

**BYLAWS OF CL Tennis, Inc.**

**(AS AMENDED October 5, 2009)**

**ARTICLE I**

**NAME**

The name of the Association shall be CL Tennis, Inc. (hereinafter called the "Association").

**ARTICLE II**

**PRINCIPAL OFFICE**

The Association's principal office in Texas will be located at 608 Dove Hill Circle, Heath, Texas 75032. The Association may have such other offices, in Texas or otherwise, as the Board of Directors (also referred to as "the Board") may determine. The Board may change the location of any office of the Association.

**ARTICLE III**

**REGISTERED OFFICE AND REGISTERED AGENT**

The Association will maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical with the Association's principal office in Texas. The Board may change the registered office and the registered agent as permitted under the Texas Non-Profit Association Act.

**ARTICLE IV**

**PURPOSES**

The purposes for organizing the Association are to perform charitable activities within the meaning of Internal Revenue Code Section (c)(3) and Texas Tax Code Section 11.18(c)(1), or the corresponding sections of future such provisions. Specifically, and in furtherance of these purposes, the Association shall help combat juvenile delinquency and aid underprivileged youngsters by promoting youth tennis and provide the opportunity for all young people in the area to develop tennis proficiency through participation in junior development programs, clinics and tournaments for youth. It shall be the further purpose to promote and encourage tennis activities and enthusiasm in the city of Rockwall, Texas and nearby communities for persons of all ages, by conducting clinics, competition leagues and tournaments and presenting or sponsoring exhibition matches, for the benefit of the general public. It shall be its further purpose to provide a

healthy, congenial tennis environment in which people may come together for their mutual pleasure, benefit, and enjoyment. Members of the Associations should at all times demonstrate proper tennis etiquette and abide by rules of play and conduct established by United States Tennis Association (USTA), Tennis Competitors of Dallas (TCD), MetroplexTennis and Rockwall Independent School District. Members of the Association should also cooperate with and follow the directions of CL Tennis, Inc. professionals, staff and officers. No part of the net earnings of the Association shall inure to the benefit of, or be destructible to its members, directors, officers, or other private persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth herein. No substantial part of the activities of the Association shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Association shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office. Notwithstanding any other provision herein, the Association shall not carry on any activities not to be carried on (a) by an Association exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any further federal tax code, or (b) by an Association, contributions to which are deductible of statements 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code. Further, the Association shall not discriminate on the basis of race, color, national or ethnic origin in hiring or in any of the Association's activities.

## **ARTICLE V**

### **NON-VOTING MEMBERSHIP**

Application for a non-voting membership in the Association shall be available to all persons interested in the purposes and activities of the Association and any individual may apply to become a non-voting member of the Association, which membership shall run monthly. The payment of dues for each month that is subsequent to the first month of membership in the Association is deemed to be a request by the member to extend the member(s)' membership in the Association for an additional one month term, from which application may be accepted or rejected for any or for no reason. Application for membership in the Association shall be made monthly, by paying dues or making contributions, as hereinafter provided. Such application may be accepted or rejected for any or for no reason, as follows:

**President:** The application for membership in the Association, renewal for membership in the Association, or membership in the Association may be rejected or terminated at any time and for any or for no reason by the President of the Association, acting within his or her sole discretion (acting with or without cause or justification).

**Board of Directors:** The application for membership in the Association, renewal for membership in the Association, or membership in the Association may be rejected or terminated at any time and for any or for no reason by the Board of Directors, acting

within the Board of Directors' sole discretion (acting with or without cause or justification).

If an individual's application for membership in the Association is not accepted, rejected or terminated, such application may not be resubmitted to the Association for acceptance in the future without having first submitted a written request to the Board of Directors explaining the circumstances regarding any prior experiences with the Association and unanimous consent of the Board of Directors to accept such application.

**Section 1. Non-Voting members.** The Association shall not have any voting members and shall be governed by its Board of Directors.

**Section 2. Classes of Non-Voting Members.** There shall be two classes of membership in the Association: Family and Honorary, of such additional classes of non-voting members as determined by the Board. Honorary non-voting members shall be granted to such persons as the Board shall from time to time select.

**Section 3. Dues.** Honorary non-voting members shall not be required to pay dues, but each month shall be considered to have reapplied for membership in the Association effective each month. Other classes of non-voting members shall pay dues to the Association in the amounts established for each class as determined by the Board and each month shall make reapplication for membership in the Association effective each month. For each other member in the association, as set forth above, each person shall be required to reapply for membership in the Association each month by paying dues payable on the 1<sup>st</sup> of each month. Dues shall be due at the time of joining and each calendar month thereafter be due and payable on the 1<sup>st</sup> of each month. Any member failing to pay dues within thirty (30) days of the date such dues are payable becomes delinquent and shall be automatically suspended from the Association. Dues of the various classes of non-voting members may be increased or decreased upon approval of the Board.

**Section 4. Meetings.** All meetings of the general non-voting membership shall be held at such times and in such places as may from time to time be determined by the Board. Notice of such meetings shall be in the manner determined by the Board.

## ARTICLE VI

### BOARD OF DIRECTORS

**Section 1. Management.** The affairs of the Association shall be managed by the Board.

**Section 2. Composition.** The number of directors shall consist of either three, or five members with the exact number being determined from time-to-time by the Board. Each director shall serve a term of one year. Each director shall hold office until a

successor shall be elected, unless prior thereto dying, resigning or being removed. There is no limitation on the number of terms a director may serve.

**Section 3. Election of Directors.** A person meeting director qualification requirements and who has been duly nominated may be elected as director. Directors shall be elected by the vote of the Board. The Board shall designate one of its members to act as President of the Board and whose duties shall include presiding over meetings of the Board.

**Section 4. Vacancies.** Any vacancy occurring in the Board whether through resignation, removal or expiration of tenure, and any director position to be filled due to an increase in the number of directors, shall be approved by vote of the Board. A vacancy shall be filled by the affirmative vote of a majority of the remaining directors, even if it is less than a quorum of the Board, or if it is a sole remaining director. A director elected to fill a vacancy shall be elected for the unexpired term of the predecessor in office.

**Section 5. Annual Meeting.** The annual meeting of the Board may be held without written notice so long as each member of the Board has been timely informed of the meeting date and time.

**Section 6. Regular Meetings.** The Board may provide for regular meetings by resolution stating the time and place of such meetings. The meetings may be held within or without the State of Texas and shall be held at the Association's principal office if the resolution does not specify another location for the meeting. No notice of regular meetings of the Board is required other than a resolution of the board stating the time and place of the meetings.

**Section 7. Special Meetings.** Special meetings of the Board may be called at the request of the President or any two directors. A person or persons authorized to call special meetings of the Board may fix any place within Rockwall County, Texas as the place for holding a special meeting. The person or persons calling a special meeting shall notify the Secretary of the Association of the information required to be included in the notice of meeting. The Secretary shall give notice to the directors as required in these Bylaws.

**Section 8. Notice.** Notice of Board meetings, written or verbal, shall be provided to each member of the Board a reasonable time to prior to each meeting. The notice shall indicate the place, day, and time of the meeting, and the general purpose for which the meeting is called.

**Section 9. Quorum.** Unless otherwise provided in these Bylaws, a majority of the number of directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board. The directors present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough directors leave the meeting so that less than a quorum remains. However, no action may

be approved without the vote of at least a majority of the number of directors required to constitute a quorum. If a quorum is present at no time during a meeting, a majority of the directors present may adjourn and reconvene the meeting one time without further notice.

**Section 10. Duties of Board Directors.** Directors shall discharge their duties, including any duties as committee members, in good faith, with ordinary care, and in a manner they reasonably believe to be in the best interest of the Association. Ordinary care is care that ordinarily prudent persons in similar positions would exercise under similar circumstances. In the discharge of any duty imposed or power conferred on directors, they may in good faith rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Association or another person that were prepared or presented by a variety of persons, including officers and employees of the Association, professional advisors or experts such as accountants or legal counsel. A director is not relying in good faith if the director has knowledge concerning a matter in question that renders reliance unwarranted. Directors are not deemed to have the duties of trustees of a trust with respect to the Association or with respect to any property held or administered by the Association, including property that may be subject to restrictions imposed by the donor or transferor of the property.

**Section 11. Distributions.** A director is not liable if, in voting for or assenting to a distribution, the director (i) relies in good faith and with ordinary care on information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by one or more officers or employees of the Association; legal counsel, public accountants, or other persons as to matters the director reasonably believes are within the person's professional or expert competence; or a committee of the Board of which the director is not a member; (ii) while acting in good faith and with ordinary care, considers the assets of the Association to be at least that of their book value; or (iii) in determining whether the Association made adequate provision for payment, satisfaction, or discharge of all of its liabilities and obligations, relied in good faith and with ordinary care on financial statements or other information concerning a person who was or became contractually obligated to satisfy or discharge some or all of these liabilities or obligations. Furthermore, directors are protected from liability if, in the exercise of ordinary care, they acted in good faith and in reliance on the written opinion of an attorney for the Association. Directors who are held liable for an improper distribution are entitled to contribution from persons who accepted or received the improper distributions knowing they were improper. Contribution is in proportion to the amount received by each such person.

**Section 12. Delegation of Duties.** Directors are entitled to select advisors and delegate duties and responsibilities to them, such as the full power and authority to purchase or otherwise acquire stocks, bonds, securities, and other investments on behalf of the Association; and to sell, transfer, or otherwise dispose of the Association's assets and properties at a time and for a consideration that the advisor deems appropriate. The directors have no liability for actions taken or omitted by the advisor if the Board acts in good faith and with ordinary care in selecting the advisor. The Board may remove or replace the advisor, with or without cause.

**Section 13. Interested Directors.** Contracts or transactions between directors or officers who have a financial interest in the matter are not void or voidable solely for that reason. Nor are they void or voidable solely because the director, officer, or member is present at or participates in the meeting that authorizes the contract or transaction, or solely because the interested party's votes are counted for the purpose. However, the material facts must be disclosed to or known by the board or other group authorizing the transaction, and adequate approval from disinterested parties must be obtained.

**Section 14. Actions of Board.** The Board shall try to act by consensus. However, the vote of a majority of directors present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the Board unless the act of a greater number is required by a law or the bylaws. A director who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the decision of the Board. For the purpose of determining the decision of the Board, a director who is represented by proxy in a vote is considered present.

**Section 15. Proxies.** A director may vote by proxy executed in writing by such director. No proxy shall be valid after three (3) months from the date of its execution.

**Section 16. Compensation.** Directors shall not receive salaries for their services. The Board may adopt a resolution providing for payment to directors of a fixed sum for expenses of attendance, if any, at each meeting of the Board. A director may serve the Association in any other capacity and receive compensation for those services. Any compensation that the Association pays to a director shall be commensurate with the services performed and reasonable in amount.

**Section 17. Removal of Directors.** The Board may vote to remove a director at any time, only for good cause. Good cause for removal of a director shall include one or more of the following: (i) the unexcused failure to attend three consecutive meetings of the Board; (ii) breach of the director's fiduciary duty to Association; and (iii) criminal conduct. A meeting to consider the removal of a director may be called and noticed following the procedures provided by the bylaws. The notice of the meeting shall state that the issue of possible removal of the director will be on the agenda. The director shall have the right to present evidence at the meeting as to why he or she should not be removed, and the director shall have the right to be represented by an attorney at and before the meeting. At the meeting, the Association shall consider possible arrangements for resolving the problems that are in the mutual interest of the Association and the director. A director may be removed by the affirmative vote of the majority of the Board.

**Section 18. Termination/Rejection of Membership in the Association.** To assist the Board of Directors in promoting and facilitating the purpose of CL Tennis, Inc., the Board of Directors has the authority for any and/or for no reason, and without the need for cause or justification, to reject the application for membership in the Association of any prospective member, reject any request for an extension of membership in the association (such a request being made through a member's paying of dues or otherwise),

and/or terminate a member's membership in the Association. The Board of Directors is authorized to make such determinations, acting within its own discretion.

## ARTICLE VIII

### OFFICERS

**Section 1. Officer Positions.** The officers of the Association shall be a President, up to two Vice Presidents, a Secretary, and a Treasurer. The Board shall be responsible for defining the authority and duties of each such position, and elect or appoint persons to fill the positions or create additional officer positions as may be necessary from time-to-time. Any two or more officers may be held by the same person, except the offices of president and secretary.

**Section 2. General Powers of Officers.** In addition to the duties of each officer set forth herein, each officer of the Association shall have the power, subject to approval by the Board, to sign checks on behalf of the Association.

**Section 3. Election and Term of Office.** The officers of the Association shall be elected annually by the Board at the regular annual meeting of the Board. If the election of officers is not held at this meeting, the election shall be held as soon thereafter as conveniently possible. Each officer shall hold office until a successor is duly selected and qualified. An officer may be elected to succeed himself or herself in the same office.

**Section 4. Removal.** Any officer elected or appointed by the Board may be removed by a majority vote of the Board without cause and at any time. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer.

**Section 5. Vacancies.** A vacancy in any office may be filled by the Board for the unexpired portion of the officer's term.

**Section 6. President.** The President shall be the chief executive officer of the Association. The President shall supervise, control, and approve all of the day-to-day business and affairs of the Association and shall pre-approve all expenditures of the Association. The President may execute any deeds, mortgages, bonds, contracts, or other instruments that the Board has authorized to be executed. The President shall attend all meetings of the Board. The President shall perform other duties as may be prescribed by the Board and all duties incident to the office of President.

To assist the President in promoting and facilitating the purpose of CL Tennis, Inc., the President has the authority for any and/or for no reason, and without the need for cause or justification, to reject the application for membership in the Association of any prospective member, reject any request for an extension of membership in the association (such a request being made through a member's paying of dues or otherwise), and/or terminate a member's membership in the Association. The President is authorized to

make such determinations, in his or her own discretion, without the need for further action or approval from the Board of Directors.

**Section 7. Vice President.** A Vice President may execute any deeds, mortgages, bonds, contracts, or other instruments that the Board has authorized to be executed. When the President is absent, is unable to act, or refuses to act, a Vice President, designated by either the president or the Board shall perform the duties of the President. When a Vice President acts in place of the President, the Vice President shall have all the powers of and be subject to all the restrictions upon the President. If there is more than one Vice President, the Vice Presidents shall act in place of the President in the order of the votes received when elected. A Vice President shall perform other duties as assigned by the president or Board.

**Section 8. Treasurer.** The treasurer shall be responsible for overseeing the financial records of the Association, including:

- (a) Have charge and custody of and be responsible for all funds and securities of the Association.
- (b) Receive and give receipts for moneys and/or donations due and payable to the Association from any source.
- (c) Deposit all moneys in the name of the Association in banks, trust companies, or other depositories as provided in the bylaws or as directed by the Board or President.
- (d) Be the custodian of and maintain the financial books and accounting records of the Association.
- (e) Prepare financial reports at least annually.
- (f) Perform other duties assigned by the president or by the Board.
- (g) If required by the Board, give a bond for the faithful discharge of his or her duties in a sum and with a surety as determined by the Board.
- (h) Prepare operating budgets and pro-forma statements for the Association.
- (i) Perform all of the duties incident to the office of treasurer.

**Section 9. Secretary.** The Secretary shall:

- (a) Give all notices as provided in the bylaws or as required by law.
- (b) Attend and take minutes of the meetings of the Board and keep the minutes as part of the corporate record.

- (c) Maintain custody of the corporate records and of the seal (if applicable) of the Association.
- (d) Keep a register of the mailing address of each, director, officer and committee member.
- (e) Perform duties as assigned by the President or by the Board.
- (f) Perform all duties incident to the office of Secretary.

## **ARTICLE IX**

### **COMMITEES**

**Section 1. Establishment of Committees.** The Board may adopt a resolution establishing one or more committees, delegating specified authority to a committee, and/or appointing or removing member of a committee. A committee may include at least one Board Member and/or officer of the Association. If the Board delegates any of its authority to a committee, the majority of the committee shall consist of Directors of the Association. The Board may establish qualifications for membership on a committee. The Board may delegate to the President its power to appoint and remove members of a committee so long as such committee has not been delegated any authority of the Board. The establishment of a committee or the delegation of authority to it shall not relieve the Board, or any individual Board Member, of any responsibility imposed by the Bylaws or otherwise imposed by law. No committee shall have the authority of the Board to:

- (a) Amend the articles of incorporation.
- (b) Adopt a plan of merger or a plan of consolidation with another Association.
- (c) Authorize the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Association.
- (d) Authorize the voluntary dissolution of the Association.
- (e) Revoke proceedings for the voluntary dissolution of the Association.
- (f) Adopt a plan for the distribution of the assets of the Association.
- (g) Amend, alter, or repeal the bylaws.
- (h) Elect, appoint, or remove a member of a committee or a director or officer of the Association.

- (i) Approve any transaction to which the Association is a party and that involves a potential conflict of interest.
- (j) Take any action outside the scope of authority delegated to it by the Board.

**Section 2. Term of Office.** Each member of a committee shall continue to serve on the committee until the next meeting of the Association and until a successor is appointed. However, the term of a committee member may terminate earlier if the committee is terminated or if the member dies, ceases to qualify, resigns, or is removed by the Board or President as a member. A vacancy on a committee may be filled by an appointment made in the same manner as an original appointment. A person appointed to fill a vacancy on a committee shall serve for the unexpired portion of the terminated committee member's term.

**Section 3. Committee Chair.** Unless otherwise specifically designated by the Board, the chair of each committee shall be a member of the Board or an officer of the Association. The chair shall be appointed by the Board or the President of the Association. The chair shall call and preside at all meetings of the committee. When the chair is absent, is unable to act, or refuses to act, a substitute chair appointed by the President or the Board shall perform the duties of the chair on a temporary basis. When a substitute-chair acts in place of the chair, the substitute-chair shall have all the powers of and be subject to all the restrictions upon the chair.

**Section 4. Notice of Meeting.** Unless otherwise regularly scheduled, notice of committee meetings shall be provided to each member of said committee a reasonable time prior to any meeting. The notice shall indicate the place, day, and time of the meeting, and the purpose or purposes for which the meeting is called.

**Section 5. Quorum.** Two-thirds (2/3) of the number of members of a committee shall constitute a quorum for the transaction of business at any meeting of any committee. The committee members present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough committee members leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a two-thirds (2/3) of the number of committee members required to constitute a quorum. If a quorum is not present during a meeting, the chair may adjourn and reconvene the meeting one time without further notice.

**Section 6. Actions of Committees.** Committees shall try to conduct business by consensus. However, all recommendations of the committee shall require the vote of two-thirds of committee members present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the committee unless the act of a greater number is otherwise required by law or the bylaws. A committee member who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the act of the committee.

**Section 7. Proxies.** A committee member may vote by proxy executed in writing by the committee member. No proxy shall be valid after two months from the date of its execution.

**Section 8. Compensation.** Committee members shall not receive salaries for their services. The Board may adopt a resolution providing for payment to committee members of a fixed sum for expenses of attendance, if any, at each meeting of the committee. A committee member may serve the Association in any other capacity and receive compensation for those services. Any compensation that the Association pays to a committee member shall be commensurate with the services performed and shall be reasonable in amount.

**Section 9. Rules.** Each committee may adopt rules for its own operation not inconsistent with the bylaws or with rules adopted by the Board.

## ARTICLE X

### TRANSACTIONS OF THE ASSOCIATION

**Section 1. Banking.** In accordance with any fiscal or other policies adopted by the Board, the officers of the Association are authorized to sign checks in the names of and on behalf of the Association. All expenditures of the Association shall be pre-approved by the President. Any expenditure in excess of \$2,000.00 must also be pre-approved by the Board.

**Section 2. Contracts.** The Board may authorize any officer of the Association to enter into a contract or execute and deliver an instrument in the name of and on behalf of the Association. This authority may be limited to a specific contract or instrument or it may extend to any number and type of possible contracts and instruments.

**Section 3. Deposits.** All funds of the Association shall be deposited to the credit of the Association in banks, trust companies, or other depositories as authorized by the Board.

**Section 4. Gifts.** The Board or the officers of the Association 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. The Board may make gifts and give charitable contributions that are not prohibited by the bylaws, the articles of incorporation, state law, and any requirements for maintaining the Association's federal and state tax status.

**Section 5. Potential Conflicts of Interest.** The Association shall not make any loan to a director or officer of the Association. A director, officer, or committee member of the Association may lend money to and otherwise transact business with the Association except as otherwise provided by the bylaws, articles of incorporation, and all applicable laws. Such a person transacting business with the Association has the same

rights and obligations relating to those matters as other persons transacting business with the Association. The Association shall not borrow money from or otherwise transact business with a director, officer, or committee member of the Association unless the transaction is described fully in a legally binding instrument and is in the best interests of the Association. The Association shall not borrow money from or otherwise transact business with a director, officer, or committee member of the Association without full disclosure of all relevant facts and without the approval of the Board, not including the vote of any person having a personal interest in the transaction.

## **ARTICLE XI**

### **BOOKS AND RECORDS**

**Section 1. Required Books and Records.** The Association shall keep correct and complete books and records of account. The Association's books and records shall have

- (a) A file-endorsed copy of all documents filed with the Texas Secretary of State relating to the Association, including, but not limited to, the articles of incorporation, and any articles of amendment, restated articles, articles of merger, articles of consolidation, and statement of change of registered office or registered agent.
- (b) A copy of the bylaws, and any amended versions or amendments to the bylaws.
- (c) Minutes of the proceedings of the Board, and committees having any of the authority of the Board.
- (d) A list of the names and addresses of the directors, officers, and any committee members of the Association.
- (e) A financial statement showing the assets, liabilities, and net worth of the Association at the end of the three most recent fiscal years.
- (f) A financial statement showing the income and expenses of the Association for the three most recent fiscal years.
- (g) All rulings, letters, and other documents relating to the Association's federal, state, and local tax status.
- (h) The Association's federal, state, and local information or income tax returns for each of the Association's three most recent tax years.

## **ARTICLE XII**

### **FISCAL YEAR**

Unless otherwise determined by the Board, the fiscal year of the Association shall begin on the first day of January and end on the last day in December in each year.

## ARTICLE XIII

### INDEMNIFICATION

#### **Section 1. When Indemnification is Required, Permitted, and Prohibited.**

(a) The Association may indemnify a director, officer, committee member, employee Association who was, is, or may be named defendant or respondent in any proceeding as a result of his or her actions omissions within the scope of his or her official capacity in the Association. However, the Association shall indemnify a person only if he or she acted in good faith and reasonably believed that the conduct was in the Association's best interests. In a case of a criminal proceeding, the person may be indemnified only if he or she had no reasonable cause to believe that the conduct was unlawful. The Association shall not indemnify a person who is found liable to the Association or is found liable to another on the basis of improperly receiving a personal benefit. A person is conclusively considered to have been found liable in relation to any claim, issue, or matter if the person has been adjudged liable by a court of competent jurisdiction and all appeals have been exhausted.

(b) The termination of a proceeding by judgment, order, settlement, conviction, or on a plea of *no lo contendere* or its equivalent does not necessarily preclude indemnification by the Association.

(c) The Association may pay or reimburse expenses incurred by a director, officer, committee member, employee, or agent of the Association in connection with the person's appearance as a witness or other participation in a proceeding involving or affecting the Association when the person is not a named defendant or respondent in the proceeding.

(d) In addition to the situations otherwise described in this paragraph, the Association may indemnify a director, officer, committee member, employee, or agent of the Association to the extent permitted by the law. However, the Association shall not indemnify any person in any situation in which indemnification is prohibited by the terms hereof.

(e) Before the final disposition of a proceeding, the Association may pay indemnification expenses permitted by the bylaws and authorized by the Association. However the Association shall not pay indemnification expenses to a person before the final disposition of a proceeding if: the person is named defendant or respondent in a proceeding brought by the Association; or the person is alleged to have improperly received a personal benefit or committed other willful or intentional misconduct.

(f) If the Association may indemnify a person under the bylaws, the person may be indemnified against judgments, penalties, including excise and similar taxes, fines, settlements, and reasonable expenses (including attorney's fees) actually incurred in connection with the proceeding. However, if the proceeding was brought by or on behalf of the Association, the indemnification is limited to reasonable expenses actually incurred by the person in connection with the proceeding.

## **Section 2. Procedures Relating to Indemnification Payments.**

(a) Before the Association may pay any indemnification expenses (including reasonable attorney's fees), the Association shall specifically determine that indemnification is permissible, authorize indemnification, and determine that expenses to be reimbursed are reasonable, except as provided below. The Association may make these determinations and decisions by any one of the following procedures:

(i) Majority vote of a quorum consisting of directors who, at the time of the vote, are not named defendants or respondents in the proceeding.

(ii) Determination by special legal counsel selected by the Board by vote as provided in herein or if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all directors.

(b) The Association may authorize indemnification and determine that expenses to be reimbursed are reasonable in the same manner that it determines whether indemnification is permissible. If the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification and determination of reasonableness of expenses shall be made in the manner specified above, governing the selection of special legal counsel. A provision contained in the articles of incorporation, the bylaws, or a resolution of the Board that permits the indemnification above, constitutes sufficient authorization of indemnification even though the provision may not have been adopted or authorized in the same manner as the determination that indemnification is permissible.

(c) The Association shall pay indemnification expenses before final disposition of a proceeding only after the Association determines that the facts then known would not preclude indemnification and the Association receives a written affirmation and undertaking from the person to be indemnified. The determination that the facts then known to those making the determination would not preclude indemnification and authorization of payment shall be made in the same manner as a determination that indemnification is permissible. The person's written affirmation shall state that he or she has met the standard of conduct necessary for indemnification under the bylaws. The written undertaking shall provide for repayment of the amount paid or reimbursed by the Association if it is ultimately determined that the person has not met the requirements for indemnification. The undertaking shall be an unlimited general obligation of the person, but it need not be secured and it may be accepted without reference to financial ability to make repayment.

## **ARTICLE XIV**

### **NOTICES**

**Section 1. Notice.** Any notice required or permitted by the Bylaws to be given to a director, officer, or member of a committee of the Association may be given by U.S. mail, hand delivery, facsimile or e-mail. If mailed, a notice shall be deemed to be delivered when deposited in the United States mail addressed to the person at his or her address as it appears on the records of the Association, with postage prepaid. If given by facsimile or e-mail, a notice shall be deemed to be delivered upon receipt by sender of electronic confirmation of delivery. A person may change his or her address by giving written notice to the secretary of the Association.

**Section 2. Signed Waiver of Notice.** Whenever any notice is required to be given under the provisions of the Act or under the provisions of the articles of incorporation or the bylaws, a waiver in writing signed by a person entitled to receive a notice shall be deemed equivalent to the giving of the notice. A waiver of notice shall be effective whether signed before or after the time stated in the notice being waived.

**Section 3. Waiver of Notice by Attendance.** The attendance of a person at a meeting shall constitute a waiver of notice of the meeting unless the person attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

## **ARTICLE XV**

### **SPECIAL PROCEDURES CONCERNING MEETINGS**

The Board, and any committee of the Association, may hold a meeting by telephone conference-call procedures in which all persons participating in the meeting can hear each other. The notice of a meeting by telephone conference must state the fact that the meeting will be held by telephone as well as all other matters required to be included in the notice. Participation of a person in a conference-call meeting constitutes presence of that person at the meeting.

## **ARTICLE XVI**

### **AMENDMENTS TO BYLAWS**

The bylaws may be altered, amended, or repealed, and new bylaws may be adopted by the Board. The unanimous consent or notice of any meeting at which the bylaws are altered, amended, or repealed, or at which new bylaws are adopted shall include the text of the proposed bylaw provisions as well as the text of any existing provisions proposed to be altered, amended, or repealed. Alternatively, the notice may include a fair summary of those provisions. A majority vote of the Board shall be required for any change to these bylaws.

## ARTICLE XVII

### MISCELLANEOUS PROVISIONS

**Section 1. Legal Authorities Governing Construction of Bylaws.** The bylaws shall be constructed in accordance with the laws of the State of Texas. All references in the bylaws to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time.

**Section 2. Legal Construction.** If any bylaw provision is held to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect any other provision and the bylaws shall be construed as if the invalid, illegal, or unenforceable provision had not been included in the bylaws.

**Section 3. Heading.** The headings used in the bylaws are used for convenience and shall not be considered in constructing the terms of the bylaws.

**Section 4. Gender.** Wherever the context requires, all words in the bylaws in the male gender shall be deemed to include the female or neuter gender, all singular words shall include the plural, and all plural words shall include the singular.

**Section 5. No Seal.** No corporate seal shall be required for the Association.

**Section 6. Parties Bound.** The bylaws shall be binding upon and inure to the benefit of the directors, officers, committee members, employees, and agents of the Association and their respective heirs, executors, administrators, legal representatives, successors, and assigns except as otherwise provided in the bylaws.

### CERTIFICATE OF SECRETARY

I certify that I am the duly appointed and acting secretary of CL Tennis, Inc. and that the foregoing Bylaws constitute the Bylaws of the Association. These Bylaws (as Amended October 5, 2009) were duly adopted pursuant to the Unanimous Consent of the Board of Directors dated effective October 1, 2009.

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David S. Mallard , Secretary of the Association

Dated effective: October 1, 2009