Thence S. 46°50'11" E., 600.00 feet to a ½ inch iron rod with a cap stamped "KEYS R.P.L.S. 2507", set at a corner of this tract of land;

Thence S. 12°04'11" E., 643.06 feet to a ½ inch iron rod with a cap stamped "KEYS R.P.L.S. 2507", set at a corner of this tract of land;

Thence S. 00°24'49" W., 90.00 feet to a ½ inch iron rod with a cap stamped "KEYS R.P.L.S. 2507", set at the southeast corner of this tract of land;

Thence N. 89°35'11" W., 565.22 feet along the north right-of-way line of Fairway Drive, according to that certain Road Easement recorded in Volume 1247, Page 503 of the Deed Records of Potter County, Texas, to the **POINT OF BEGINNING**.