

PEBBLE RIDGE ESTATES OWNERS ASSOCIATION BYLAWS

ARTICLE 1 - NAME

The name of this organization shall be the Pebble Ridge Estates Owners Association (PREOA), a non-profit organization, herein referred to as "the Association"

ARTICLE II - PURPOSE

The purpose of the association is to improve the neighborhoods of the Property on matters such as land use, environmental protection, property maintenance, property values and other matters of concern to the members of the PREOA, and to exercise the powers and to perform the duties and obligations of a Texas property owners association, in accordance with the governing documents of the Association and state law, as may be amended from time to time, for the benefit of the owners of lots within the Property.

ARTICLE III - DEFINITIONS

III.1. **Association** shall mean and refer to Pebble Ridge Estates Owners Association, a non-profit corporation under the laws of the State of Texas, its successors and assigns.

III.2. **Architectural Control Committee** shall mean the committee created pursuant to the restrictions covering the Property to review and approve plans for the construction of improvements upon the lots within the Property.

III.3. **Executive Board** and **Board** shall mean and refer to the Officers outlined herein duly elected by the members of the Association.

III.4. **Member** shall mean and refer to those persons entitled to membership as provided by the bylaws.

III.5. **Owner(s)** shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to the surface estate in any residential or commercial unit which is part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

III.6 **Lot** shall mean and refer to each part or parcel of the Property intended as and constituting the building site for one (1) single family residential dwelling for individual use and ownership and shall include both the land and the residential dwelling constructed thereon.

III.7. **Commercial Unit** shall mean and include all land areas and reserves other than residential lots and common areas as designated in the restrictions for Pebble Ridge Estates, Section One, DeWitt County, Texas. Said commercial units shall be the equivalent of one lot or proportional fraction thereof for the purpose of membership, voting rights, and assessment in and by the Association.

Buyer _____

III.8. Greenbelt/Amenity Area Shall mean all areas designated by the Pebble Ridge Estates Owners Association to be held as open space for passive or active recreational purposes for the benefit of all owners.

III.9. Improvement shall mean every structure and all appurtenances thereto of every type and kind located on the property, including but not limited to buildings, outbuildings, storage sheds, patios, tennis courts, basketball goals, swimming pools, garages, storage buildings, fences, trash enclosures, kennels, screening walls, retaining walls, stairs, decks, landscaping, landscaping structures exceeding ten (10) feet, poles, signs, exterior A/C, water softener fixtures or equipment and pools, pumps, wells, tanks, reservoirs, pipes, lines, meters, free standing antennas, towers and other facilities used in connection with water, sewer, electric, sewer, telephone, regular cable television, or other utilities.

III.10. Property shall mean and refer to all sections/units of Pebble Ridge Estates, including Sections One and Two, DeWitt County, Texas, and such other property within the development, which has been subdivided and shown on a map or plat recorded in the Plat Records of Dewitt County, Texas and brought within the scheme of these Bylaws in accordance with the provisions of a declaration of restrictions.

III.11. Supplemental Declaration shall mean and refer to any declaration of covenants, conditions, and restrictions which may be recorded hereafter in order to incorporate additional property into the development, to subject any area of the property to further covenants, conditions or restrictions, or to withdraw land from the property.

ARTICLE IV - OBJECTIVES

The objectives and purposes of the Association area as follows:

- a. Represent the interests of the Association's members in the neighborhood.
- b. Inform members of vital issues.
- c. Establish standing committees to investigate and make recommendations to the Board.
- d. Encourage the improvement of single family dwellings by residents and absent owners.
- e. Encourage the protection and safety for all residents.
- f. Provide information for members regarding home ownership, zoning, deed restrictions, rights, etc.
- g. Promote the preservation of natural green spaces, parks, trees, landscaping, and general land use management.
- h. Insure continuity of Association activities through maintenance of historical records.

ARTICLE V - MEMBERSHIP

V.1. Types. There shall be one (1) type of membership in the Association: Voting

V.2. Categories. There shall be one (1) membership category in the Association: Owners of residential or commercial property within the Property are automatically a Member of the Association regardless of whether they actually reside or occupy any part of a lot.

V.3. Membership Definitions and Eligibility Requirements. A voting member shall be a residential or commercial property owner within the Property.

V.4. Membership Qualifications. Membership in the Association is limited only to the Owners. Owners of more than one property within the Property are limited to one membership in the Association and have one (1) vote.

V.5. Membership Dues. Member dues shall be set by the Board of Directors and shall be payable prior to the Annual Meeting.

ARTICLE VI - MEMBERS: MEETINGS, QUORUM, VOTING, PROXIES

VI.1. Place of Meetings. Meetings of the Members of the Association shall be at such suitable place convenient to the Members as may be designated by the Board of Directors.

VI.2. Annual Meetings. Annual meeting of the Members shall be set by the Board so as to occur in January of each calendar year for the purpose of electing officers and directors and for the transaction of any other business as may come before the meeting.

VI.3. Special Meeting. The President may call special meetings of the Members. In addition, it shall be the duty of the President to call a special meeting of the Members of the Association if so directed by resolution of a majority of a quorum of the Board of Directors or upon a petition signed by at least twenty percent (20%) of the total votes of the Association. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

VI.4. Notice of Meetings. It shall be the duty of the Secretary to cause notices to be prepared concerning each annual or special meeting of the members of the Association, stating the purpose of any special meeting, as well as the time and place where it is to be held. Written notice of meetings of the Association will be given to an owner of each lot at least 10 days but not more than 60 days prior to the meeting. Notices will identify the type of meeting as annual or special.

Within 30 days after the board resolution setting a meeting or receipt of a petition to call a meeting, the Board must give all members notice of the special meeting. If the Board fails or refuses to call a special meeting in a timely manner, an ad hoc committee of

owners may do so provided the notice of meeting names the ad hoc committee and its individual members and further provided that the notice is delivered to an owner of every lot in accordance with these Bylaws.

VI.5. Waiver of Notice. Waiver of notice of any meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member shall be deemed waiver by such Member of notice of the time, date and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

VI.6. Quorum. Except as otherwise provided in these Bylaws, in the restrictions, or by state law, the presence in person or by proxy of Owners holding at least fifty one percent (51%) of the total votes of the Association shall constitute a quorum at all meetings of the Association. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal, during the course of the meeting, of enough Members to leave less than a quorum.

Additionally, for purposes of establishing a quorum on a special item to be voted on, absentee ballots and electronic ballots (the latter being those given by email or fax for which the identity of the property owner submitting the ballot can be confirmed) may be counted as an owner present and voting, but only if the absentee or electronic ballot contains each proposed special item action and provides an opportunity to vote for or against each proposed special item action and contains the following language: "By casting your vote via absentee ballot, you will forgo the opportunity to consider and vote on action from the floor on these proposals if a meeting is held. This means that if there are amendments to these proposals, your votes will not be counted on the final vote on these measures." If the exact language of a special item to be voted on was amended at the meeting to be different from the exact language on the absentee or electronic ballot, said ballot may not be counted to establish a quorum. Also absentee or electronic ballots may not be counted if the person casting the ballot actually attends the meeting to vote in person.

VI.7. Adjournment of Meetings. If any meetings of the Members of the Association cannot be held because a quorum is not present, a majority of the Members who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At such subsequent meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for the subsequent meeting is not fixed by those in attendance at the original meeting, or if for any reason a new date is fixed for the subsequent meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to the

Members in the manner prescribed for regular meetings.

VI. 8. Voting.

(a) The vote of the members representing at least a majority of the votes cast at any meeting at which a quorum is present shall constitute the decision of the members and bind all members for all purposes, except when a higher percentage is required by these Bylaws, the restrictions, or by applicable law. No Member can be disqualified from voting in an Association vote or election for any reason, including no Member can be denied to right to vote for their failure to pay their Association' assessments in full.

(b) If a lot is owned by more than one member, the one vote appurtenant to that lot is cast as follows:

If only one of the multiple owners of a lot is present at a meeting of the Association, that person may cast the one vote allocated to the lot. If more than one of the multiple owners is present, the one vote allocated to the lot may be cast only in accordance with the owners' unanimous agreement. Multiple owners are in unanimous agreement if one of the multiple owners casts the vote allocated to a lot and none of the other owners makes prompt protest to the person presiding over the meeting.

(c) Members may alternatively vote by absentee ballot or electronic ballot in accordance with Section VI.6 above.

(d) All votes cast in an election or vote by a member must be in writing and signed by the member except for uncontested elections of directors. A person who is a candidate 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, Government Code, may not tabulate or otherwise be given access to the ballots cast in that election or vote except as allowed by law. A person other than a person described in the previous sentence may tabulate votes but may not disclose to any other person how an individual voted.

VI. 9. Proxies. At all meetings of the Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon loss of good standing by any such Member or upon receipt of notice by the Secretary of the Board of the death or judicially declared incompetence of a Member or upon the expiration of eleven (11) months from the date of the proxy. A form of proxy or written ballot may provide an opportunity to specify approval or disapproval with respect to any proposal.

VI.10. Conduct of Meetings. The President (or, in the absence of the President, a Vice-President) shall preside over all meetings of the Association, and the Secretary or an Assistant Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring

thereat.

ARTICLE VII - ASSESSMENTS AND FUNDS

VII.1. Assessments. Additional fees or special assessments (in addition to membership dues), as approved by a majority of the membership at a meeting at which a quorum is present, may be levied on a uniform basis of the members to finance the Association's projects. All special assessments shall be due at the beginning of the year or in such a manner as the membership may decide.

VII.2. Funds. The Board shall establish a maintenance fund into which shall be deposited all monies paid the Association and from which disbursements shall be made in performing functions of the Association. The funds of the Association must be used solely for the purposes authorized by the restrictions or these bylaws, as it may from time to time be amended.

ARTICLE VIII – BOARD OF DIRECTORS

The Board of Directors shall only transact necessary business in the intervals between annual meetings and other business as referred to it by the membership, shall allocate funds for maintenance and operation, shall appoint all committee chairpersons, and will approve the work of such committees. The Board of Directors shall consist of four (4) elected officers of the Association: President, Vice President, Secretary, and Treasurer.

VIII.1. Eligibility. Board Officers/Directors shall be elected from the voting members at the Annual Meeting. If the Board is presented with written, documented evidence from a database or other record maintained by a governmental law enforcement authority that a member was convicted of a felony or crime involving moral turpitude not more than 20 years before the date the Board is presented with the evidence, that member is not ineligible to serve on the Board and prohibited from future service on the Board.

VIII.2. Terms. Board Officers/Directors shall be elected to serve for a one year term at the annual meeting each year. If re-elected by the membership, a Board Officer may serve for additional terms. The President may be re-elected by the members to serve a second year; he/she may serve as President for only two (2) consecutive years. Only one member of a household may serve on a Board at one time.

VIII.3. Nomination of Directors. Prior to each Annual Meeting of Members, the Board shall prescribe:

- (a) the opening date and the closing date of a reasonable filing period in which each and every Member who has a bona-fide interest in serving as a Director may file as a candidate for such position;
- (b) that each and every Member who has properly filed shall be included within the ballot;

- (c) that where three (3) or more candidates are vying for one position, election may occur by a plurality (rather than a simple majority) of the votes cast;
- (d) such other rules and regulations which may then be appropriate to conduct the nomination and election of directors in a fair, efficient and cost-effective manner. Each candidate shall be given a reasonable, uniform opportunity to communicate their qualifications to the Members and to solicit votes.

VIII.4. Duties of the Board Officers. Each Board Officer will serve as an ex-officio member of at least one Standing Committee and will attend Standing Committee meetings.

President. Shall preside at all meetings of the Board and the general membership. He/She shall be an ex-officio member of all committees. The President shall co-sign checks drawn on the account of the Association. The President shall vote only in the case of a tie vote. The President shall appoint a Financial Review Committee in December for reporting at the Annual Meeting.

Vice President. Shall fulfill the duties of the President in the Presidents absence, sign checks in the Presidents absence and shall serve as Parliamentarian of the Association.

Secretary. Shall be responsible for keeping accurate records of all business of the Association and outside correspondence of the Association. This shall include recording minutes of the general membership and Board meetings. He/She shall maintain adequate files and historical records to insure continuity of Association activities. He/She shall notify in writing members of the Annual meeting in a timely manner.

Treasurer. Shall be responsible for all the Association's financial accounts, send membership dues invoices in a timely manner each year, keep accurate accounts of receipts and expenditures, and shall co-sign checks written on the Association's account. The treasurer shall prepare and present a financial report a each Board meeting. All checks, bank withdrawals, financial transactions, legal contracts shall require signatures from two (2) officers. All financial accounts shall be reviewed annually by persons appointed by the President.

VIII.5. Vacancies. Subject to the exception below, vacancies on the Board caused by any reason are filled by a vote of the majority of the remaining directors, even though less than a quorum, at any meeting of the board. Each director so elected serves until the next meeting of the Association's membership, at which time a successor will be elected to fill the remainder (if any) of the term that was vacated. The exception to the board-elected replacements is the removal of a director by a vote of the Association's members, who will elect a replacement.

VIII. 6. Removal of Directors.

(a) Removal by Members. At any annual meeting of the Association or at any special meeting of the Association called for the purpose of removing a director, any one or more of the directors may be removed with or without cause by members representing 2/3rds of the vote at which a quorum is established and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the members must be given an opportunity to be heard at the meeting.

(b) Removal by Directors. A director may not be removed by the remaining directors, except a director may be removed by at least a majority of the other directors at a meeting of the board called for that purpose if 1) a director has been convicted of a felony or crime involving moral turpitude, as provided in Section VIII.1 above or 2) a director has been absent from three (3) consecutive regular meetings of the Board of Directors, unless confined by illness or other absence approved by a majority vote of those voting at any meeting thereof.

VIII. 7. Organizational Meetings. The first meeting of the Board of Directors following each annual meeting of the Membership shall be held within thirty (30) days thereafter at such time and place as shall be fixed by the Board.

VIII 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors, but at least two (2) such meetings shall be held during each calendar year. Notice of the time and place of the meeting shall be communicated to Directors not less than fourteen (14) days prior to the meeting; provided, however, notice of a meeting need not be given to any Director who has signed a waiver of notice or a written consent to holding of the meeting.

VIII. 9. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the president or any two directors. Notice of the call of a special meeting shall be in writing and delivered for transmission to each of the directors not later than the third day immediately preceding the day for which such meeting is called. Neither the business proposed to be transacted, nor the purpose of any special meeting of the board of directors need be specified in the notice or waiver of notice of such meeting.

VIII. 10. Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

VIII.11. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors.

VIII. 12. Conduct of Meetings. The President (or, in the President's absence, a Vice-President) shall preside over all meetings of the Board of Directors, and the Secretary or an Assistant Secretary shall keep a minute book of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings.

VIII.13. Open Board Meetings and Notice to Members of Meetings.

a) All meetings of the Board (excluding workshop meetings and executive sessions) shall be open to all Members, but except as provided in the next sentence, Members other than Directors may not participate in any discussion or deliberation and no audio or video recording of the meeting may be made unless the Board expressly so authorizes at the meeting. However, the Board shall allow an "open" or "new business" portion of the meeting in which any Member can express his/her opinion concerning any new or previously non-discussed matter, but the Board shall have at all times have to right to reasonably limit the number of speakers, the time limit for each presentation and speaker and to adopt other rules of efficiency and decorum.

b) Except as provided below, the Board must give notice to Members of the time, date and place of board meetings by either 1) mail to each property owner not later than 10 days nor earlier than 60 days before the date of the meeting, 2) at least 72 hours before the start of the meeting, sending notice by email to each Member who has registered an email address with the Association and either posting the notice in a conspicuous manner reasonably designed to provide notice to Members on any Internet website maintained by the Association or in a conspicuous place located on the Association's common property or located on privately owned property within the Properties. On the request of a member, the Association will provide that member with the time and place of the next regular or special meeting of the Board. The Board may prohibit attendance by any person who disrupts meetings or interferes with the conduct of board business.

c) Notwithstanding the above, a Board may meet by any method of communication, including electronic and telephonic, without prior notice to Members, if each director may hear and be heard by every other director, or a reasonably unforeseen emergency or urgent necessity requires immediate board action. The Board may also take action by unanimous written consent on routine or administrative matters. Any action taken without notice to Members must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting and documented in the minutes of the next regular or special Board meeting. However, the Board may not consider or vote on fines, damages assessments, initiation of foreclosure

actions, initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to public safety, increases in assessments, levying of special assessments, or appeals from a denial of architectural control approval without providing the notice of meeting to Members as provided in subsection b) above.

VIII.14. Executive Session and Workshops. The Board may, with approval of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, contract negotiations, enforcement actions, confidential communications with the Association's attorney, matters involving the invasion of privacy of individual owners or other business of a similar confidential nature. Executive sessions are not open to the Members. The nature of any and all business to be considered in executive session shall first be announced in open session. Following an executive session, any decision made in the executive session must be summarized orally and placed in the minutes, in general terms, without breaching the privacy of individual owners, violating any privilege, or disclosing information that was to remain confidential at the requests of the affected parties. The Board may also attend "workshop" meetings or sessions to receive educational assistance and training and the like, provided no Association business is discussed and no official action of any sort is taken.

ARTICLE IX - STANDING COMMITTEES

All Committee Chairpersons are encouraged to give a report each meeting and at the Board meetings. Chairpersons are also requested to recruit members in good standing to serve on the committees. Meeting minutes are to be prepared and available to the Board. A written annual report shall be prepared which includes the following: current/ future projects, timetable for accomplishing objectives, budget projections, and an update since the last report.

Each Committee Chairperson shall provide an after action report within 30 days of completing the assigned task. A financial accounting of each task shall be prepared by the treasurer with the assistance of the Committee Chairperson for the Board's review.

The Standing Committees shall be:

A. Architectural Control Committee (ACC). This Committee's election, duties and responsibilities are outlined in the restrictions covering the Property, as may be amended from time to time.

B. Hospitality/Welcoming Committee. Responsible for welcoming new residents to the subdivision and for planning, organizing, and implementing social events for the Association. The Chairperson will plan all events and with approval from the Board and within an approved budget.

C. Grounds Committee. Responsible for overseeing the attractive maintenance of the entry into the subdivision and any common areas of Pebble Ridge Estates. The committee shall have the authority to hire grounds crews within an approved budget.

ARTICLE X – BOOKS AND RECORDS

X.1. Required Books and Records. The Association will keep correct and complete books and records of account. The books and records include:

(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 certificate of formation, and any certificate of amendment, restated certificates, certificates of merger, certificates of consolidation, and statement of change of registered office or registered agent.

(b) A copy of all bylaws, including these Bylaws, and any amended versions or amendments to them.

(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 members, directors, officers, and any committee members of the Association and of such other contact information as is necessary or appropriate.

(e) A financial statement showing the Association's assets, liabilities, and net worth at the end of the seven (7) most recent fiscal years.

(f) A financial statement showing the Association's income and expenses for the seven (7) most recent fiscal years.

X.2. Document Retention Guidelines. The Association's documents are grouped into categories as set forth below. Although every conceivable document is not listed, the following list should indicate to which subcategory a particular document relates.

1. Corporate Records, including certificates of formation, bylaws, restrictive covenants, and all amendments to the certificates of formation, bylaws, and covenants must be retained permanently by the Association.
2. Financial Books and records must be retained for a minimum of seven years.
3. Minutes of meeting of the owners and the board must be retained for a minimum of seven years.
4. Tax returns and audit records and cancelled checks (federal, state and local) must be retained for a minimum of seven years.
5. Account records of current owners must be retained for a minimum of five years.

6. Contracts with a term of one year or more must be retained for a minimum of four years after the expiration of the contract term.

X. 3. Inspection and Copying. Any member, director, officer, or committee member of the Corporation may inspect and receive copies of all the corporate books and records required to be kept under the bylaws. Such a person may, by written request, inspect or receive copies if he or she has a proper purpose related to his or her interest in the Corporation. He or she may do so through his or her attorney or other duly authorized representative. The inspection may take place at a reasonable time, no later than ten (10) working days after the Corporation receives a proper written request.

X. 4. Audits. Any member may have an audit conducted of the Corporation's books. That member bears the expense of the audit unless the members vote to authorize payment of audit expenses. The member requesting the audit may select the accounting firm to conduct it. A member may not exercise these rights so as to subject the Corporation to an audit more than once in any fiscal year.

X. 5. Records Production and Copying Policy. Charges for examining and copying Association information are set out in the Records Production and Copying Policy adopted by the Association from time to time.

Except for information deemed confidential by law or court order, the Association will make its books and records open to and reasonably available for examination by Association members/property owners, or a person designated in a writing signed by the owner as the owner's agent, attorney, or certified public accountant, in accordance with the Texas Property Code Section 209.005. Owners are also entitled to obtain copies of information in the Association's books and records upon payment of the Charges for the copies. To the extent the Charges in this Policy exceed the charges in Title 1 Texas Administrative Code Sec. 70.3; the amounts in said section shall govern.

Information not subject to inspection by owners includes, but is not limited to:

1. Any document that constitutes the work product of the Association's attorney or that is privileged as an attorney-client communication;
2. Files and records of the Association's attorney relating to the Association, excluding invoices requested by an owner under Texas Property Code §209.008(d);
3. Except to the extent the information is provided in the meeting minutes or as authorized by Tex. Prop. Code §209.005(l);
 - a. Information that identifies the dedicatory instrument violation history of an individual owner;
 - b. An owner's personal financial information, including records of payment or nonpayment of amounts due the Association,
 - c. An owner's contact information, other than the owner's address; and
 - d. Information related to an employee of the Association, including personnel files.

If a document in the Association's attorney files and records relating to the Association would be responsive to a request by an owner to inspect or copy Association documents, the document will be produced by using the copy from the attorney's files and records if the Association has not maintained a separate copy of the document.

Separate policies may be adopted by the Association from time to time governing the procedures, costs and charges of Records Production and Copying.

ARTICLE XI- INDEMNIFICATION

XI. 1. When Indemnification is Required, Permitted, and Prohibited.

(a) The Association will indemnify a director, officer, member, committee member, employee, or agent of the Association who was, is, or may be named defendant or respondent in any proceeding as a result of his or her actions or omissions within the scope of his or her official capacity in the Association. For the purposes of this article, an agent includes one who is or was serving at the Association's request as a director, officer, partner, venturer, proprietor, trustee, partnership, joint venture, sole proprietorship, trust, employee-benefit plan, or other enterprise.

(b) The Association will indemnify a person only if he or she acted in good faith and reasonably believed that his or her conduct was in the Association's best interests. In 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 will 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 from the Association. 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. Termination of a proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent does not necessarily preclude indemnification by the Association.

(c) The Association will pay or reimburse expenses incurred by a director, officer, member, 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, member, committee member, employee, or agent of the Association to the extent permitted by law. However, the Association will not indemnify any person in any situation in which indemnification is prohibited above.

(e) The Association may advance expenses incurred or to be incurred in the defense of a proceeding to a person who might be eventually entitled to indemnification, even though there has been no final disposition of the proceeding. Advancement of expenses may occur only when the procedural conditions specified in Section 3 below, have been satisfied. Furthermore, the Association will never advance expenses to a person before final disposition of a proceeding if the person is a named defendant or respondent in a

proceeding brought by the Association or one or more members or if the person is alleged to have improperly received a personal benefit or committed other willful or intentional misconduct.

(f) The Board may, from time to time, define other and further requirements and limitations for the Association to indemnify directors, officers, members, or others related to the Association.

XI. 2. Extent and Nature of Indemnity. The indemnity permitted under these Bylaws includes indemnity against judgments, penalties, (including excise and similar taxes), fines, settlements, and reasonable expenses (including attorney's fees) actually incurred in connection with the proceeding. 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.

XI. 3. Procedures Relating to Indemnification Payments.

(a) Before the Association may pay any indemnification expenses (including attorney's fees), the Association must specifically determine that indemnification is permissible, authorize indemnification, and determine that expenses to be reimbursed are reasonable, except as provided in subparagraph (c), 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) If such a quorum cannot be obtained, by a majority vote of a committee of the Board, designated to act in the matter by a majority vote of all directors, consisting solely of two or more directors who at the time of the vote are not named defendants or respondents in the proceeding.

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

(iv) Majority vote of members, excluding directors or other members who are named defendants or respondents in the proceeding.

(b) The Association will authorize indemnification and determine that expenses to be reimbursed are reasonable in the same manner that it determines whether indemnification is permissible. If special legal counsel determines that indemnification is permissible, authorization of indemnification, and determination of reasonableness of expenses will be made as specified by subparagraph (a)(iii), above, governing selection of special legal counsel. A provision contained in the Certificate of Formation, or a resolution of members of the Board that requires the indemnification permitted by Section 1 of this Article, 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 will advance expenses before final disposition of a proceeding only after it determines that the facts then known would not preclude indemnification.

The determination that the facts then known to those making the determination would not preclude indemnification and authorization of payment will be made in the same manner as a determination that indemnification is permissible under subparagraph (a), above.

In addition to this determination, the Association may advance expenses only after it receives a written affirmation and undertaking from the person to receive the advance. The person's written affirmation will state that he or she has met the standard of conduct necessary for indemnification under these Bylaws. The written undertaking will provide for repayment of the amounts advanced by the Association if it is ultimately determined that the person has not met the requirements for indemnification. The undertaking will be an unlimited general obligation of the person, but it need not be secured and may be accepted without reference to financial ability to repay.

(d) Any indemnification or advance of expenses will be reported in writing to the Association's members. The report will be made with or before the notice or waiver of notice of the next membership meeting, or with or before the next submission to members of a consent to action without a meeting. In any case, the report will be sent within the 12-month period immediately following the date of the indemnification or advance.

ARTICLE XII---MISCELLANEOUS

XII.1. Parliamentary Rules. Except as may be modified by Board resolution establishing modified procedures, Robert's Rules of Order (current edition) shall govern the conduct of the Association proceedings when not in conflict with Texas law or these Bylaws.

XII. 2. Conflicts. If there are conflicts or inconsistencies between the provisions of Texas law, the restrictions covering the Property, and these Bylaws, then the provisions of Texas law, the restrictions, and the Bylaws (in that order) shall prevail.

XII.3. Notices. It is the responsibility of each member to provide the Secretary of the Association of his/her current address for purpose of making sure that the member receives proper notice of all meetings and other matters.

Any written notice required or permitted by these Bylaws may be given personally or by mail. If mailed, such notice shall be addressed to the owner at the owner's last known address as it appears in the records of the Association with postage thereon paid. Such notice may be faxed or emailed to an owner, provided the owner has consented to the delivery of such notice by such means by providing a written, signed request to the Secretary of the Association, which consent may be revoked at any time by the owner by means of written, signed notice to the Secretary of such revocation. Notice by fax or email, where permitted hereunder, is deemed to be delivered when successfully transmitted.

XII. 4. Amendments to Bylaws. Although the general authority for amending the Bylaws resides with the Members of the Association, certain amendments may be made by the Board of Directors, without a vote of the Members.

(a) Amendments by Directors---The Board may amend these Bylaws without the approval by the Members, provided the proposed amendment has the unanimous approval of the directors: (1) to correct mistakes in the Bylaws and (2) to conform the Bylaws to changes in controlling law applicable to any topic addressed in these Bylaws. All other amendments of these Bylaws must be approved by the Members as provided below.

(b) Amendments by Members--- The Association will provide or make available to the Members with any proposed amendment to the Bylaws. The proposed amendment will be included in the notice of any annual or special meeting of the Association at which the proposed amendment is to be considered.

Subject to the following limitation, an amendment to these Bylaws must be approved by members representing at least two-thirds of the votes at a properly called meeting of the Association for which a quorum is obtained and for which the above notice was given. In other words, if a quorum is established, the owners of two thirds of the lots represented at the meeting, even if less than two thirds of the total lots, may approve an amendment to these Bylaws.

Approved by 2/3rds vote of the members on _____, 2015

Secretary

Buyer _____

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Approved by 2/3rds vote of the members on SEPTEMBER 15, 2015

Linda Angalotua
Secretary

111093

Filed for Record
This, the 19th day of Oct. 2015
at 11:50 o'clock A M

NATALIE CARSON, COUNTY CLERK OF

DeWitt County, Texas
[Signature]
DEPUTY

Anderson Smith Nall & Stofer LLP
One Connor Plaza - 7th Floor
PO Box 1969 (envelope)
Victoria, TX 77902

STATE OF TEXAS - COUNTY OF DEWITT
I hereby certify that this instrument was filed on the date
and at the time affixed hereon by me and was duly
recorded in the volume and page of the Official Public
Records of DeWitt County, Texas. Vol. 554

Date Recorded: OCT 20 2015 Page 702-724



NATALIE CARSON, County Clerk
DeWitt County, Texas

By: [Signature]
Deputy Clerk

Buyer _____