



BY-LAWS

OF

HIDDEN VALLEY AIRPARK ASSOCIATION, INC.

This Document includes the BY-LAWS as adopted on 3/24/23 previously recorded as Document No. 2009-57897 and as 2009-75438 replacing those documents. Exhibits "A", "B", & "C" are on file with the corporate secretary.

ARTICLE I.

OFFICES AND REAL PROPERTY

Section 1. The registered office of the corporation shall be 99 Hidden Valley Airpark, Shady Shores, TX, 76208.

Section 2. The corporation may also have offices at such other places, both within and without the State of Texas, as the Board of Directors may from time to time determine or the purposes of the corporation may require.

Section 3. The boundaries of Hidden Valley Airpark are described in Exhibit "A". The real property owned by Hidden Valley Airpark Association Inc. is described in Exhibit "B".

The real property owned by the members whom have agreed to subject their property to these BY-LAWS and the recorded DECLARATION OF COVENANTS AND RESTRICTIONS of Hidden Valley Airpark Association Inc. is described in Exhibit "C." Exhibit "C" may be amended and/or supplemented at any time, with approval by the Board of Directors, and by the real property owner owning property within Exhibit "A" agreeing to subject their property to these BY-LAWS and the recorded DECLARATION OF COVENANTS AND RESTRICTIONS of Hidden Valley Airpark Association Inc. by executing and filing of the ACKNOWLEDGMENT OF BY-LAWS AND RESTRICTIVE COVENANTS. Exhibits "A", "B" and "C" are attached hereto and made a part thereof. The property, as described in Exhibits "B" and "C" are subject to these BY-LAWS and the recorded DECLARATION OF COVENANTS AND RESTRICTIONS for all purposes.

ARTICLE II.

MEETINGS OF MEMBERS

- Section 1. Meetings of the members shall be held in the Town of Shady Shores, State of Texas, at the Shady Shores Community Center, or at such other place as designated in the notice of meeting.

- Section 2. An annual meeting of members, commencing in the year 1968, shall be held at 7:00 p.m. on a date chosen by the Board of Directors in May of each year. At such a meeting the members entitled to vote thereat shall elect, by a plurality vote, members of the Board of Directors and may transact such other business as may properly be brought before the meeting. The Board of Directors in office prior to the annual membership meeting continues to serve in effect for 30 days after the annual meeting vote (in-person or electronic) is final for new board members to provide a transitory period for the newly-elected officers to work with the old Board.

- Section 3. Special meetings of the members may be called by the President, Vice President, or the

Secretary, or in writing signed by not less than one-tenth of all members entitled to vote at the meeting.

Section 4. Written or printed notice stating place, day, and hour of the meeting and, in the case of a special meeting of members, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than fifty days before the date of the meeting, either personally, by mail, or electronic mail (email), by or at the direction of the President, the Secretary, or the officer or person(s) calling the meeting, to each member entitled to vote at such meeting. If mailed, such notice shall be deemed delivered when deposited in the United States mail addressed to the member at his/her address as it appears on the books of the corporation, with postage thereon prepaid and/or when delivered to the member's box in Hidden Valley Airpark.

Section 5. Business transacted at any special meeting of members shall be confined to the purposes stated in the notice thereof.

Section 6. . Members in good standing, holding a majority of the votes entitled to be cast (50% + 1), represented in person, by proxy, or through verified electronic voting when used, shall constitute a quorum at meetings of members except as otherwise provided in the DECLARATION OF COVENANTS AND RESTRICTIONS or the ARTICLES OF INCORPORATION. If a quorum of in-person and designated proxies is present at a meeting, members may vote on an individual motions and if a majority (50% + 1) vote in support of the motion, then it is passed and will not be included in any electronic vote and will go into effect immediately.

If, however, a quorum shall not be present or represented at any meeting of the members, the members present in person or represented by proxy shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such reconvened meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. Or the board may elect by a board vote that any remaining motions will be packaged in an electronic ballot and presented to all members in good standing within ten (10) days of the temporary adjournment of the in-person meeting. The electronic voting will stay open for a

minimum of 28 days after the temporary adjournment. If an in-person quorum was met and electronic voting was authorized, the electronic voting will end 28 days after the temporary adjournment of the in-person meeting. If an in-person quorum was not met, then the number of members submitting an electronic vote on the board of directors voting item shall be used to establish a quorum. After the first 28 day period without reaching a quorum on the board of directors vote, then the voting period will be extended for subsequent 14 day period(s) until a quorum has been reached or the board votes to call another in-person meeting.

Section 7. The vote of a majority of the members entitled to vote and thus represented at a meeting at which a quorum is present , or through the use of electronic voting in which a quorum participates, shall be the act of the members meeting, unless the vote of a greater number is required by law, the DECLARATION OF COVENANTS AND RESTRICTIONS or the ARTICLES OF INCORPORATION.

Section 8. Each member in good standing shall be entitled to one vote on each matter submitted to a vote at a meeting of members, except to the extent that the voting rights of the members of any class are limited by these BY-LAWS, the DECLARATION OF COVENANTS AND RESTRICTIONS or the ARTICLES OF INCORPORATION. At each election for directors, every member entitled to vote at such election' shall have the right to vote, in person , by proxy, or through a subsequent electronic vote if used, for as many persons as there are directors to be elected and for whose elections he/she has a right to vote.

Section 9. A member in good standing may vote either in person or by proxy executed in writing by the member in good standing or by his/her duly authorized attorney in fact. Proxy authority shall only be granted to a member in good standing of the corporation. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. No proxy is valid for electronic voting. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and in no event shall it remain irrevocable for a period of more than eleven (11) months.

Section 10. Any action required by the statutes to be taken at a meeting of the members in good

standing, or any action which may be taken at a meeting of the members in good standing, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by one hundred percent (100%) of the members entitled to vote, with respect to the subject matter thereof.

ARTICLE III

DIRECTORS

Section 1. The business and affairs of the corporation shall be managed by its Board of Directors, who may exercise all such powers of the corporation and do all such lawful acts and things as are permitted by statute or by these BY-LAWS, the DECLARATION OF COVENANTS AND RESTRICTIONS or the ARTICLES OF INCORPORATION.

Section 2. a) Annual Meetings: There shall be held annually, following the annual meeting of Members, a transition meeting of the Board of Directors, including outgoing Directors. At such meeting officers shall be elected, by the current Board of Directors, after which they shall assume management of the Association affairs. At such meeting, annual reports will be considered and acted upon, and such other business as shall come before the meeting to be transacted.

b) Special Meetings: A special meeting of the Board of Directors may be held upon the call of the President or upon the request of any two (2) members of the Board of Directors, for the transaction of any business of the Board of Directors.

Section 3. The directors of the corporation may hold their meetings, both regular and special, either within or outside the State of Texas.

Section 4. Regular meetings of the Board of Directors may be held without notice at such time and place as shall from time to time be determined by the Board.

- Section 5. At all meetings of the Board of Directors, the presence of a majority of the directors shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may otherwise specifically be provided by statute, these BY-LAWS, the DECLARATION OF COVENANTS AND RESTRICTIONS or the ARTICLES OF INCORPORATION. If a quorum shall not be present at any meeting of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.
- Section 6. The Board of Directors may, by resolution adopted by a majority of the directors in office, designate one or more committees of directors, each of which committees shall consist of two or more directors, which committees, to the extent provided in such resolution, shall have and may exercise the authority of the Board of Directors in the management of the corporation; but the designation of such committees and delegation thereto of authority shall not operate to relieve the Board of Directors or any individual director of any responsibility imposed upon it or him/her by law.
- Section 7. The number of directors of the corporation shall be five (5) with two (2) directors serving a total of two (2) years, alternating with three (3) directors also serving a total of (2) years. The directors shall be elected at the annual meeting of the members except as provided elsewhere herein, and each director shall hold office until his/her successor is elected and qualified. The Board may fill the vacancy of a resigning board member by appointing the person receiving the next highest number of votes at the last election of directors. In the event all those put forth as directors are elected and no other names are remaining, the Board shall call a special membership meeting to fill the resigning vacancy. A director elected to fill a vacancy shall be elected for the remainder of the term of his/her predecessor in office. Any directorship to be filled by reason of an increase in the number of directors shall be filled at an annual meeting or at a special meeting of the members entitled to vote, called for that purpose.
- Section 8. Any director may be removed upon good cause shown by the vote of a majority of the entire Board of Directors or by a vote of a majority of the members present at any duly constituted meeting of the members. Any director may be removed without cause by a vote of a majority of the entire membership at any duly constituted meeting of the

members.

ARTICLE IV.

NOTICES

- Section 1. Whenever under the provisions of the statutes, the DECLARATION OF COVENANTS AND RESTRICTIONS or the ARTICLES OF INCORPORATION, notice is required to be given to any director and/or member and no provision is made as to how such notice shall be given, it shall not be construed to mean personal notice, but any such notice must be given in writing by certified mail, return receipt requested, addressed to such director at such address as appears on the books of the corporation or member's address, except as for notices of meeting as described in Article II Section 4. Any such notice required or permitted to be given this section shall be deemed to be given at the time the same shall be thus deposited in the United States mails, as aforesaid.
- Section 2. Whenever such notice is required to be given to any director or member of the corporation under the provisions of the statutes, these BY-LAWS, the DECLARATION OF COVENANTS AND RESTRICTIONS or the ARTICLES OF INCORPORATION, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated in the notice, shall be deemed equivalent to the giving of such notice.
- Section 3. Attendance of a director at a 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 on the ground that the meeting is not lawfully called or convened.

ARTICLE V.

OFFICERS

- Section 1. The officers of the corporation shall be a President, a Vice President, a Secretary, and a Treasurer, who shall be members of, and chosen by, the Board of Directors at its annual

meeting, and shall serve for and during the period until the next annual meeting of such Board, or until their successors shall have been chosen and qualified. Any person chosen as one of these officers may be eligible for re-election.

Section 2. Such other officers and assistant officers and agents as may be deemed necessary may be elected or appointed by the Board of Directors.

Section 3. The President shall be the chief executive officer of the corporation, shall preside at all meetings of the Board, shall have the responsibility for the execution and accomplishment of all orders and resolutions of the Board, and shall be primarily responsible for the accomplishment of the purposes and discharge of the duties imposed upon the Board of Directors. He/she shall also execute, with the prior approval of the Board of Directors, all conveyances of lands, bonds, mortgages, notes, securities, and other documents, except where required by law or otherwise to be signed and executed by all members of the Board, and except in instances where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Board.

Section 4. The Vice President shall, in the absence or disability of the President, perform the duties and exercise the powers of the President, and shall perform other such duties as the Board of Directors shall prescribe from time to time.

Section 5. The Secretary shall keep the minutes of all meetings of the Board of Directors and shall be the custodian of all books and records of the Board, excepting those relating to funds and properties of the corporation. In the event of his/her absence from a meeting of the Board or his/her inability to perform his/her duties, the President may designate a temporary substitute.

Section 6. The Treasurer shall be the custodian of all funds and properties of the corporation, and of all books and records pertaining to such funds and properties. The Treasurer shall prepare an annual financial report prior to each annual meeting of the Board of Directors relating to the fiscal affairs of the Board of Directors, in such form and containing such information as may be from time to time directed by the Board of Directors. The annual report shall be made available to the members at the annual meeting. The Treasurer shall also prepare such other financial records and reports as may be requested by the Board

of Directors. He/she shall keep and retain all funds and properties of the corporation in such depositories as may be designated by the Board of Directors.

ARTICLE VI

MEMBERS

Section 1. The corporation may have classes of membership as established by the Board of Directors. Current classes of membership include “members in good standing” and “members not in good standing.”

- a) “Members in good standing” are defined as:
 - (1) real property owners within the boundaries of Exhibit “A”;
 - (2) whom have executed Hidden Valley Airpark Association Inc.’s acknowledgement of its By-Laws and Declaration of Covenants and Restrictions, and;
 - (3) current on all dues, fees, lease payments, and assessments.

- b) “Members not in good standing” are defined as:
 - (1) real property owners within the boundaries of Exhibit “A”;
 - (2) whom have executed Hidden Valley Airpark Association Inc.’s acknowledgement of its By-Laws and Declaration of Covenants and Restrictions, and;
 - (3) not current on all dues, fees, lease payments, and assessments which exceed \$500.00.

Section 2. “Non-members” are not a class of membership and are defined as:

- (1) property owners within the boundaries of Exhibit “A”;
- (2) whom have not executed Hidden Valley Airpark Association Inc.’s acknowledgement of its By-Laws and Declaration of Covenants and Restrictions.

Section 3. “Members not in good standing” may attend but not vote at any Hidden Valley Airpark Association Inc. meeting. “Non-members” only have the rights set out in their deeds

and have no other rights to Hidden Valley Airpark Association Inc.'s property, common or otherwise, and do not have the right to attend or vote at any Hidden Valley Airpark Association Inc. meeting. The Board of Directors may further establish, define and limit the rights of "members not in good standing" and "non-members" by a majority vote provided that notice is provided to all members via HVAA mailboxes and posting to the HVAA website at least 30 days prior to taking effect.

Section 4. Qualifications of members shall be determined by the Board of Directors or a committee established by the Board pursuant to Section 6 of Article III.

Section 5. Membership applications shall be approved by the Board of Directors, or a committee elected by the Board of Directors pursuant to Section 6 of Article III.

Section 6. Initial Membership fees on new lots sold, as well as membership transfer fees, periodic fees, dues, or assessments, and the time within which they must be paid, shall be fixed by the Board of Directors and notice shall be given to the members per the notice provisions of Article *IV*, Section 1 at least 30 days prior to any changes taking effect. Failure or refusal to pay any fees, dues, or assessments when due, including any grace period established by the Board of Directors, shall result in that member not being in good standing until he/she is again current with regard to all fees, dues and assessments owed to the Association.

Section 7. The Board of Directors may at anytime file liens against members' property if they are in arrears in excess of \$500.00 for dues, fees, lease payments, fuel charges and any duly authorized membership assessments. At least 30 days before filing a lien, the delinquent member will be sent a Demand letter for immediate payment of delinquent fees. After 30 days, if the demand is not fulfilled, appropriate action may be pursued and the delinquent member will incur attorney fees and costs. The Board of Directors' decision on whether or not to file a lien against members' property if they are in arrears in excess of \$500.00 for dues, fees, lease payments, and any duly authorized membership

assessments is in no way to be construed as a waiver of its right to file such lien.

- (1) Subsequent to filing a lien on any member's property to protect amounts due to the Association, the Board of Directors will not pursue foreclosure on any lien for dues or assessments that remain unpaid due to the members' financial hardship.

ARTICLE VII.

GENERAL PROVISIONS

- Section 1. All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person as the Board of Directors shall from time to time designate.
- Section 2. The corporate seal shall have inscribed around the circumference thereof "Hidden Valley Airpark Association, Inc." Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise to be reproduced.
- Section 3. Any action required by law, these BY-LAWS, the DECLARATION OF COVENANTS AND RESTRICTIONS or the ARTICLES OF INCORPORATION to be taken at a meeting of the members or directors of the corporation, or any action which may be taken at a meeting of the members or directors or of any committee, may be taken without a meeting if a consent in writing setting forth the action to be taken shall be signed by a majority of all members entitled to vote with respect to the subject matter thereof, or of all the directors, or all of the members of the committee, as the case may be. Such consent shall have the same force and effect as a unanimous vote and may be stated as such in any articles or document filed with the Secretary of State or any other governmental agency.
- Section 4. The Board of Directors shall be privileged to determine what shall be the fiscal year of the corporation.
- Section 5. The corporation shall indemnify any director, officer or employee, or any former director, officer, or employee of the corporation against expenses actually and necessarily incurred by him/her and any amount paid in satisfaction of judgments in

connection with any action, suit, or proceeding, whether civil or criminal in nature, in which he/she is made a party by reason of being or having been such a director, officer, or employee (whether or not a director, officer, or employee at which time such costs or expenses are incurred by or imposed upon him/her) except in relation to matters as to which he/she shall be adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of duty. The corporation may also reimburse any director, officer, or employee the reasonable costs of settlement of any action, suit, or proceeding if it shall be found by a majority of the directors not involved in the matter in controversy, whether or not a quorum, that it was in the interest of the corporation that such settlement be made and such director, officer or employee was not guilty of gross negligence or willful misconduct. Such rights of indemnification and reimbursement shall not be deemed exclusive to any other rights which such director, officer, or employee may be entitled by law or under any BY-LAW, agreement, or otherwise.

Section 6. The Board of Directors shall have full authority to prescribe rules and regulations relating to the use of the corporation's facilities by members and/or their guests and relating to the conduct of members and/or their guests while in or on the facilities or property of the corporation including enforcement of covenants, restrictions, easements, resolutions or orders duly authorized by the Association and/or its members. Any changes to the aforementioned rules and regulations shall not take effect any earlier than 30 days following notice given to the members via HVAA mailboxes and posting on the HVAA website. The Board of Directors' decision on the enforcement of covenants, restrictions, easements, resolutions or orders duly authorized by the Association and/or its members is in no way to be construed as a waiver of its rights.

Section 7. Any disposition of corporate real property, other than pre-approved residential lot sales programs, shall require the vote of a majority of all Members in Good Standing of the Association. The Board of Directors shall not allow, or undertake, the construction of additional buildings on corporate real property without first giving notice to the members via HVAA mailboxes and posting on the HVAA website at least 30 days in advance.

Section 8. The Board of Directors shall have the authority to expend corporate funds, not exceeding \$5000 per project, without prior approval of the membership.

ARTICLE VIII.

AMENDMENTS

Section 1. The Board of Directors shall have the power to alter, amend, or repeal these BY-LAWS or adopt new BY-LAWS at any regular or special meeting of the Board of Directors; subject, however, to the right of the members to modify or divest such power by action of a majority of the members at any regular or special meeting of the members.

(1) Any changes made to the By-Laws pursuant to this Section shall be communicated to all members via the notice provision of Article IV, Section 1, and will not become effective any earlier than 30 days following such notice.