

**SECOND AMENDED BYLAWS OF  
CHISHOLM TRAIL HOMEOWNERS ASSOCIATION, INC.  
A NON PROFIT CORPORATION**

**Basic Information**

**Name:** CHISOLM TRAIL HOMEOWNERS ASSOCIATION, INC. (the "Association"), established by the certificate of formation filed with the secretary of state of Texas on June 17, 2008.

**Registered Agent and Address :** The Registered Agent of the corporation is Kent Davis. The address of the Registered Agent is 9284 Huntington Square, Suite 100, North Richland Hills, Texas 76182.

**Declaration:** The Declaration of Restrictive Covenants of the CHISOLM TRAIL ESTATES Subdivision, recorded in the real property records of TARRANT County, Texas.

**BOARD OF DIRECTORS APPROVED: November 14, 2011**

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**SECOND AMENDED BYLAWS OF  
CHISHOLM TRAIL HOMEOWNERS ASSOCIATION, INC.**

**A NON-PROFIT CORPORATION**

**ARTICLE 1**

**OFFICES**

**Principal Office**

1.01. The principal office of the Chisholm Trail Homeowners Association, Inc. (the “Association”) in the State of Texas shall be located in the County of Tarrant.

**Registered Office and Registered Agent**

1.02. The Association shall have and continuously maintain in the State of Texas a registered office and a registered agent. The address for the registered office and registered agent shall be the same address, as required by the Texas Business Corporation Act. The registered office may be, but need not be, identical with the principal office of the Association 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 2**

**MEMBERS**

**Membership**

2.01. Every Owner (herein “Owner”) of a lot (herein “Lot”) in Chisholm Trail Estates Addition shall automatically be a Member (herein “Member”) of the Association. The Board of Directors may **NOT** prohibit an Owner who is not in good standing because of past unpaid dues, fines, late charges, interest, legal fees, and/or any other assessments of any nature from voting in

any election. This provision has been modified from previous versions of the Bylaws to comply with the provisions of the Texas Residential Property Owners Act §209.0059.

2.02. Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any such Lot.

### **ARTICLE 3**

#### **MEETINGS OF MEMBERS**

##### **Annual Meeting**

3.01. An annual meeting of the Members shall be held on the first Thursday during the month of October of each year, at the hour of 7:00 o'clock, p.m., for the purpose of electing directors and for the transaction of other business as may come before the meeting. If the day fixed for the annual meeting shall be on a legal holiday in the State of Texas, such meeting shall be held on the next succeeding business day. If the election of directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Members as soon thereafter as possible.

##### **Special Meeting**

3.02. Special meetings of the Members may be called by the President, the Board of Directors, or not less than two-thirds of the Members having voting rights.

### **Place of Meeting**

3.03. The Board of Directors may designate any place within Tarrant County Texas, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be the registered office of the Association in the State of Texas.

### **Notice of Meetings**

3.04. Members shall be given notice of the date, hour, place, and general subject of a annual or special meeting of Members, including a general description of any matter to be brought up for deliberation in executive session. The notice shall be:

1. Mailed to each property Owner not later than the 10<sup>th</sup> day or earlier than the 60<sup>th</sup> day before the meeting; or

2. Provided at least 72 hours before the start of the meeting by:

a. Posting of the notice in a conspicuous manner reasonably designed to provide notice to the property owners' association Members:

(i) in a place located on the association's common property or, with the property owner's consent, on other conspicuously located privately owned property within the subdivision; or

(ii) on any internet website maintained by the association or other internet media; and

b. Sending the notice by e-mail to each Owner who has registered an e-mail address with the association. It is an Owner's duty to keep an updated e-mail address registered with the property owner's association. In case of a special meeting or when

required by statute or these bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice.

c. 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 email, such notice shall be deemed to be delivered when a delivery receipt is requested for the email and a record of such request is retained for inspection. If notice be given by facsimile, such notice shall be deemed to be delivered when the facsimile transmission is successfully completed and a record of such transmission is retained for inspection. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Members need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these bylaws.

#### **Informal Action by Members**

3.05. Informal action by Members shall not be permitted.

#### **Quorum**

3.06. The Members holding fifty-one percent (51%) of the votes which may be cast at any meeting shall constitute a quorum at such meeting. If a quorum is not present at any meeting of Members, a majority of the Members present may adjourn the meeting from time to time without further notice.

#### **Proxies**

3.07. At any meeting of Members, a Member entitled to vote may vote by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.



## Voting

3.08. Where directors or officers are to be elected by Members, such election will be conducted via the following methods:

a. Postal/absentee voting: in a postal vote, the ballot papers are posted out to the voter — who must then fill them out and return them, with their signature to prove their identity. This method may be used by a property Owner who is unable or unwilling to attend the official polling station/annual meeting to cast their vote.

b. Proxy voting: to cast a proxy vote, the property Owner may appoint someone as their proxy, by authorizing he/she to submit their ballot in their stead. A power of attorney authorizing a proxy to submit the ballot is required.

c. Ballots must be in writing and signed; no secret ballots are permitted. All ballots must be enclosed in an envelope that displays the address of the property Owner. All returned ballots must be authenticated and validated.

d. If the election results determine a tie vote, the nominees who are tied can either compete in a runoff election or can simply flip a coin if they are agreeable. If a runoff election is scheduled, the newly elected directors who are not tied should begin serving immediately.

e. Prior to any meeting of Members, the Board of Directors may appoint inspectors of election to act at the meeting. Inspectors of election, to serve in a neutral capacity, should be non-residents of the community, non-kin to any candidate or homeowner of the community, and hold such qualifications comparable to a judge, attorney, police officer, public safety officer, or fire fighter.

f. The inspectors of election shall determine the number of memberships outstanding and the voting power of each, the number represented at the meeting, the existence of a quorum, and the authenticity, validity and effect of proxies, and do such acts as may be proper to conduct the election or vote with fairness to all Members.

### **Recount Procedure**

3.09. Any Owner may, not later than the 15<sup>th</sup> day after the date of the meeting at which the election was held, require a recount of the votes. A demand for a recount must be submitted in writing either:

a. by certified mail, return receipt requested, or by delivery by United States Postal Service with signature confirmation service to the Association's mailing address as reflected on the latest management certificate .

b. in person to the Association's President as reflected on the latest certificate or to the address to which absentee and proxy ballots are mailed.

The property owners' association shall, at the expense of the Owner requesting the recount, retain for the purpose of performing the recount, the services of a person qualified to tabulate votes under this subsection. The Association shall enter into a contract for the services of a person who;

i) is not a Member of the Association or related to a Member of the Association Board of Directors within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code; and

ii) is:  
a. a current or former county judge, county election administrator, justice of the peace, or county voter registrar; or

b. a person agreed on by the Association and the persons requesting the recount.

Any recount must be performed on or before the 30<sup>th</sup> day after the date of receipt of a request and payment for a recount. If the recount changes the results of the election, the Association shall reimburse the requesting Owner for the cost of the recount. The Association shall provide the results of the recount to each Owner who requested the recount. Any action taken by the Board of Directors in the period between the initial election vote tally and the completion of the recount is not affected by any recount.

#### **ARTICLE 4**

#### **BOARD OF DIRECTORS**

##### **General Powers**

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

##### **Number, Tenure, and Qualification**

4.02. The maximum number of directors shall be seven (7). Each Director shall hold office until the next annual meeting of Members and until his successor shall have been elected and qualified.

##### **Annual Meetings**

4.03 An annual meeting of the Board of Directors shall be held without other notice than this bylaw, immediately after, and at the same place as, the annual meeting of Members.

##### **Special Meetings**

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

#### **Notice**

4.05. Members shall be given notice of the date, hour, place, and general subject of a regular or special Board of Directors meeting, including a general description of any matter to be brought up for deliberation in executive session. The notice shall be:

a. Mailed to each property Owner not later than the 10<sup>th</sup> day or earlier than the 60<sup>th</sup> day before the meeting; or

b. Provided at least 72 hours before the start of the meeting by:

1) Posting of the notice in a conspicuous manner reasonably designed to provide notice to the Association Members:

(i) in a place located on the association's common property or, with the property owner's consent, on other conspicuously located privately owned property within the subdivision; or

(ii) on any internet website maintained by the association or other Internet media; and

2) Sending the notice by e-mail to each Owner who has registered an e-mail address with the association. It is an Owner's duty to keep an updated e-mail address registered with the property owner's association. In case of a special meeting or when required by statute or these bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice.

3) 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

email, such notice shall be deemed to be delivered when a delivery receipt is requested for the email and a record of such request is retained for inspection. If notice be given by facsimile, such notice shall be deemed to be delivered when the facsimile transmission is successfully completed and a record of such transmission is retained for inspection.

Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these bylaws.

### **Quorum**

4.06. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors; 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**

4.07. 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 bylaws. The Board of Directors may appoint an architectural committee as provided in the declaration of restrictions. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purposes.

### **Vacancies**

4.08. Any vacancy occurring in the Board of Directors and any directorship to be filled by reason of a decrease in the number of directors shall be filled by general election held within

60 days of official date of resignation and/or vacancy. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

#### **Compensation**

4.09. Directors as such shall not receive any stated salaries for their services.

#### **Qualifications**

4.10. Director qualifications shall include a criminal background check and/or signed oath to exclude any individual serving convicted of a felony or crime of moral turpitude.

#### **Informal Action by Directors**

4.11. 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.

A Board of Directors may meet by any method of communication, including electronic and telephonic, without prior notice to Owners under subsection (e), if each director may hear and be heard by every other director, or the Board of Directors may take action by unanimous written consent to consider routine and administrative matters or a reasonably unforeseen emergency or must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting, and documented in the minutes of the next regular or special Board of Directors meeting. The Board of Directors may not, without prior notice to Owners under Subsection (e), consider or vote on:

1. fines;
2. damage assessments;
3. initiation of foreclosure actions

4. initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety;
5. increases in assessments;
6. levying of special assessments;
7. appeals from a denial of architectural control approval; or
8. a suspension of a right of a particular Owner before the Owner has an opportunity to attend a Board of Directors meeting to present the Owner's position, including any defense, on the issue.

## **ARTICLE 5**

### **OFFICERS**

#### **Officers**

5.01. The Association may have, but is not required, to have officers. If the Association chooses to have officers, the officers of the Association shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, 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, 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.

#### **Election and Term of Office**

5.02. The officers of the Association shall be elected annually by the Board of Directors at the 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 conveniently may be. 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.

#### **Vote Tabulators and Recounts**

5.03. Election vote tabulators may not include candidates and their kin. Access to ballots are restricted.

#### **Removal**

5.04. 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 Association would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

#### **Vacancies**

5.05. A vacancy in any office because of death, resignation, disqualification or otherwise may be filled by the remaining directors until such time a new director may be elected by the membership.

#### **President**

5.06. The President shall be the principal executive officer of the Association and shall in general supervise and control all of the business and affairs of the Association. He or she shall preside at all meetings of the Members and of the Board of Directors. He or she may sign, with the Secretary or any other proper officer of the Association authorized by the Board of Directors any deeds, mortgages, bonds, contracts, bank resolution, 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 bylaws or by statute to some other officer or agent of the Association; and in general he or she 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**

5.07. In the absence of the President or in the event of his or her 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**

5.08. A Treasurer may be elected by the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine. He or she shall have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of these bylaws; 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**

5.09. 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 bylaws or as required by law; be custodian of the corporate records

and of the seal of the Association; 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**

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

### **ARTICLE 6**

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

##### **Contracts**

6.01. The Board of Directors may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association. 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, note, or other evidences of indebtedness issued in the name of the Association in excess of \$1,000.00 shall be signed by two directors of the Association.

### **Deposits**

6.03. All funds of the Association shall be deposited from time to time to the credit of the Association 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 Association any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Association.

## **ARTICLE 7**

### **LIMITATION OF LIABILITY AND INDEMNIFICATION**

#### **Limitation of Liability**

7.01. No director or officer of the Association shall be personally liable to the Association or its Members for monetary damages for an act or omission in the person's capacity as a director or officer, except that this Section does not eliminate or limit the liability of a director for:

- a. A breach of a director's or officer's duty of loyalty to the Association or its Members;
- b. An act or omission not committed in good faith or that involves fraud.
- c. An act or omission for which the liability of a director or officer is expressly provided by statute.

Neither the subsequent amendment nor repeal of this bylaw shall eliminate or reduce the effect of this bylaw for any claim or cause of action which arose prior to the amendment or repeal.

If the Texas Non-profit Corporation Act is hereafter amended to authorize corporate action further eliminating or limiting the personal liability of directors or officers, then the liability of a director or officer of the Association shall be eliminated or limited to the fullest extent permitted by the Texas Code, as so amended from time to time.

### **Indemnification**

7.02. The Association shall indemnify any person who is or was a director, officer, agent, trustee or employee of the Association and any person who serves or served at the Association's request as a director, officer, partner, venturer, proprietor, agent, trustee or employee of another Association, or of a partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise.

### **Indemnification of Expense**

7.03. The Association may reimburse or pay in advance any reasonable expenses (including court costs and attorneys' fees) which may become subject to indemnification under Paragraph 7.02. The indemnification and advance payment provided above will not be exclusive of any other rights to which a person may be entitled by law, bylaw, agreement, vote of disinterested directors or officers or otherwise. The indemnification and advance payment provided above will continue as to a person who has ceased to hold a position named above and will inure to such person's heirs, executors and administrators.

### **Insurance**

7.04. The Association may purchase and maintain insurance on behalf of a person who holds or has held any position named above against any liability incurred by such person in any such position, or arising out of such person's status as such.

**ARTICLE 8**  
**RECORDS AND DOCUMENTS**

8.01. The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Members, Board of Directors, and committees having any of the authority of the Board of Directors and shall keep at the registered or principal office a record giving the names and addresses of the Members entitled to vote. All books and records of the Association are open records and therefore may be inspected by any Member or his agent or attorney for any proper purpose at any reasonable time.

All dedicatory instruments shall be filed of record and all dedicatory instruments shall be filed on HOA publically accessible website.

Records retention shall be maintained by the president, treasurer, and/or secretary. Voting ballots will be destroyed by shredding 45 days after election results are announced. The Association has adopted and put in place a Record Retention Policy that is available for review by any Member.

**ARTICLE 9**  
**FISCAL YEAR**

9.01. The fiscal year of the Association shall begin on the first day of October and end on the last day in September in the ensuing calendar year.

**ARTICLE 10**  
**SEAL**

10.01. The Association may adopt a corporate seal in such form as the Board of Directors may determine. The Corporation shall not be required to use the corporate seal and the lack of the corporate seal shall not affect an otherwise valid contract or other instrument executed by the Association.

## **ARTICLE 11**

### **WAIVER OF NOTICE**

11.01. Whenever any notice is required to be given under the provisions of the Texas Non-Profit Corporation Act or under the provisions of the Certificate of Formation or the bylaws of the Association, 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 12**

### **AMENDMENTS TO BYLAWS OR DEDICATORY INSTRUMENTS**

12.01. These bylaws may be altered, amended, or repealed and new bylaws may be adopted by a majority of the directors present at any regular meeting or at any special meeting, if proper written notice is given to the Members of an intention to alter, amend, or repeal these bylaws or to adopt new bylaws at such meeting.

12.02. Any amendment to the declaration and restrictive covenants shall require only sixty seven percent (67%) of the Owners' approval as set forth by the Texas Property Code.

## **ARTICLE 13**

### **PURPOSE**

13.01. The purpose of the Association is to obtain, manage, construct and maintain the Common Areas and the Property of the residential real estate development known as Chisholm Trail Estates Addition, and for that purpose, to promote the harmony and goodwill of the Addition.

## **ARTICLE 14**

### **ASSESSMENTS**

#### **Personal Obligation of Assessments**

14.01. Each Owner of a Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed, as a part of the purchase money consideration for such deed and conveyance, to covenant and agree to pay to the Association (or to an independent entity or agency which may be designated by the Association to receive such monies):

(a) Regular assessments or charges for maintenance, on portions of the Common Areas of the development;

(b) Special group assessments for capital improvements or unusual or emergency matters, such assessments to be fixed, established and collected from time to time as hereinafter provided;

(c) Special individual assessments levied against individual Owners to reimburse the Association for extra costs for maintenance and repairs caused by the willful or negligent acts of the individual Owner and not caused by ordinary wear and tear; and

(d) Individual assessments and fines levied against individual Owners for violations of rules and regulations pertaining to the Association and/or the Common Areas of the development.

#### **Assessment Lien**

14.02 All sums assessed but unpaid, including interest thereon at the maximum rate permitted by law from the date such assessments are due until said assessments are paid (subject to the provisions hereof limiting the interest contracted for, charged or received to the maximum

permitted by applicable law) shall constitute a lien on the Lot. Such lien shall be and is subordinate and inferior only to the following: (i) assessments, liens and charges in favor of the State of Texas and any political subdivision thereof for taxes past due and unpaid on the Lot; and (ii) amounts due under any first lien deed of trust duly recorded prior to the recordation of the assessment lien. The Board of Directors of the Association or its duly appointed attorney, may (but shall not be required to) prepare a written notice setting forth the amount of such unpaid indebtedness, the name of Owner and a description of the Lot. Such notice shall be signed by a Member of the Board of Directors or its duly appointed agent and may be recorded in the office of the County Clerk of Tarrant County, Texas. Such lien may be enforced by the foreclosure of it upon the Lot by the Board of Directors or its duly appointed agent. In any such proceeding, the Owner shall be required to pay the costs, expenses and attorneys' fees incurred in connection with filing the lien, and in the event of any foreclosure proceeding, all additional costs, expenses and attorneys' fees incurred in connection with any such foreclosure proceeding. The Board of Directors or its duly appointed agent shall have the power to bid on the Lot at foreclosure or other legal sale and to acquire and hold, lease, mortgage, convey or otherwise deal with the same. Any mortgagee holding a lien on the Lot may pay, but shall be required to pay, any unpaid assessments owing with respect to the Lot, but such payment shall not be deemed a waiver of Owner's default by the Board of Directors or such mortgagee.

The amount of the assessments assessed against the Lot shall also be a personal obligation or indebtedness of the Owner thereof at the time the assessment is made. Suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosing or waiving the lien securing same.



Owner, by acceptance of the deed to the Property, hereby expressly vests in the Board of Directors or its agents the right and power to bring all actions against Owner personally for the collection of such charges as a debt, and to enforce the aforesaid liens by all methods available for the enforcement of such liens. No Owner may waive or otherwise escape liability for the assessments provided herein by non-use of the Common Areas of the development or by abandonment of his Lot.

If any assessment remains unpaid at the expiration of thirty (30) calendar days from and after the due date established by the Board of Directors, a late charge may be assessed, if permitted by applicable law, against the non-paying Owner for each month that any portion of an assessment remains unpaid. The late charge shall be in the amount of Ten and No/100 Dollars (\$10.00). A reasonable service charge in an amount established by the Board of Directors may be charged for each check that is returned because of insufficient funds. The amounts of late charges and service charges may be adjusted, from time to time, by the Board of Directors consistent with any changes in the amounts of regular or special assessments.

#### **Purpose of Assessments**

14.03. The assessments levied by the Association shall be used exclusively for the purposes of (i) promoting the health, recreation, safety and welfare of the residents of the development; (ii) improving and maintaining any walkways, jogging and bicycle trails, or other properties, services and facilities directly related to the use and enjoyment of the Common Areas of the development; (iii) paying the cost of labor, equipment (including the expense of leasing any equipment) and materials required for, and the management and supervision of, the Common Areas of the development; (iv) carrying out the duties of the Board of Directors as set forth in Article IV hereof; (v) carrying out the various matters set forth or envisioned herein or in any

amendment or supplement hereto; and (vi) for any matter or thing designated by the City of Hurst in connection with any zoning, subdivision, platting, building or development requirements.

#### **Basis and Amount of Regular Maintenance Assessments**

14.04. The Board of Directors may establish the maximum annual assessment for each Lot, provided that the maximum annual assessment may not be increased more than thirty percent (30%) above the maximum annual assessment of the previous year unless otherwise approved by the Members of the Association.

After consideration of current maintenance costs and the future needs of the Association, the Board of Directors shall fix the actual annual assessment at an amount equal to or less than the then-existing maximum annual assessment.

#### **Special Assessments for Capital Improvements**

14.05 In addition to the regular assessments, the Association may levy in any fiscal year a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Areas of the development, including any necessary fixtures and personal property related thereto; provided that any such assessment shall have the affirmative approval of the Members of the Association.

#### **Uniform Rate of Annual and Special Assessments**

14.06. Both regular and special capital assessments must be fixed at a uniform rate for all Lots. Each Lot shall be charged with one hundred percent (100%) of the established per Lot assessment.

### **Date of Commencement of Assessments: Due Dates**

14.07 The Board of Directors may prescribe from time to time that the regular base assessments are to be collected on an annual, semi-annual, quarter or monthly basis, and accordingly, the Board of Directors shall prescribe the appropriate due dates and, if applicable, the time-price differential rates and due dates. All regular base assessments shall be collected in advance. The due date or dates (if it is to be paid in installments) of any other assessments or special assessment under shall be fixed in the respective resolution authorizing such assessment.

### **Duties of the Board of Directors with Respect to Assessments**

14.08 In the event of a revision to the amount or rate of the regular base assessment, or establishment of a special group or special individual assessment, the Board of Directors shall fix the amount of the base assessment against each Lot, and the applicable due dates for each assessment, at least thirty (30) days in advance of such date or period, and the Board of Directors shall, at that time, prepare a roster of the Lots and assessments applicable thereto which shall be kept in the office of the Association.

Written notice of the assessment shall thereupon be delivered or mailed to every Owner subject thereto.

The Board of Directors shall upon demand at any time furnish to any Owner liable for said assessment, a certificate in writing signed by a Member of the Board of Directors, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid. A reasonable charge may be made by the Board of Directors for the issuance of such certificate.

## **Article 15**

### **ASSOCIATION RECORDS**

15.01. The Association shall make the books and records of the Association, including financial records, reasonably available to an owner in accordance with terms set forth in the Texas property code. The Association shall make the books and records of the Association, including financial records, reasonably available to any person requesting access to the books or records in accordance with applicable Texas statutes. The Association shall not be required to supply attorney's files and records relating to the Association, excluding invoices requested by an Owner under the Texas Property Code which, are not records of the Association or subject to inspection by the owner; or subject to production in a legal proceeding. The Association has adopted an Open Records Policy that is available for review upon request of any Member or interested party.

## **Article 16**

### **COMPLIANCE WITH STATE LAW**

16.01. The Association is committed to complying with all provisions of state laws applicable to it as a Texas non-profit corporation and a property owners' association, as that term is defined in Texas Property Code, Section 209. In the event any provision of the Association's governing documents (including but not limited to Declaration of Covenants, Restrictions, Bylaws and or rules) conflict with applicable law, the Association shall follow applicable law.

ADOPTED this 14<sup>th</sup> day of November, 2011.

CHISHOLM TRAIL HOMEOWNERS  
ASSOCIATION

By: \_\_\_\_\_  
Mike Kordewick, Director

\_\_\_\_\_  
Timothy Kim, Director

\_\_\_\_\_  
Jay Thomas, Director

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Emily Carter, Director

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Bob Hampton, Director


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Catherine Dikes, Director

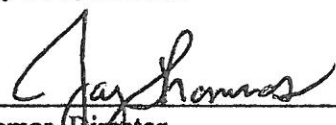
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Terry M. Fredeking, Director

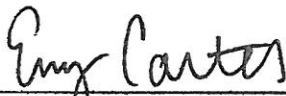
ADOPTED this 14 day of NOV, 2011.

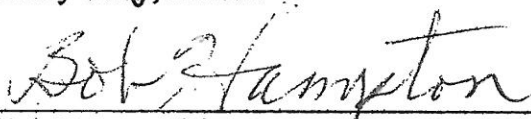
CHISHOLM TRAIL HOMEOWNERS  
ASSOCIATION

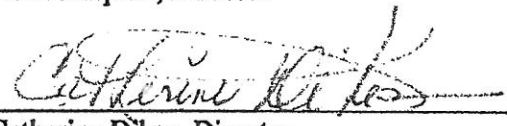
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