

**BYLAWS
OF
THE PARK AT HIGHLAND PINES PROPERTY OWNERS ASSOCIATION, INC.
A TEXAS NONPROFIT CORPORATION**

ARTICLE I

Name; Offices

1.1 Name. The name of the corporation is The Park at Highland Pines Property Owners Association, Inc. (hereinafter referred to as the "Association").

1.2 Principal Office. The principal office of the Association is located at 2450 Louisiana St. Suite 400 846, Houston, TX 77006. The address of the principal office may be changed from time to time as directed by resolution of the Board of Directors. The Association may also have offices at such other places as the Board of Directors may from time to time designate or as its business may require.

1.3 Registered Office and Agent. The Association must have and continuously maintain in the State of Texas a registered office, and a registered agent whose business office is identical with such registered office, as required by the Texas Business Organizations Code. The registered office may be, but need not be identical with the principal office of the Association. The registered agent and address of the registered office may be changed from time to time by the Board of Directors in accordance with the Texas Business Organizations Code.

ARTICLE II

Definitions

2.1 Incorporation of Definitions. All definitions as set forth in that certain instrument entitled "Declaration of Covenants, Conditions and Restrictions for Highland Heights Landing" as heretofore filed under Clerk's Document No. RP-2020-89324, Official Public Records of Real Property of Harris County, Texas, as amended (the "Declaration"), are hereby incorporated by reference herein. In addition to the foregoing and to any other definitions set forth in these Bylaws, the following terms have the following meanings:

2.1.1 "Assessments" mean any and all assessments, regular, special or specific, and all other monetary obligation owed by any Member or Owner to the Association as provided in, and in accordance with, the Declaration and any other applicable Governing Documents.

2.1.2 "Bylaws" means these Bylaws of The Park at Highland Pines Property Owners Association, In, and all lawful amendments thereof.

2.1.3 "Electronic Means" means, refers and applies to (i) any method of notices or other communications by email, by facsimile, or by posting on or other method of communication via an Internet website, or any combination thereof, whereby the identity of the sender and receipt by the recipient can be confirmed, and (ii) holding of any meetings as permitted by these Bylaws, the Declaration or other applicable Governing Documents, or by applicable law, by using a conference telephone or similar communications equipment, or another suitable electronic communications systems, including videoconferencing technology or the Internet, or any combination thereof, whereby each participant may hear and be heard by every other participant. IT IS THE OBLIGATION OF EACH OWNER AND THEIR TENANT(S) TO OBTAIN AND MAINTAIN CONFIRMATIONS OF RECEIPT

RP-2020-126874

OF ALL NOTICES AND OTHER COMMUNICATIONS BY ELECTRONIC MEANS, AND TO PROVIDE THE SAME TO THE ASSOCIATION UPON REQUEST. IT IS THE OBLIGATION OF EACH OWNER AND THEIR TENANT(S) TO MAINTAIN THE CAPABILITY TO RECEIVE ANY NOTICES OR OTHER COMMUNICATIONS FROM THE ASSOCIATION BY, AND TO PARTICIPATE IN ANY MEETINGS AS AFORESAID BY, ELECTRONIC MEANS. BY ACCEPTANCE OF ANY RIGHT, TITLE OR INTEREST IN ANY LOT, OR BY OCCUPANCY THEREOF, EACH OWNER AND THEIR TENANT(S) CONSENT TO THE USE OF ELECTRONIC MEANS BY THE ASSOCIATION AS TO ANY NOTICES, COMMUNICATIONS OR MEETINGS IN ACCORDANCE WITH THESE BYLAWS, THE DECLARATION OR OTHER GOVERNING DOCUMENTS.

2.1.4 "Member" means every Person who is an Owner and who holds a membership in the Association as provided in the Declaration (except when the context is referring to a member of the Board or of a committee, or otherwise requires). Without limitation as to any other applicable provisions, the foregoing is subject to **Section 3.5.3** regarding voting rights when more than one Person holds an ownership interest in a Lot, and to **Section 3.2** which requires every Owner who is not a natural person to designate a representative of such entity who is a natural person.

ARTICLE III

Membership; Voting Rights

3.1 Membership; Voting Rights. As more fully described in the Declaration, every Person who is the Owner of a fee simple title or undivided fee simple title interest applicable to any Lot that is subject to the Declaration is a Member of the Association, and as such will have and exercise voting rights as set forth in these Bylaws and the Declaration. Co-owners (e.g., two (2) or more individuals listed on the deed for a Lot) may each vote as he/she desires. The voting interest of two (2) or more co-owners may be voted as follows:

3.1.1 One (1) of the co-owners may vote 100% of the interest;

3.1.2 Two (2) or more co-owners may vote; however, the act of a majority of the co-owners binds all of the owners or persons having the right to vote the interest; or

3.1.3 If the votes of the co-owners are evenly split (50/50 for example), each co-owner may vote his/her fraction of an interest (i.e. 1/2 vote for each co-owner if the Lot is owned by two (2) people).

3.2 When Member Required to Designate Representative; Effect. Each Member which is not a natural Person is required to designate one natural person to act on such Member's behalf as herein provided. The designation must be by written and dated notice stating (i) the name, contact address and telephone number of the designating entity and of the designated representative, and (ii) the effective date of such designation which effective date may not be earlier than midnight of the date of receipt of the notice by the Association. The Association is not required to recognize any Person as authorized to represent or act on behalf of any Member which is not a natural Person until such designation has been received by the Association. A designation as aforesaid fully authorizes the designated representative to bind the designating entity as to all matters, decisions and actions of the designated representative whether or not such authority is expressly stated in the written designation; provided, the Board may require any designated representative to show authority to act in such manner as the Board may reasonably require. Any designated representative may be changed from time to time in the same manner

as required for original designation. In the event of conflict between designations, the most currently dated designation will control. Any such representative may serve as a Director as provided in these Bylaws. The Board may by resolution establish additional procedures and requirements as to the designation and authority of representatives which are consistent with this Section.

3.3 Cumulative Voting Prohibited. Cumulative voting is prohibited as to any matter placed before the membership for a vote, including election of Directors.

3.4 Right to Vote. Any provision in the Association's Governing Documents that would disqualify an Owner from voting in an Association election of a member or members of the Board of Directors or on any matter concerning the rights or responsibilities of the Owner is void.

3.5 Voting Procedures.

3.5.1 Voting in Person or by Proxy. At all meetings of Members, voting may be in person or by proxy. Voting by proxy is deemed voting in person for all purposes.

3.5.2 Voting by Absentee or Electronic Ballot. The Board may, but is not obligated to, permit Members to vote at any meeting of Owners on any matter by absentee ballot or by electronic ballot in accordance with Section 209.00592 of the Texas Property Code. The Board may adopt procedures for voting by absentee ballot or electronic ballot to apply to any particular meeting, or to apply to all meetings. In the latter case the Board is specifically authorized to amend these Bylaws accordingly without the vote, approval or consent of any Owner or any other Person. Any such amendment must be filed in the Official Public Records of Real Property of Harris County, Texas. VOTING BY ABSENTEE BALLOT OR ELECTRONIC BALLOT IS NOT PERMITTED UNLESS AND UNTIL THE BOARD ADOPTS PROCEDURES AS AFORESAID FOR VOTING BY ABSENTEE BALLOT OR ELECTRONIC BALLOT.

3.5.3 Multiple Owners. When more than one Person holds an ownership interest in a Lot, all such Persons ("Co-Owners") are Members, but in no event will they be entitled to more than one vote with respect to each particular Lot owned. The single vote, approval, or consent of Co-Owners must be cast or given in accordance with the decision of a majority, or if the Co-Owners cannot reach a majority decision, then none of the Co-Owners will be permitted to vote, approve, or consent as to any such matter upon which a majority decision cannot be reached. Absent filing of written notice to the contrary by any Co-Owner with the Association not later than at the time of check-in or registration for the meeting, the vote, approval or consent of any single Co-Owner from among all Co-Owners of a Lot is conclusively presumed to be cast or given in accordance with the decision of the majority of the Co-Owners and with their full authority. The voting interest of two (2) or more co-owners may be voted as follows:

(a) One (1) of the co-owners may vote 100% of the interest;

(b) Two (2) or more co-owners may vote; however, the act of a majority of the co-owners binds all of the owners or persons having the right to vote the interest; or

(c) If the votes of the co-owners are evenly split (50/50 for example), each co-owner may vote his/her fraction of an interest (i.e. 1/2 vote for each co-owner if the Lot is owned by two (2) people).

3.5.4 Form of Proxy or Ballot; Voting Procedures.

(a) Except as provided in subsections (c) and (d), any vote cast in an election or vote by a Member must be in writing and signed by the Member. Any vote cast by Electronic Means constitutes a written and signed ballot.

(b) Subject to subsection (g) below, all proxies must be dated, must set forth in legible form the name(s) of the Member(s) giving the same, and must set forth in legible form the address(es) of each Lot as to which voting rights are being exercised.

(c) Notwithstanding subsection (a) above or any other provisions hereof, in an Association-wide election written and signed ballots are not required for uncontested races.

(d) Members may vote by voice or show as herein provided only as to procedural matters or motions at a meeting, including approval of minutes, appointment of Vote Tabulations, when applicable, or any adjournment of the meeting.

(e) Proxies must be received by the Association by the date of the meeting to which the same pertains and not later than the time of check-in or registration for the meeting, or such earlier date certain as stated in the notice of the meeting (the "Receipt Date"). The Receipt Date may not be more than three business days prior to the meeting. Any proxy received after the Receipt Date is invalid unless otherwise approved by the Board or the chairperson for the applicable meeting. The Receipt Date is automatically extended in the case of adjournment of the meeting to which the same applies to the last business day prior to the date of the reconvened meeting.

(f) Any proxy may be delivered to the Association by personal delivery, acknowledged in writing, by mail, or by Electronic Means, subject to any limitations set forth in the notice of the applicable meeting.

(g) Any proxy that is not in writing and signed by the Member(s) giving the same is invalid. Any undated proxy will be dated as of the date of receipt of the same by the Association. In the event of conflict between any proxy the most recently dated proxy will control. The Association may also clarify the name(s) of the Member(s) giving a proxy and/or their Lot address if the Association is able reasonably to do so, and if not then the proxy is invalid.

(h) Subject to other applicable provisions of these Bylaws, including subsection (g) above, the validity of any proxy or ballot due to any defect in form will be determined by the Vote Tabulators (as defined in **Section 3.6**) whose decisions thereon are final.

3.5.5 Duration and Revocation of Proxy. Unless otherwise provided by the proxy, a proxy is revocable and expires eleven months after the date of its execution. A proxy may not be irrevocable for longer than eleven months. Subject to the foregoing, once delivered to the custody of the Association, no proxy may be revoked except in writing, either by printing "revoked" on the same and signing and dating such notation, or by separate instrument which specifically identifies the proxy to be revoked and which is dated and signed. Any such revocation will be effective only if actually received by the Association not later than the time of check-in or registration for the applicable meeting. Any proxy that purports to be revocable without notice is invalid.

3.6 Verification and Tabulation of Voting Results.

3.6.1 By Whom Verified. Voice or show voting results as provided in **Section 3.5.5(d)** will be verified and tabulated by the Chairperson of the meeting to which the same pertains. Proxy and ballot voting results will be verified and tabulated by the Vote Tabulators as provided in **Section 3.6.2.**

3.6.2 Vote Tabulators, Including Internet Services; Tabulation and Access to Proxies or Ballots.

(a) A person who is a candidate in an Association election or who is otherwise the subject of an Association vote, or a person related to that person within the third degree by consanguinity or affinity, as determined under Chapter 573, of the Texas Government Code, may not act as a Vote Tabulator.

(b) Vote Tabulators must be appointed for each meeting of Owners regarding an Association election or vote in accordance with either subsection (c) or subsection (d) below. Vote Tabulators so appointed will serve only as to the meeting for which appointed, including any adjournment thereof, and all authority of the Vote Tabulators as provided herein extends only to that meeting or any adjournment thereof.

(c) Prior to each meeting of Owners regarding an Association election or vote, the Board of Directors may contract with or otherwise engage an independent accounting firm, Internet online election service or similar independent third party or company to act as the Vote Tabulators for the meeting, and/or to otherwise facilitate calling, conducting, tabulation and verification of any vote taken at the meeting.

(d) If not previously appointed as provided in subsection (c) above, at each meeting of Owners regarding an Association election or vote, and prior to conducting of any other business except as to call to order, verification of a quorum and similar administrative matters, three Vote Tabulators must be appointed by the Chairperson of the meeting, if qualified. If the Chairperson is not qualified, then the qualified Directors who are present at the meeting, whether one or more, will appoint the Vote Tabulators. If the Chairperson and the aforesaid Directors are not qualified, then the qualified Owners who are present at the meeting will appoint the Vote Tabulators by majority vote. The Chairperson and/or the aforesaid Directors and/or personnel of the Association's management company and/or an independent third party, if qualified, may act as Vote Tabulators provided that at least one of the three Vote Tabulators must be a Member. The Association's attorney may act as an ex-officio Vote Tabulator. "Qualified" means the person is not disqualified under subsection (a) above. In the case of multiple Co-Owners of a Lot, if any Member is disqualified, then all Members as to that Lot are disqualified.

(e) THE NAME(S) OF THE VOTE TABULATORS FOR EACH MEETING MUST BE STATED IN THE MINUTES OF THE MEETING.

(f) VOTE TABULATORS MAY INSPECT BALLOTS AND PROXIES ONLY AS PROVIDED IN, AND MUST MAINTAIN THE CONFIDENTIALITY OF ALL BALLOTS AND PROXIES AS PROVIDED IN, **SECTION 3.6.4.**

3.6.3 Verification of Right to Vote. Satisfactory proof of membership to entitle any Owner to vote or any other qualifications necessary to the validity of a ballot or proxy may be required if in the sole good faith opinion of the Vote Tabulators reasonable doubt as to the same exists.

3.6.4 Proxies and Ballots Confidential.

(a) NO BALLOT OR PROXY MAY BE INSPECTED BY ANY PERSON OTHER THAN THE VOTE TABULATORS FOR THE MEETING TO WHICH THE VOTE PERTAINS. THE VOTE TABULATORS WILL INSPECT BALLOTS AND PROXIES SOLELY FOR THE PURPOSES OF VALIDATING THE SAME AND TABULATING THE RESULTS OF ANY VOTE OF THE MEMBERSHIP. THE CONTENTS OF ALL BALLOTS AND PROXIES MUST BE HELD IN CONFIDENCE BY ALL VOTE TABULATORS, AND NO PERSON OTHER THAN A VOTE TABULATOR MAY BE GIVEN ACCESS TO ANY BALLOT OR PROXY EXCEPT AS PART OF A RECOUNT PROCESS AS PROVIDED IN SECTION 3.6.9.

(b) Subsection (a) above does not preclude administrative processing of ballots or proxies by Association management personnel or other administrative agents or employees of the Association, provided that such personnel, agents or employees must maintain the confidentiality of the ballots or proxies as provided in subsection (a).

3.6.5 Minimum Period of Retention of Ballots or Proxies. The Association must maintain proxies and ballots for seven years from the date of the meeting or other action to which the same pertain after which the ballots and proxies may be destroyed.

3.6.6 Announcement of Voting Results. The membership will be notified of the results of tabulation of any vote (i) verbally at the meeting to which the same pertains, or (ii) after the meeting by written notice given to all Owners if final results cannot be determined at the meeting as provided in Section 3.6.7. In either case, the final results must be made a part of the minutes of the meeting.

3.6.7 Verification of Ballot or Proxy Votes. When tabulating any voting results at a meeting, the Vote Tabulators may disregard any proxy or ballot the validity of which is reasonably in doubt as determined in the sole opinion of the Vote Tabulators. If after tabulating the results of any vote of the membership disregarding any doubtful ballots or proxies, the results of such tabulation would not be changed even if all such doubtful ballots or proxies were counted as votes against the results otherwise obtained, a final tabulation will be announced at the meeting. If the results of any vote would be changed by counting the doubtful ballots or proxies as aforesaid and the Vote Tabulators are unable to reasonably determine the validity of sufficient ballots or proxies to determine final results, a final tabulation will be made as soon as practicable after the meeting. In the latter case the Vote Tabulators and/or legal counsel to the Association will make every reasonable effort to finally validate or invalidate all doubtful ballots and proxies. If in the sole opinion of the Vote Tabulators and/or legal counsel to the Association a reasonably certain result cannot be announced due to the number of doubtful ballots and/or proxies, then all votes regarding the affected matter or matters must be declared void and the membership will be so notified.

3.6.8 Verification of Voice or Show Vote. If the Chairperson at any meeting is in doubt as to the results of any vote by voice, the Chairperson may call for verification by re-vote by rising or show of hands, and/or as to either method require a specific count. By majority vote, the Members present at the meeting may require verification of any voice vote in the same manner.

3.6.9 Recount of Votes

(a) Any Owner may, not later than the fifteenth day after the date of the meeting at which the election was held or other Association vote was conducted, require a recount of the votes. A demand for a recount must be submitted in writing either: (i) by certified mail, return receipt requested, or by delivery by the U.S. Postal Service with signature confirmation service, to the

Association's mailing address as reflected on the latest management certificate of the Association as filed of record; or (ii) by personal delivery, acknowledge in writing, to the Association's Managing Agent or other representative as reflected on the aforesaid latest management certificate. A DEMAND FOR A RECOUNT MUST BE SUBMITTED AS AFORESAID AS PROVIDED IN SECTION 209.0057 OF THE TEXAS PROPERTY CODE, AND MAY NOT BE SUBMITTED IN ANY OTHER MANNER.

(b) The Owner requesting the recount must pay, in advance, expenses associated with the recount as estimated by the Association.

(c) Any recount must be performed on or before the thirtieth day after the date of receipt by the Association of a proper request and payment for a recount. "Payment" as aforesaid means payment by certified funds or equivalent, or receipt and negotiation of payment by personal check.

(d) At the expense of the Owner requesting the recount, the Association must retain for the purpose of performing the recount the services of, and must 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 within the third degree by consanguinity or affinity, and (ii) is either (y) a person agreed on by the Association and the Owner requesting a recount, or (z) is a current or former county judge, a county elections administrator, a justice of the peace, or a county voter registrar.

(e) The Association must provide the results of the recount to each Owner who requested the recount.

(f) If the recount changes the results of the election or vote, the Association must reimburse the requesting Owner for the cost of the recount to the extent such costs were previously paid by the Owner to the Association.

(g) Any action taken by the Board in the period between the initial election or other vote tally and the completion of the recount is not affected by any recount.

3.6.10 NOTICE AND LIMITATIONS PERIOD TO CHALLENGE VOTE. AS CONDITIONS PRECEDENT TO ANY SUIT OR OTHER LEGAL PROCEEDING TO CHALLENGE OR OTHERWISE DISPUTE TABULATION OR VERIFICATION OF ANY VOTE, OR ANY OTHER MATTERS PERTAINING TO THE VALIDITY OF ANY MEETING OF THE OWNERS, INCLUDING ANY VOTE, OR OTHER ACT OR OMISSION OF THE MEMBERSHIP, (A) A RECOUNT MUST BE CONDUCTED IF AND TO THE FULLEST EXTENT PERMITTED BY **SECTION 3.6.9**, AND (B) WRITTEN NOTICE MUST BE GIVEN TO THE BOARD OF DIRECTORS, AND IF APPLICABLE TO THE ASSOCIATION'S MANAGING AGENT, NOT LATER THAN NINETY-ONE DAYS AFTER (i) THE DATE OF THE APPLICABLE MEETING, OR (ii) WHEN APPLICABLE, THE DATE WHEN NOTICE IS GIVEN AS TO FINAL VOTING RESULTS AS PROVIDED IN **SECTION 3.6.7** or (iii) THE DATE THE RESULTS OF A RECOUNT IS GIVEN TO EACH OWNER WHO REQUESTED THE RECOUNT, WHICHEVER IS LATER. THE NOTICE MUST SET FORTH THE BASIS FOR ANY CHALLENGE OR OTHER DISPUTE WITH SUFFICIENT DETAIL TO PROVIDE FAIR NOTICE AS TO THE BASIS. IN ADDITION, BUT WITHOUT LIMITATION OF THE FOREGOING, ANY SUIT TO CHALLENGE OR OTHERWISE DISPUTE TABULATION OR VERIFICATION OF ANY VOTE OR ANY OTHER MATTERS PERTAINING TO THE VALIDITY OF ANY MEETING OF OWNERS, INCLUDING ANY VOTE, OR OTHER ACT OR OMISSION, OF THE MEMBERSHIP AT OR PURSUANT TO ANY MEETING OF MEMBERS MUST BE FILED IN HARRIS COUNTY, TEXAS NOT LATER THAN TWO YEARS PLUS ONE DAY AFTER THE DATE OF THE APPLICABLE MEETING.

ARTICLE IV

Meetings of Members

4.1 Annual Meetings. The Board must call an annual meeting of Owners. Each annual meeting during the Development Period will be held as provided in Exhibit "A" hereto. Each annual meeting thereafter will be held during the same month of each year as the month in which the First Election Meeting of Owners (as defined in Exhibit "A") was held.

4.2 Special Meetings. Special meetings of the Owners may be called at any time by the President or by the Board of Directors for any purpose. Special meetings of Owners may also be called by Owners by written petition signed by the Owners of not less than one-third of all Lots then contained within the Subdivision to consider and vote on any matter which Owners are entitled to consider and vote on as permitted by these Bylaws, or other Governing Documents, or by law. Each special meeting called by Owners must be called and conducted as otherwise herein provided within forty-five days after receipt of a valid petition.

4.3 Notice of Meetings. Not later than the tenth day or earlier than the sixtieth day before the date of each meeting of Owners, including any meeting regarding any election or vote, the Association must give written notice of the meeting as provided in **Section 7.1.4** to (i) each Owner for purposes of any Association-wide election or vote, or (ii) each Owner entitled to vote to elect Board members. The notice of each meeting of Owners must be given to all Owners by, or at the direction of, the Secretary of the Association or, if the Secretary fails or refuses to do so, by, or at the direction of, the President or Vice President of the Association.

4.4 Quorum. The presence at any meeting of Owners, in person or by proxy and whether or not in good standing, of Members representing the Owners of not less than thirty percent (30%) of all Lots then contained in the Subdivision constitutes a quorum for any action except as next provided and except as otherwise expressly required by law, the Association's Certificate of Formation, the Declaration or these Bylaws. If a quorum is not present or represented, the meeting may be adjourned and reconvened, and in such cases the required quorum will be one-half of the required quorum for the meeting as originally convened as provided in **Section 4.5**. The Members present at a meeting of Owners at which a quorum is present, in person or by proxy, may continue to transact business until adjournment notwithstanding the withdrawal of enough Owners to leave less than a quorum until the closing of the meeting, including as to any adjournment thereof.

4.5 Adjournment and Reconvening of Meetings. If a quorum is not present or represented at any meeting of Owners, or if the business to be transacted at any meeting of Owners is not completed and the meeting closed as provided in **Section 7.1.6**, then the chairperson of the meeting, or the Owners at the meeting by majority vote, may adjourn and reconvene the meeting from time to time, without any further formality or notice other than announcement at the meeting, until a quorum is present or represented or the business of the meeting is completed. At any reconvened meeting, the required quorum will be one-half of the required quorum for the meeting as originally convened. Any reconvened meeting or meetings must be held within sixty days after the date of the meeting as originally convened. At any such adjourned and reconvened meeting at which a quorum is present or represented, any business may be transacted which might have been transacted at the meeting as originally convened.

4.6 Majority Vote. The vote, in person or by proxy, of a majority of the votes entitled to be cast at a meeting of Owners at which at least a quorum is present or represented is the act of the Owners'

meeting except as otherwise required by law, the Association's Certificate of Formation, the Declaration, or these Bylaws. All such acts at each meeting of Owners are binding upon all Members and Owners.

4.7 Conduct of Meetings. The President (or other person as provided in **Section 8.5**) will act as the chairperson for and preside over all meeting of Owners. The Secretary (or other person as provided in **Section 8.6**) must keep, or cause to be kept, the minutes for each meeting of Owners which must include all resolutions adopted and a record of any votes taken at the meeting. The chairperson will direct the conduct of the business in an orderly fashion, and may be guided as to the same by the then current Robert's Rules of Order when not in conflict with these Bylaws, the Declaration or other Governing Documents. However, the reasonable determinations of the chairperson as to the conducting of the meeting are final, and no failure to abide by Robert's Rules of Order will in any manner invalidate any proceedings, actions or votes as to any meeting.

4.8 Order of Business. Unless the notice of the meeting states otherwise or the Board otherwise directs, and to the extent applicable, the order of business at each annual meeting of Owners is as follows:

- Check-in or registration
- Call to Order
- Verification of notice and quorum
- Introductions
- Announcement, or appointment or election, of Vote Tabulars (as provided in **Section 3.6.2**)
- Reading and approval of minutes of preceding meeting
- Reports
- Election of Directors
- Unfinished or old business
- New Business
- Announcement of voting results
- Closing of meeting (as provided in **Section 7.1.6**)

ARTICLE V

Board of Directors

5.1 Composition. The affairs of the Association will be managed by a Board composed of three (3) Directors. The number of Directors may be increased or decreased from time to time by amendment of these Bylaws, provided the Board must at all times have not less than three Directors. A Director takes office upon appointment unless otherwise provided in the appointment, or at the closing of the meeting at which the Director is elected or appointed, as applicable. Each Director will hold office until the Director's successor is elected or appointed and takes office. Unless otherwise expressly required by law or other applicable provision of the Governing Documents, the Board of Directors has and may exercise all rights, powers and authority of the Association.

5.2 Qualifications. Each Person seeking election as a Director and who serve as a Director is subject to the following:

5.2.1 Membership. All Directors must be Members of the Association. A designated representative appointed as provided in **Section 3.2** may hold a directorship.

5.2.2 Disqualification.

(a) No person may be appointed or elected as a Director if as a result a majority of the Directors would be affiliated with a single Owner regardless of the number of Lots the single Owner may own. "Affiliated" means (i) spouses and other members of a common household, and (ii) a Member that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with the single Owner.

(b) Except as provided in subsection (a) above and by **Section 5.5.3**, there are no other restrictions on the right of a Member to run for a position on the Board.

5.2.3 Designated Representatives. The representative of an Owner designated as provided in **Section 3.2** may be appointed or elected to a directorship position provided that notice of the designation is received by the Association at least ten business days prior to the annual or other meeting at which such representative may stand for election or appointment. A designated representative serving as a Director may be replaced by the appointing entity upon not less than ten business days written and dated notice and compliance with such other requirements as from time to time determined by the Board.

5.2.4 Owner Election of Directors Required. Any Director whose term has expired must be elected by Owners who are Members of the Association. Notwithstanding the foregoing, if there is no candidate to fill a Board position at the time of election, or if a vacant position on the Board is not otherwise filled at the time of election for any other reason (such as for example but without limitation due to lack of a quorum at the time of election), then any vacancy as to any such position will be filled by the Board as provided in **Section 5.5.1**.

5.3 Directorship Positions; Terms of Office. Beginning with the First Election Meeting of Owners as provided in Exhibit "A" hereto, directors will be appointed or elected to one of three Directorship Positions designated as Positions One through Three. At the First Election Meeting of Owners, one Director will be elected to Directorship Position One for a three-year term, one Director will be elected to Directorship Position Two for a two-year term, and one Director will be elected to Directorship Position Three for a one-year term. Thereafter, Directors will be elected for three-year terms. Nominees receiving the largest number of votes will be elected as provided in the next Section.

5.4 Nomination; Election; Cumulative Voting Prohibited. Before each meeting of Owners at which Owners will elect Directors, the Board of Directors will make reasonable efforts to obtain at least as many nominees for election to the Board as will be required to fill all Directorship Positions to be elected at the ensuing meeting. All such nominees must be listed in or included with the notice of each meeting. Nominations may also be made from the floor at each such meeting. Directors will be elected by plurality vote. At the First Election Meeting of Owners, the three nominees receiving the largest number of votes will be elected, with the nominee receiving the largest number of votes to be elected for a three-year term, the nominee receiving the next largest number of votes to be elected for a two-year term, and the nominee receiving the next largest number of votes to be elected for a one year term. In the event of a tie vote at the First Election Meeting, the elected nominees will determine the Directorship Position each will hold. Thereafter, the nominee receiving the largest number of votes as to each Directorship Position to be filled will be elected to the applicable Directorship Position to be filled at the meeting. Cumulative voting is not permitted.

5.5 Vacancies on Board of Directors.

5.5.1 Resignation, Death, Disability or Removal. In the case of resignation, death, or disability to serve of any Director, or in the case of any other vacancy on the Board of Directors due to any other cause other than removal by Owners as provided in **Section 5.5.2**, the vacancy will be filled by the affirmative vote of a majority of the remaining Director or Directors then in office though less than a quorum of the entire Board.

5.5.2 Removal by Owners. Any Director may be removed, either for or without cause, at any special meeting of Owners by the affirmative vote at the meeting of the Owners of not less than a majority of all Lots then contained in the Subdivision. The notice calling such meeting must give notice of the intention to act upon such matter. If one or more Directors are removed, then the Owners present, in person or by proxy, must set a date, which is not less than ten nor more than forty-five days after the date of the meeting, for a subsequent special meeting of the Owners to fill the vacancy or vacancies.

5.5.3 Automatic Removal. If the Board is presented with written and documented evidence from a database or other record maintained by a governmental law enforcement authority that Director, or a prospective or nominated nominee, has been convicted of a felony or crime involving moral turpitude, the Director or nominee is then immediately ineligible to serve on the Board, automatically considered removed from the Board, and prohibited from future service on the Board. Any vacancy so created will be filled by the Board as provided in **Section 5.5.1**.

5.5.4 Removal by Board. For cause, a Director may be removed from the Board at any special meeting of the Board by the affirmative vote of all of the remaining Directors. Without regard to the foregoing, any Director who is absent from three consecutive meetings of the Board or who is absent from three meetings of the Board during any calendar year may be removed by the affirmative vote of all of the remaining Directors. Any vacancy so created will be filled by the Board as provided in **Section 5.5.1**.

5.6 Powers and Duties of the Board of Directors. The Board of Directors will exercise for the Association all powers, duties and authority vested in or delegated to this Association and not expressly reserved to the membership by other provisions of these Bylaws, the Association's Certificate of Formation, or the Declaration, including without limitation as follows:

(a) cause to be kept an appropriate record of its acts and corporate affairs, and to present a general summary statement thereof, written or verbal, to the Members at each annual meeting of the Members;

(b) supervise all officers, agents and employees of this Association, and see that their duties are properly performed;

(c) designate hire, and dismiss the personnel necessary for the operation of the Association and the maintenance, operation, repair, and replacement of its properties, including all Community Properties, and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(d) permit utility suppliers to use portions of the Community Properties as it may deem to be reasonably necessary to the ongoing development, maintenance or operation of the Subdivision;

(e) make or contract for the making of repairs, additions, and improvements to or alterations of the Community Properties in accordance with applicable provisions of the Declaration, these Bylaws or other Governing Documents after damage or destruction by fire or other casualty;

(f) fix the amount of Assessments, deposit the proceeds thereof in such banks and/or other depositories that it may approve and designate the required signatories, use and disperse the proceeds, and to take such actions as it deems appropriate to collect all Assessments due to the Association and to enforce the liens given to secure payment thereof, all as more particularly described in the Declaration;

(g) procure and maintain such liability and hazard insurance as it may deem appropriate on any properties or facilities owned or maintained by the Association, including insurance coverage as required by the Declaration, if any;

(h) cause any officers or employees having fiscal responsibilities to be bonded, if and as it may deem appropriate;

(i) enforce by legal means the provisions of the Declaration, these Bylaws, Rules and Regulations and other Governing Documents, and bring any proceedings that may be instituted on behalf of or against the Owners concerning the Association; and

(j) in general, to manage the business and affairs of the Association in accordance with and to enforce the provisions of all Governing Documents.

5.7 Settlement of Claims. Without limitation of any other provisions hereof regarding powers of the Board, the Board of Directors is specifically authorized to compromise and settle any and all claims, demands, liabilities and causes of action whatsoever held by or asserted against the Association upon such terms and conditions as the Board may determine, and the decisions of the Board as to any of the foregoing is final and conclusive.

5.8 Managing Agent. The Board may from time to time employ a Managing Agent for the Association for such compensation, and to perform such duties and services, as determined and authorized by the Board. The Board must file or caused to be filed appropriate management certificates in accordance with Section 209.004 of the Texas Property Code.

ARTICLE VI

Meetings of Directors

6.1 Board Meeting Defined. "Board meeting," "meeting of the Board" and any similar reference to any meeting of the Board of Directors, whether or not capitalized:

6.1.1 means a deliberation between a quorum of the voting Board of the Association, or between a quorum of the voting Board and another person, during which the Association's business is considered and the Board takes formal action; and

6.1.2 does not include the gathering of a quorum of the Board at a social function unrelated to the business of the Association or the attendance by a quorum of the Board at a regional, state, or national convention, ceremonial event, or press conference, if formal action is not taken and any

discussion of Association business is incidental to the social function, convention, ceremonial event, or press conference.

6.2 Annual Organizational Meeting. Within thirty days after each annual meeting of Owners at which the Owners elect Directors, the Board of Directors will hold an annual organizational meeting for the purposes of (i) electing all officers of the Association, and (ii) the transaction of such other business as may be properly brought before it.

6.3 Regular Meetings. Regular meetings of the Board of Directors will be held when called by the President of the Association or by any two Directors. Regular meetings of the Board of Directors may also be held in accordance with a predetermined schedule as from time to time adopted by the Board.

6.4 Special Meetings. Special meetings of the Board of Directors will be held when called by the President of the Association or by any two Directors.

6.5 Quorum. A majority of the number of Directors as set by these Bylaws constitutes a quorum for the transaction of business at any meeting. Every act or decision done or made by a majority of the Directors present in person or by proxy at a meeting at which a quorum is present is the act of the Board.

6.6 Board Meetings and Actions.

6.6.1 Form of Meetings. The Board may meet or act in any manner as provided in **Section 7.1** without prior notice to Owners except as provided in **Section 6.7.1**.

6.6.2 Unanimous Consent. The Board may take action by unanimous written consent without holding a meeting, providing notice, or taking a vote regarding any routine and administrative matters, or a reasonably unforeseen emergency or urgent necessity that requires immediate Board action. Any action so taken must be summarized orally and documents in the minutes of the next regular or special Board meeting as provided in **Section 6.8**.

6.6.3 Open Meetings. Except as provided in **Section 6.6.4** regarding closed executive sessions, Board meetings are open to all Members of the Association. Notwithstanding the foregoing, any Member who is not a Director may participate in a Board meeting only if (i) the Member has filed a written request with the Association or any Director to be placed on the meeting agenda at least forty-eight hours prior to the start of the meeting stating in such request the purpose or purposes of his or her attendance, and in such case the requesting Member's participation is limited to the stated purpose(s), or (ii) the Member is expressly authorized to participate by majority vote of the Board.

6.6.4 Closed Executive Sessions. The Board of Directors may adjourn a Board meeting and reconvene in closed executive session to review and consider any actions involving (i) personnel, (ii) pending or threatened litigation, (iii) contract negotiations, (iv) enforcement actions, (v) confidential communications with the Association's attorney, (vi) matters involving the invasion of privacy of individual Owners, or (vii) matters that are to remain confidential by request of the affected parties and agreement of the Board. Following an executive session, any decision made by the Board in executive session must be summarized orally in general terms and placed in the minutes, without breaching the privacy of individual Owners, violating any privilege, or disclosing information that was to remain confidential at the request of the affected parties. The oral summary must include a general explanation of expenditures approved in closed executive session, if any.

6.6.5 Director Proxies. A Director may vote in person or by proxy executed in writing by the Director. All Director proxies must be in writing, must bear the signature of the Director giving the proxy, and must specify the date on which the proxy was executed. Each Director proxy expires three months after the date the proxy was executed. Each proxy is revocable unless otherwise provided in the proxy or made irrevocable by law.

6.7 Notice to Owners.

6.7.1 When Required. The Board may not, unless done at an open meeting for which prior notice to Owners was given, consider or vote on:

- (a) fines;
- (b) damage assessments;
- (c) initiation of foreclosure actions;
- (d) initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety;
- (e) increases in assessments;
- (f) levying of special assessments;
- (g) appeals from a denial of architectural control approval;
- (h) a suspension of a right of a particular Owner before the Owner has an opportunity to attend a Board meeting to present the Owner's position, including any defense, on the issue; or
- (i) any other matters if and as currently or hereafter required by Texas Property Code, Section 209.0051.

6.7.2 Method. When notice to Owners of a Board meeting is required, all Owners must be given notice of the date, time, place, and general subject of each regular or special Board meeting, including a general description of any matter to be brought up for deliberation in closed executive session. The notice of each Board meeting must be given in at least one of the following manners:

- (a) by mailing to each Owner not later than the tenth day or earlier than the sixtieth day before the date of the meeting, or
- (b) provided at least seventy-two hours before the start of the meeting by (i) posting the notice in a conspicuous manner reasonably designed to provide notice to Owners in a place located on the Association's common area property, or on any Internet website maintained by the Association, and (ii) sending the notice by email to each Owner who has registered an email address with the Association.

6.7.3 Recesses. If the Board recesses a regular or special Board meeting as to which notice to Owners of the meeting is required by this **Section 6.7** to continue the following regular business day, the Board is not required to give notice of the continued meeting if the recess is taken in good faith and not to circumvent this **Section 6.7**. If a regular or special Board meeting is continued to the following

regular business day, and on that following day the Board continues the meeting to another day, the Board must give notice of the continuation in at least one manner as set forth in **Section 6.7.2(b)** within two hours after adjourning the meeting being continued.

6.7.4 Owner Registration of Email Address Required. IT IS THE DUTY OF EACH OWNER TO KEEP AN UPDATED EMAIL ADDRESS REGISTERED WITH THE ASSOCIATION, INCLUDING AS PROVIDED IN **SECTION 10.05** OF THE DECLARATION. REGISTRATION AS AFORESAID IS REQUIRED FOR THE PURPOSES OF RECEIVING NOTICES AND OTHER COMMUNICATIONS, INCLUDING NOTICES OF BOARD MEETINGS. THE BOARD MAY ESTABLISH OTHER PROCEDURES FOR REGISTRATION OF EMAIL ADDRESSES, WHICH PROCEDURES MAY BE REQUIRED FOR THE PURPOSE OF RECEIVING NOTICES AND OTHER COMMUNICATIONS, INCLUDING NOTICES OF BOARD MEETINGS.

6.8 Meeting Minutes and Records. The Board must keep, or cause to be kept, a record of each regular and special Board meeting, including as to any meeting held by Electronic Means, in the form of written minutes of the meeting. Any action taken without notice to Owners must be summarized orally, including an explanation of any known actual or estimated expenditures so approved, and documented in the minutes of the next regular or special Board meeting. In any case a record of any vote must be kept. Documentation in the minutes as aforesaid may be by attachment to the applicable minutes of the minutes (or copy thereof) of the prior meeting(s) or action(s), or of the applicable unanimous consent (or copy thereof). The Board must make meeting records, including approved minutes, available to a Member for inspection and copying on the Member's written request to the Association's Managing Agent at the address appearing on the most recently filed management certificate or, if there is not a Managing Agent, to the Board.

ARTICLE VII

General Provisions Regarding Meetings, Directors and Officers; Alternative Forms of Meetings or Action; Committees

7.1 Location, Time and Notice; Meeting by Electronic Means.

7.1.1 Method. Directors, Owners or committee members may hold and participate in any of their respective meetings in person, by Electronic Means, or by any combination of these methods. The Board of Directors may contract with or otherwise engage an independent accounting firm, Internet online service or similar independent third party or company to call or conduct any such meeting, including the conducting, tabulation and verification of any vote taken at the meeting. Participation in any meeting by Electronic Means constitutes presence at the meeting for all purposes.

7.1.2 Location, Date and Time of Meetings. Except when held by Electronic Means, each meeting of Owners, Directors or committee members must be held in the county in which all or a part of the Subdivision is located or in a county adjacent to that county. The President, if qualified as provided in **Section 3.6.2**, or the qualified Director or Directors, will determine the date and time of each meeting of Owners, and the location or Electronic Means, as applicable, for each meeting. Otherwise, all such matters will be determined by the person(s) calling the meeting in accordance with these Bylaws.

7.1.3 Method of Notice of Board or Committee Meetings. Notice to Owners of Board meetings must be given as provided in **Section 6.7**. Notice to Directors of Board meetings or to committee members of a committee meeting may be given orally, by personal delivery, by mail, by any method as provided in **Section 7.1.4** below, or by any combination of these methods. Regular Board

meetings may also be held pursuant to a predetermined schedule and/or predetermined Electronic Means without notice to Directors.

7.1.4 Methods for Notice of Owner Meetings, Including by Electronic Means. Notice of each meeting of Owners may be given by personal delivery, by mail, by Electronic Means, or by any combination of these methods. Each notice must state the date and time of the meeting, and: (i) if the meeting is not held solely by Electronic Means, the location of the meeting; and (ii) if the meeting is held solely or in part by Electronic Means (y) the notice of the meeting must specifically identify the form of communications system to be used and the means of accessing the communications system, and (z) reasonable procedures must be implemented to maintain confidentiality as required by these Bylaws or other Governing Documents, including as to confidentiality regarding any executive session of the Board or regarding voting by any Owner.

7.1.5 Purpose. The general subject of each regular or special Board meeting, including a general description of any matter to be brought up for deliberation in closed executive session, must be stated in the notice thereof to Owners as provided in **Section 6.7**. A general statement of the purpose or purposes must be stated in the notice of any special meeting of Owners, the Board or committee members. A general statement of the purpose or purposes of any other meeting of Owners, the board or any committee may be stated in any notice thereof, but failure to include the same will not preclude consideration and voting on any matter which could otherwise be considered or voted upon at the meeting.

7.1.6 Waiver of Notice. Notice of any meeting may be waived if the Person entitled to notice signs a written waiver of notice of the meeting, regardless of whether the waiver is signed before, at or after the time of the meeting. If a Person entitled to notice of a meeting participates in or attends the meeting, the Person's participation or attendance constitutes a waiver of notice of the meeting unless the Person participates or attends the meeting solely to object to the transaction of any business at the meeting on the ground that the meeting was not lawfully called or convened. Participation in any meeting by Electronic Means constitutes presence at the meeting for all purposes.

7.1.7 Closing of Meetings. Any meeting of Owners, Directors or committee members will be closed and not thereafter subject to adjournment (continuation) as determined by, and by announcement thereof by, the chairperson of the meeting. Any meeting which is not adjourned or recessed, including as provided in **Sections 4.5** and **6.7.3**, is conclusively presumed to have been closed.

7.2 Record Date.

7.2.1 The Board may from time to time fix a date as the record date (a "Record Date") for determination of the Owners of the Association entitled to receive notice of or to vote at any meeting of the Owners, to give written consent to action without a meeting of the Owners, or to exercise any rights regarding any other lawful action, all in accordance with this Section and Sections 6.101, 6.102 and 22.163, as applicable, of the Texas Business Organizations Code. The Record Date may not be earlier than the 60th day before the date of the action requiring the determination or the date the Board adopts the resolution providing for the applicable Record Date, whichever is later.

7.2.2 Unless otherwise established by the Board as provided in **Section 7.2.1**, the Record Date for determination of the Owners entitled to notice of, or to vote at a meeting of Owners, consent to action without a meeting or exercise any rights regarding any other lawful action is the fifth business day prior to the date notice thereof is given or the 60th day prior to the date of the applicable action, whichever is less.

7.2.3 The Record Date for determination of Owners entitled to notice of or to vote at a meeting of Owners is effective for an adjournment of the meeting unless the Board sets a new Record Date for determining the right to notice of or to vote at the adjournment.

7.2.4 Upon written request and submission of satisfactory proof of membership to the Board, the Board may (but is not obligated to) permit any Member to vote at a meeting of Owners, to consent to action without a meeting, or to exercise any other rights after the applicable Record Date, but in such case any right to notice is waived.

7.3 Action Without Meeting.

7.3.1 Unanimous Written Consent. The Board may act by unanimous written consent only as permitted by **Section 6.6**. Owners or committee members may take action without holding a meeting, providing notice, or taking a vote if each Owner entitled to vote on the action signs a written consent or consents stating the action taken. Any such written consent has the same effect as a unanimous vote at a meeting.

7.3.2 Less Than Unanimous Written Consent.

(a) In accordance with the Association's Certificate of Formation and Sections 6.202 and 22.220 of the Texas Business Organizations Code, the Owners or any committee members may take action without holding a meeting, providing notice, or taking a vote if a written consent, stating the action to be taken, is signed by the number of Owners or committee members necessary to take that action at a meeting at which all of the Owners or committee members are present and voting. The consent must state the date of on which each Owner or committee member signed the consent.

(b) A written consent signed by less than all of the Owners is not effective to take the action that is the subject of the consent unless, not later than the 60th day after date of the earliest dated consent delivered to the Association, a consent or consents signed by the required number of Owners are delivered to the Association.

(c) Any written consent signed pursuant to this **Section 7.3.2** must be promptly delivered to the Association or to the Association's Managing Agent, if any, in the manner prescribed by the Association in the consent, or, if not so prescribed, then by delivery to any Director or committee member by personal delivery acknowledged in writing, by mail, or by Electronic Means.

(d) The Association will promptly notify each Owner who did not sign a consent described by subsection (a) above of the action that is the subject of the consent.

(e) A consent under this Section may be executed in multiple counterparts, each of which will be deemed an original.

7.4 Owner Voting List. After a Record Date for notice of a meeting of Owners is set as provided in **Section 7.2**, the Association must, in accordance with Section 22.158 of the Texas Business Organizations Code, prepare an alphabetical list of the names and addresses of all voting Owners, and must make the list available to any voting Member, or to the Member's agent or attorney, for inspection, or for copying at the Member's expense for purposes of communication with other Members concerning the meeting.

7.5 Terms of Office; General Standard of Care.

7.5.1 Each Director and each officer will serve during his or her applicable term of office, and thereafter until their successor is appointed or elected, and has qualified.

7.5.2 Each Director and officer must discharge their duties in good faith, with ordinary care and in a manner each Director or officer reasonably believes to be in the best interests of the Association, and is not liable to the Association, to any Owner or Member or to any other Person for any action taken or not taken unless a person seeking to establish liability proves the Director or officer did not act in the aforesaid manner.

7.5.3 A Director or officer is not considered to have the duties of a trustee of a trust with respect to the Association, or with respect to property held or administered by the Association.

7.5.4 The provisions of this **Section 7.5** are in addition to, and may not be construed in any manner as a limitation as to, any other limitation of liability of any Director, officer, or any other Related Party of the Association as provided in the Declaration, these Bylaws or any other Governing Documents, or by law.

7.6 Compensation. No Director or officer may receive compensation for any services rendered to the Association in his or her capacity as a Director or officer. However, any Director or officer may be reimbursed for actual expenses incurred in the performance of his or her duties. In addition, subject to **Section 7.7** regarding interested Directors, any Director or officer may serve the Association in any other capacity as an agent or employee or otherwise and receive compensation therefore.

7.7 Interested Directors, Officers or Members.

7.7.1 Association Contracts and Transactions.

(a) In accordance with Section 22.230 of the Texas Business Organizations Code, this **Section 7.7.1** applies to a contract or transaction between the Association and (1) one or more Directors, officers or Members, or one or more affiliates thereof, or (2) an entity or other organization in which one or more Directors, officers or Members, or one or more affiliates or associates thereof (i) is a managerial official or member, or (ii) has a financial interest.

(b) An otherwise valid and enforceable contract or transaction is valid and enforceable, and is not void or voidable, notwithstanding any relationship or interest described by **Section 7.7.1(a)**, if any one of the following conditions is satisfied: (1) the material facts as to the relationship or interest and as to the contract or transaction are disclosed to or known by (i) the Board of Directors or the Owners and the Board or the Owners in good faith and with ordinary care authorize the contract or transaction by the affirmative vote of the majority of the disinterested directors or Owners, regardless of whether the disinterested Directors or Owners constitute a quorum, or (ii) the Owners entitled to vote on the authorization of the contract or transaction, and the contract or transaction is specifically approved in good faith and with ordinary care by a vote of the Owners, or (2) the contract or transaction is fair to the Association when the contract or transaction is authorized, approved, or ratified by the Board of Directors or the by Owners.

(c) Common or interested Directors or Owners may be included in determining the presence of a quorum at a meeting of the Board or of the Owners at which a contract or transaction is authorized.

(d) A person who has the relationship or interest described by **Section 7.7.1(a)** may (1) be present at or participate in and, if the person is a Director or Member, may vote at a meeting of the Board of Directors or of the Owners the contract or transaction is authorized, or (2) sign, in the person's capacity as a Director or Owner, a written consent to authorize the contract or transaction.

(e) If at least one of the conditions of **Section 7.7.2(b)(1)** or **(2)** is satisfied, neither the Association nor any Owner or Member will have a cause of action against any of the persons described by **Section 7.7.1(a)** for breach of duty with respect to the making, authorization, or performance of the contract or transaction because the person had the relationship or interest described by **Section 7.7.1(a)** or took any of the actions authorized by **Sections 7.7.1(d)**.

7.7.2 Board Member Contracts.

(a) In accordance with Section 209.0052(b) of the Texas Property Code, this **Section 7.7.2** applies to any contract between the Association and (1) a current Board member, or (2) a company in which a current Board member has a financial interest in at least 51% of profits, or (3) a person related to a current Board member within the third degree by consanguinity or affinity, as determined by Chapter 573, Texas Government Code (a great-grandparent, grandparent, parent, child, sister, brother, aunt, uncle, niece, nephew, grandchild or great-grandchild of the Board member, by blood or by marriage), or (4) a company in which the relative as described in subsection (c) above has a financial interest in at least 51 percent of profits.

(b) The Association may enter a contract with a current Board member, or a related relative or company as described in **Section 7.7.2(a)** only if (1) the Board member, relative or company has bid on the contract and the Association has received at least two other bids from persons not associated with the Board member, or the related relative or company, if reasonably available in the community, and (2) the Board member (i) is not given access to the other bids, (ii) does not participate in any Board discussions regarding the contract, and (iii) does not vote on the award of the contract, and (3) the material facts regarding the relationship or interest are disclosed to or known by the Board, and a majority of the Board members who do not have an interest authorize the contract in good faith and with ordinary care and (4) the Board certifies that the requirements of Section 209.0052(b) of the Texas Property Code have been satisfied by a resolution approved by a majority of the Board members who do not have an interest as described in **Section 7.7.2(a)**.

(c) The provisions of this **Section 7.7.2** do not apply to a contract entered into by the Association prior to the Conversion Date as defined in the Declaration or to a contract or transaction between the Association and an officer or a Member.

7.8 Committees. The Board of Directors may, by resolution adopted by a majority of the Directors in office, from time to time appoint, organize, reorganize and abolish such committees as it may deem desirable. Any committee which will have or exercise any authority of the Board in the management of the Association must be established in accordance with Section 22.218 of the Texas Business Organizations Code. The foregoing does not apply to the Architectural Control Committee as to which all applicable provisions of the Declaration apply and control.

ARTICLE VIII

Officers and Chairpersons

8.1 Enumeration of Offices. The officers of this Association are a president, a vice president, a secretary, and a treasurer, each of whom must be a member of the Board of Directors, and such other officers as the Board may from time to time by resolution create. The same person may not simultaneously hold the offices of President and Secretary. Any two or more offices may otherwise be held by the same person.

8.2 Election; Term. The officers of this Association will be elected annually by the Board at its annual organizational meeting, and each will hold office for one year and until his or her successor is elected and qualified unless he or she resigns sooner, or is removed, or otherwise become disqualified to serve.

8.3 Resignation and Removal. Any officer may be removed from office at any time and with or without cause by the Board of Directors. Any officer may resign at any time by giving written notice to the President or any Director. Such resignation will take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation by the Board of Directors will not be necessary to make it effective.

8.4 Vacancies. Any vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy will serve for the remainder of the term of the officer he or she replaces.

8.5 Chairpersons for Member and Board Meetings. The President of the Association will act as the chairperson of all meetings of Owners and all meetings of the Board of Directors. In the President's absence, or if the President is unable or unwilling to act, then the chairperson will be, in the following order if any of the following officers are absent or unable or unwilling to act, the Vice President, the Treasurer, or the Secretary. In lieu of the foregoing, the Board may designate the Managing Agent (or any employee of the Managing Agent) or any other person to act as chairperson.

8.6 Duties of Officers and Chairpersons.

8.6.1 President. The President is the chief executive officer of the Association and has, subject to control of the Board of Directors, general supervision, direction and control of the business and officers of the Association, and has general powers and duties of management usually vested in the office of president of a Texas nonprofit corporation. Specifically, but without limitation of the foregoing, the President will preside as chairperson at all meetings of the Board of Directors and of the Owners (except as otherwise provided in **Section 8.5**); will see that orders and resolutions of the Board are carried out; will sign as President all leases, mortgages, deeds and other written instruments and will cosign with any other officer all checks and promissory notes which have been first approved by the Board of Directors unless the Board has authorized the signature(s) by lesser officers; and, subject to advice of the Board of Directors, has general supervision, direction, and control of the affairs of the Association, and will discharge such other duties as may be required by the Board of Directors.

8.6.2 Vice-President. The Vice-President will act in the place and stead of the President in the event of his or her absence, or inability or refusal to act, and will exercise and discharge such other duties as may be required of him by the Board.

8.6.3 Secretary. The Secretary will record the votes and keep the minutes, or cause the same to be recorded and kept, of all meetings and proceedings of the Board and of the Owners; give notice of meetings of the Board and of the Owners; keep appropriate current records showing the Members and Owners of the Association together with their addresses; and will perform such other duties as required by the Board.

8.6.4 Treasurer. The Treasurer will receive and deposit in appropriate bank accounts all monies of the Association and will disburse such funds as directed by the Board of Directors; keep proper books of account; and keep accurate books and records of the fiscal affairs of the Association, and report on and make the same available for inspection by Members of the Association as required by the Board, these Bylaws or the Declaration; and will perform such other duties as required by the Board.

8.6.5 Interim and Other Officers.

(a) Except as otherwise expressly provided herein or in the Declaration, if at any time any officer is absent or otherwise unable or unwilling to act, the chairperson for any meeting or the Board may appoint on an interim basis any other officer, Director, Member or personnel of the Association's Managing Agent to perform the duties of that officer, provided that the same person may not simultaneously act as President or Secretary.

(b) Such other officers as the Board of Directors may from time to time create will have such duties as directed or required by the Board for such duration as determined by the Board.

8.6.6 Chairpersons. Chairpersons will establish agendas for meetings, call to order and preside over meetings, verify quorums, call for and conduct voting and verify or direct the proper verification of voting results as herein provided; resolve procedural disputes, decide who is entitled to the floor and limit the duration thereof as to any one Person, establish limits on the period of time to be allowed for discussion of any given issue, motion or other matters, and in general will supervise the orderly conduct of meetings and obtaining of correct expressions of the decisions made thereat. The chairperson's determinations as to any of the foregoing matters are final so long as made in good faith.

ARTICLE IX

Limitation of Liability; Indemnification

9.1 Definitions. In this **Section 9.1**:

9.1.1 "Association Representative(s)" means each current or former Director, governing person, officer, delegate employee and agent of the Association, as such terms are defined in the Texas Business Organizations Code.

9.1.2 "Claims" mean all losses, costs, liabilities, damages, and expenses (including all "expenses" as that term is defined in Section 8.001 of the Texas Business Organizations Code) incurred in connection with a Proceeding (including court costs, and fees and disbursements of counsel).

9.1.3 "Proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, arbitrative, or investigative, any appeal in such an action, suit, or proceeding, and any inquiry or investigation that could lead to such an action, suit, or proceeding.

9.2. Limitation of Liability. To the fullest extent allowed by the Texas Business Organizations Code, including Chapters 7 and 8 and Sections 22.221 and 22.235 thereof, an Association Representative is not liable to the Association, to any Owner or Member of the Association, or to any other Person for any act or omission by the Association Representative in the person's capacity as an Association Representative unless the person's conduct was not exercised in good faith, with ordinary care, and in a manner the Association Representative reasonably believes to be in the best interests of the Association.

9.3 Indemnification. To the fullest extent allowed by the Texas Business Organizations Code, including Chapter 8 thereof, the Association must indemnify, defend, and hold harmless, each Association Representative from and against all claims they may incur as a result of having been, being, or threatened to be made a named defendant or respondent in a Proceeding because they are or were an Association Representative, INCLUDING, IN EACH CASE, FOR CLAIMS BASED ON OR ARISING FROM SUCH PERSON'S SOLE, PARTIAL, OR CONCURRENT NEGLIGENCE, but excluding any such items incurred as a result of any act or omission for which the Association Representative is liable under the preceding **Section 9.2**. The Association must in like manner indemnify, defend and hold harmless each Association Representative from and against all claims such persons may incur as a result of appearing as a witness or other participant in a Proceeding that involves the affairs of the Association, or as a result of having performed or performing services for the Association. The rights of an Association Representative under this Section include the right to be paid or reimbursed by the Association for reasonable expenses incurred in defending any Proceeding in advance of its final disposition within a reasonable time after a written claim has been submitted to and received by the Association. The provisions of this **Section 9.3** constitute a determination that indemnification should be paid and a contract to indemnify as contemplated by Sections 8.103(c) and 8.151(d)(2) of the Texas Business Organizations Code. The determinations otherwise required by Section 8.101 of the Texas Business Organizations Code must be made as provided in Section 8.103 thereof.

9.4 Liability Arising From Conduct of Owners. Each Owner, and each Owner's tenants, must indemnify and keep indemnified, and defend, protect and hold harmless, the Association and all Association Representatives from and against all claims, damages, suits, judgments, court costs, attorney's fees, attachments and any and all other legal actions or proceedings whatsoever caused or arising, directly or indirectly, through the willful or negligent act or omission of an Owner, the Owner's tenants, or the family member, guests, invitees, servants, agents, employees or other Related Parties of either.

9.5 Additional and/or Subsequent Authority. To the fullest extent otherwise provided in other Governing Documents, or in the Texas Non-Profit Corporation Law, Texas Business Organizations Code, Texas Miscellaneous Corporation Laws Act, Chapter 84 of the Texas Civil Practice and Remedies Code, or any other statute, and to the fullest extent any Governing Documents or statutes may be enacted, construed or amended subsequently to the filing of the Association's Certificate of Formation to provide for further elimination or limitation of liability or further authorization of indemnification than as authorized, permitted or required by this **Article IX**, then such liability will be eliminated or limited and such right to indemnification will be expanded to the full extent permitted by such other Governing Documents and/or statutes, and any enactment, construction or amendment thereof.

9.6 Report to Members. So long as required by the Texas Business Organizations Code, any indemnification of or advance of expenses to an Association Representative must be reported in writing to all Owners upon the earlier to occur of (i) with or before the notice or waiver of notice of the next meeting of Owners, or (ii) with or before the next submission to Owners of a consent to action without a meeting, or (iii) within twelve months after the date of the indemnification or advance.

9.7 No Impairment. Any repeal or modification of this **Article IX** by the Members of the Association or otherwise may not adversely affect any right or protection existing at the time of any such repeal or modification.

ARTICLE X

Miscellaneous

10.1 Association Books and Records.

10.1.1 Maintenance. The Association must keep current and accurate books and records of the business and affairs of the Association, including financial records, and including minutes of the proceedings at any meeting of the Board and any meeting of Owners. The Committee must also keep and maintain records evidencing the final decision(s) of the as provided in the Declaration.

10.1.2 Policies. The Association must retain Association books and records in accordance with and every Owner may inspect and copy books and records of the Association in accordance with, the Association's policies as to the same which must be adopted in accordance with Section 209.005 of the Texas Property Code. The Board at any time may from time to time adopt and amend such other policies regarding Association books and records as deemed necessary or appropriate, including with regard to or concerning the aforesaid initial Payment Plan, Documents Inspection and Copying and Documents Retention Policies.

10.2 Amendment.

10.2.1 By Board. The Association, by two-thirds vote of the Board of Directors, may amend these Bylaws (i) in the same manner and for the limited purposes as provided in the Declaration for amendment of the Declaration by the Board of Directors, or (ii) in any other manner deemed necessary or appropriate by the Board, but subject in any such case to **Sections 10.2.2** and **10.2.3**. The foregoing does not apply to amendment of **Section 5.1** regarding the number of Directors composing the Board of Directors which may be amended only as provided in **Section 10.2.2**.

10.2.2 By Owners. These Bylaws may be amended in whole or in part, at any annual or special meeting of the Owners. The notice for any meeting of the Owners at which any amendment of these Bylaws is to be considered must state such purpose, and must contain or be accompanied by a true and correct copy of the proposed amendment(s) or a summary statement thereof. In the event of any conflict between any provisions of any amendment adopted by the Board pursuant to **Section 10.2.1** and any provisions of any amendment adopted by the Owners as provided in this **Section 10.2.2**, the provisions of the amendment adopted by the Owners will control.

10.2.3 Binding Effect. Any amendment adopted in accordance with this **Section 10.2** is binding upon all Members and all Owners; provided that any amendment adopted prior to the Conversion Date as defined in the Declaration must be approved in writing by Declarant.

10.2.4 "Amendment" Defined. In these Bylaws the terms "amend", "amendment" or substantial equivalent mean and refer to any change, modification, revision or termination of any provisions of these Bylaws.

10.3 Notices. Unless otherwise expressly provided herein, all notices or other communications permitted or required under these Bylaws must be in writing and may be given in any manner permitted

by, and are deemed delivered as provided in, either the Declaration or these Bylaws. Refusal to accept delivery of any notice will be deemed actual notice and actual knowledge of the materials refused.

10.4 Conflicts. In the case of any conflict between the Certificate of Formation and these Bylaws, the Certificate of Formation will control. In the case of any conflict between the Declaration and these Bylaws or the Certificate of Formation, the Declaration will control.

10.5 Interpretation. All provisions of these Bylaws must be liberally construed to give full effect to their intent and purposes. The captions of each Article and Section are inserted only for convenience, and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the contents of the Article or Section to which they refer. Wherever the context requires, all words in the male gender are deemed to include the female or neuter gender, all singular words include the plural, and all plural words include the singular.

10.6 Severability. Whenever possible, each provision of these Bylaws will be interpreted in such manner as to be effective and valid, but if the application of any provisions of these Bylaws to any Person, to any property or to any circumstances is prohibited or held invalid, such prohibition or invalidity will not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and, to this end, the provisions hereof are declared to be severable.

10.7 Power of Attorney. A Person may execute any instrument related to the Association by means of a written power of attorney if an executed copy of the power of attorney is filed with the Association to be kept with the corporate records. Any such power of attorney may be revoked only by expiration of a stated term expressly set forth in the power of attorney or by filing of a written revocation with the Association, and the Association is not required to determine or comply with any other conditions for termination.

10.8 Applicability of Bylaws. All present or future Members and Owners, tenants thereof, and their respective officers, agents, employees, guests, invitees, or other Related Parties, and all other Persons occupying or residing within or upon the Subdivision or any Lot or utilizing any Community Properties in any manner, are subject to these Bylaws to the fullest extent permitted by law. The mere acquisition, occupancy, use or rental of any Lot or utilization of any Community Properties constitutes acceptance and ratification of these Bylaws, and agreement to strictly comply therewith.

10.9 Waiver of Interest in Corporation Property. All real and personal property, including all Community Properties and all improvements located thereon, acquired by the Association will be owned by the Association. A Member has no interest in specific property of the Association. Each Member hereby expressly waives the right to require partition of all or part of any and all such property.

10.10 Development Period. Notwithstanding any other provisions of these Bylaws or any other Governing Documents to the contrary, the provisions of Exhibit "A" attached hereto and incorporated by referenced herein apply during the Development Period (and thereafter as therein provided).

10.11 Fiscal Year. The fiscal year of the Association may be established from time to time by the Board of Directors absent which the Association's fiscal year will begin on the first day of January and end on the thirty-first day of December of each year.

10.12 Effective Date. These Bylaws are effective as of the date hereof and from and after the date of filing of the same in the Official Public Records of Real Property of Harris County, Texas, subject to amendment as herein provided.

[Signature Page Follows]

RP-2020-126874

DECLARANT'S CERTIFICATE OF ADOPTION

In accordance with the Declaration, Declarant hereby adopts the foregoing Bylaws of The Park at Highland Pines Property Owners Association, Inc., for and on behalf of the Association.

DATED: February 27, 2020


By: Unoserie, series of Cedege Holdings LLC,
a Texas limited liability company,
its General Partner

By: 
Name: J. David Gill
Title: Manager

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 27th day of February, 2020, by J. David Gill, Manager of Cedege Holdings LLC, a Texas limited liability company, General Partner of Unoserie.




Notary Public in and for the State of Texas

RP-2020-126874

EXHIBIT "A"
(TO BYLAWS OF THE PARK AT HIGHLAND PINES PROPERTY OWNERS ASSOCIATION, INC.)

DEVELOPMENT PERIOD PROVISIONS

A1.01 Application. Notwithstanding any other provisions of the Bylaws or any other Governing Documents to the contrary, the provisions of this Exhibit "A" to the Bylaws apply (and thereafter as herein provided). Any provisions of the Bylaws or any other Governing Documents which are inconsistent with or contrary to the provisions of this Exhibit "A," including any provisions regarding qualifications for members of the Board, the Committee or of any officers, are hereby specifically declared inapplicable regarding any such Directors, Committee members or officers who are appointed, reappointed, elected, removed or replaced by Declarant.

A2.01 Definitions. In addition to the definitions contained herein, all definitions set forth in the Declaration and in the Bylaws are incorporated by reference herein. The "Development Period" means the period of time during which Declarant retains and reserves all rights to facilitate the development, construction, and marketing of the Subdivision, and all rights to direct the size, shape, and composition of the Subdivision. The Development Period begins on the date of filing of the Declaration in the Official Public Records of Real Property of Harris County, Texas, and ends on the Conversion Date as provided in Section 3.5 of the Declaration. The "Declarant Control Period" means the period of time during which Declarant retains exclusive authority and control as to the operation and management of the Association, including all governing and budgetary functions of the Association. The Declarant Control Period begins on the date of filing of the Declaration in the Official Public Records of Real Property of Harris County, Texas, and ends upon occurrence of the date of transfer of Declarant control. The Development Period and the Declarant Control Period are independent periods which may or may not end on the same date.

A3.01 Declarant Rights. Notwithstanding any other provisions of the Bylaws or any other Governing Documents, during the Development Period (and thereafter as applicable) Declarant is fully authorized to exercise all Declarant rights and authority as provided in or permitted by the Declaration, the Bylaws, including this Exhibit "A" to the Bylaws, and all other applicable Governing Documents, independently and unilaterally, and without the joinder, vote or consent of, and without notice of any kind to, the Board, the Committee, any Owner or any other Person.

A4.01 Appointment of Directors, Officers and Committee Members. During the Declarant Control Period, Declarant has exclusive authority to appoint, reappoint, elect, remove or replace any and all members of, and to otherwise fill any and all vacancy as to, the Board, the Committee (including any designated representative of the Committee) and any officers of the Association.

A5.01 Meetings of Owners. During the Declarant Control Period, meetings of the Owners will be primarily informational. Any annual and other meeting of the Owners during the Declarant Control Period, including the "First Election Meeting" of the Owners, may be called and conducted in any manner permitted by the Bylaws or the Declaration or as otherwise determined by Declarant.

A6.01 Board Meetings and Actions. During the Declarant Control Period meetings of the Board are permitted but are not required. Except as otherwise required by Section 209.0051(i) of the Texas Property Code, during the Declarant Control Period the Board may meet and act in any manner permitted by the Declaration, the Bylaws, including this Exhibit "A" to the Bylaws, or the Texas Business Organizations Code. The foregoing includes without limitation holding of any meetings of the Board, the taking of any vote by the Board or the taking of any action by written consent without a meeting, and in

any such case without notice to, and without the joinder, vote or consent of any Member or Owner or of any other Person.

A7.01 Declarant's Veto Authority. During the Development Period Declarant has continuing and unilateral authority to veto any decisions or actions of the Owners and/or of the Board. The foregoing applies throughout the Development Period even if the Declarant Control Period ends prior to termination of the Development Period. The foregoing does not limit any required notices to Declarant as set forth in the Declaration, or in any other Governing Documents.

A8.01 NO IMPAIRMENT OF DECLARANT'S RIGHTS. NOTWITHSTANDING ANY OTHER PROVISIONS OF THE BYLAWS OR ANY OTHER GOVERNING DOCUMENTS, NO PROVISIONS OF THIS EXHIBIT "A" TO THE BYLAWS, AND NO OTHER RIGHTS OR LIMITATIONS OF LIABILITY APPLICABLE TO DECLARANT PURSUANT TO THESE BYLAWS, THE DECLARATION OR ANY OTHER GOVERNING DOCUMENTS, MAY BE AMENDED, MODIFIED, CHANGED OR TERMINATED IN ANY MANNER, EITHER DURING OR AFTER TERMINATION OF THE DEVELOPMENT PERIOD, WITHOUT THE PRIOR WRITTEN CONSENT OF DECLARANT.

RP-2020-126874

RP-2020-126874
Pages 29
03/19/2020 02:35 PM
e-Filed & e-Recorded in the
Official Public Records of
HARRIS COUNTY
DIANE TRAUTMAN
COUNTY CLERK
Fees \$124.00

RECORDERS MEMORANDUM

This instrument was received and recorded electronically and any blackouts, additions or changes were present at the time the instrument was filed and recorded.

Any provision herein which restricts the sale, rental, or use of the described real property because of color or race is invalid and unenforceable under federal law.

THE STATE OF TEXAS
COUNTY OF HARRIS

I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me; and was duly RECORDED in the Official Public Records of Real Property of Harris County, Texas.



Diane Trautman

COUNTY CLERK
HARRIS COUNTY, TEXAS

RP-2020-126874