

**BY-LAWS**  
**OF**  
**ASR PROPERTY OWNERS ASSOCIATION, INC.**  
**A NONPROFIT CORPORATION**

**ARTICLE I**  
**OFFICES**

Principal Office

1.01. The principal office of the Corporation in the State of Texas shall be located in the City of Nacogdoches, Texas, County of Nacogdoches. The Corporation may have such other offices, either within or without the State of Texas, as the Board of Directors may determine or as the affairs of the Corporation may require from time to time.

Registered Office and Registered Agent

1.02. 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 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.

Officers

1.03. 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, (or a combined Secretary-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 the offices of President and Secretary.

## ARTICLE II

### MEMBERS

#### Classes of Members

2.01. The Corporation shall have two classes of members. The designation of such class and the qualifications and rights of the members of such class shall be as follows:

1. Class A: Class A members shall be owners of lots within the subdivision, with the exception of the Class B member, and shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as the owner or owners determined, but in no event shall more than one vote be cast with respect to any lot.
2. Class B: Class B members shall be Joseph Irie Montes and Spring Creek ASR, Limited Partnership, and shall be entitled to three (3) votes for each lot owned and three (3) votes for each acre, or fraction thereof, owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following event, which ever occurs earlier:
  - a. When the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership; or,
  - b. Twenty years from the date hereof.

#### Termination of Membership

2.02. The Board of Directors, by affirmative vote of two-thirds of all of the members of the Board, may suspend or expel a member for cause after an appropriate hearing and may, by a majority vote of those present at any regularly constituted meeting, terminate the membership of any member who becomes ineligible for membership, or suspend or expel any member who shall be in default in the payment of dues for the period fixed in Article 10 of these By-Laws.

#### Resignation

2.03. Any member may resign by filing a written resignation with the Secretary, but such resignation shall not

relieve the member so resigning of the obligation to pay any dues, assessments, or other charges theretofore accrued and unpaid.

#### Transfer of Membership

2.04. Membership in this corporation is not transferable or assignable except that the right to membership shall pass with the transfer of title to a lot within the subdivision.

#### Annual Meetings

2.05. The membership shall meet annually, preceding the annual Board of Director's meeting. Notice of the meeting will be given in writing at least five days in advance. The President will preside at all meetings.

#### Election of Directors

2.06. The Directors of the Corporation are to be elected at the annual meeting of the membership. A majority vote of the votes cast will be sufficient for the election of a Director. A quorum shall consist of a majority of voting members being present in person or by proxy.

### **ARTICLE III** **BOARD OF DIRECTORS**

#### General Powers

3.01. The affairs of the Corporation shall be managed by its Board of Directors. Directors need not be residents of Texas or members of the Corporation.

#### Number, Tenure, and Qualifications

3.02. The number of Directors shall be three. Each Director shall hold office until the next annual meeting of members and until his successor shall have been elected and qualified.

#### Regular Meetings

3.03. A regular annual meeting of the Board of Directors shall be held without other notice than this By-Law, in May of each year. The Board of Directors may provide by resolution the time and place, either within or without the State of Texas, for

the holding of additional regular meetings of the Board without other notice than such resolution.

#### Special Meetings

3.04. 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, either within or without the State of Texas, as the place for holding any special meetings of the Board called by them.

#### Notice

3.05. 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 this 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 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 of 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, 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.

#### Quorum

3.06. 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.

#### Manner of Acting

3.07. 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.

### Vacancies

3.08. Any vacancy occurring in the Board of Directors and any directorship to be filled by reason of an increase in the number of directors, shall be filled by the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

### Compensation

3.09. Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board; but nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.

### Informal Action by Directors

3.10. 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.

## **ARTICLE IV**

### **OFFICERS**

### Election and Term of Office

4.01. The officers of the Corporation shall be elected annually by the Board of Directors at the regular annual meeting 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 is convenient. New 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.

### Removal

4.02. 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, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

### Vacancies

4.03. A vacancy in any office because of death, resignation, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

### President

4.04. 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 have 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.

### Vice President

4.05. 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 Presidents in 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 Board of Directors.

### Treasurer

4.06. 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 moneys due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Article VI 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.

#### Secretary

4.07. 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; give all notices in accordance with the provisions of these By-Laws or as required by law; be custodian of the corporate records and of the seal of the corporation, and affix the seal of the Corporation 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 each 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.

#### Assistant Treasurers and Assistant Secretaries

4.08. 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 by the President or the Board of Directors.

### **ARTICLE 5**

#### **POWERS**

5.01. The Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Articles of Incorporation or by these By-Laws directed or required to be exercised or done by the Members. The Board, for the benefit of the Corporation, may provided, and may pay for, out of the maintenance fund(s), the following:

- a. care preservation and maintenance of the Corporate Property and the furnishing and upkeep of any desired personal property for use in or on the Corporate Property;
- b. security arrangements;

- c. taxes, insurance and utilities (including, without limitation, electricity, gas, water and sewer charges) which pertain to the Corporate Property only;
- d. the services of a person or firm to manage the Corporation or any separate portion thereof, to the extent deemed advisable by the Board, and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board or by the manager;
- e. legal and accounting services; and
- f. any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, taxes or assessments which the Board is required to obtain or pay for pursuant to the terms of the Restrictions or which, in its option, shall be necessary or proper for the operation or protection of the Corporation or for the enforcement of the Restrictions.

5.02. The Board shall have, in addition to all powers of the Corporation not precluded by (i) statute, (ii) the Articles of Incorporation, (iii) these By-Laws, or (iv) the Restrictions or for the enforcement of the Restrictions, the following additional rights, powers and duties:

- a. to execute all restrictions of ownership for tax assessment purposes with regard to any of the Corporate Property owned by it as an incorporated entity;
- b. to borrow funds to pay costs of operation, secured by assignment or pledge of rights against delinquent owners, if the Board sees fit;
- c. to increase, decrease, amend or modify the maintenance fee schedule applicable to each and all of the Lots, the time and method of collection and any and all matters and aspects of any kind or character whatsoever arising out of or related to the maintenance fees;
- d. to enter into contracts, maintain one or more bank accounts and to have all the powers necessary or incidental to the operation and management of the Corporation;
- e. to protect or defend the Corporate Property from loss or damage by suit or otherwise, to sue or defend any suit in any court of law on behalf of the Corporation and to provide adequate reserves for repairs and replacements;



- f. to make reasonable rules and regulations for the operation of the Corporate Property and to amend them from time to time;
- g. to make available to each owner after the end of each year an annual report;
- h. to adjust the amount, collect and use any insurance proceeds to repair damaged or replace lost property; and if proceeds are insufficient to repair damaged or replace lost property, to assess the members in proportionate amounts to cover the deficiency; and
- i. to enforce the provisions of the Restrictions and any rules made hereunder and to enjoin and seek damages from an owner for violation of such provisions and rules.

5.03. The Board shall have the exclusive right to contract for all goods, services and insurance, and the exclusive right and obligation to perform the function of the Board, except as otherwise provided herein.

5.04. The Board, on behalf of the Corporation, shall have full power and authority to contract with any owner for performance on behalf of the Corporation of services which the Corporation is otherwise required to perform pursuant to the terms hereof, such contracts to be upon terms and conditions and for such consideration as the Board may deem proper, advisable and in the best interest of the Corporation.

## **ARTICLE VI**

### **CONTRACTS, CHECKS, DEPOSITS, AND FUNDS**

#### Contracts

6.01. The Board of Directors may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these By-Laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation. Such authority may be general or confined to specific instances.

#### Checks and Drafts

6.02. 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 corporation.

#### Deposits

6.03. 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 select.

#### Gifts

6.04. 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 purposes of the corporation.

### **ARTICLE VII**

#### CERTIFICATE OF MEMBERSHIP

#### Certificate of Membership

7.01. The Board of Directors may provide for the issuance of certificates evidencing membership in the corporation, which shall be in such form as may be determined by the Board. Such certificates shall be signed by the President or a Vice President with the seal of the corporation. All certificates evidencing membership of any class shall be consecutively numbered. The name and address of each member and the date of issuance of the certificate shall be entered on the records of the corporation. If any certificate shall become lost, mutilated, or destroyed, a new certificate may be issued therefor on such terms and conditions as the Board of Directors may determine.

#### Issuance of Certificates

7.02. When a member has been elected to membership and has paid any initiation fee and dues that may then be required, a certificate of membership shall be issued in his name and delivered to him by the Secretary, if the Board of Directors shall have provided for the issuance of certificates of membership under the provisions of paragraph 7.01 of this Article.

**ARTICLE VIII**  
BOOKS AND RECORDS

The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors, and committees and 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.

**ARTICLE IX**  
FISCAL YEAR

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

**ARTICLE X**  
DUES

Annual Dues

10.01. The Board of Directors may determine from time to time the amount of initiation fee, if any, and the annual dues payable to the corporation by members of each class.

Payment of Dues

10.02. Dues shall be payable in advance on the first day of May in each fiscal year. Dues of a new member shall be prorated from the first day of the month in which such new member is elected to membership, for the remainder of the fiscal year of the corporation.

Default and Termination of Membership

10.03. When any member shall be in default in the payment of dues for a period of six months from the beginning of the fiscal year or period for which such dues become payable, his membership may thereupon be terminated by the Board of Directors in the manner provided in Article III of these By-Laws.

**ARTICLE XI**  
SEAL

The Board of Directors shall provide a corporate seal, which shall be in the form of a circle and shall have inscribed thereon

the name of the corporation and the words "ASR Property Owners Association, Inc."

**ARTICLE XII**  
WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the Texas Non-Profit Corporation Act or under the provisions of the articles of incorporation or the 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 XIII**  
AMENDMENTS TO BY-LAWS

The By-Laws may be altered, amended, or repealed and new By-Laws may be adopted by a majority of the Directors present at any regular meeting or at any special meeting, if at least two days' written notice is given of an intention to alter, amend, or repeal these By-Laws or to adopt new By-Laws at such meeting.

**ARTICLE XIV**  
SECTION HEADINGS

The headings or captions of articles and sections of these By-Laws are inserted for convenience of reference only and shall not be deemed to be a part hereof or used in the construction or interpretation hereof.

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Secretary