

**AMENDED AND RESTATED BYLAWS
OF
BROWNS LANDING PROPERTY OWNERS ASSOCIATION**
Revised October 21, 2017

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ARTICLE ONE: GENERAL INFORMATION

Section 1. Name. The name of the corporation is BROWNS LANDING PROPERTY

OWNERS ASSOCIATION (hereinafter "the Association").

Section 2. Nature of Organization. The Association is a Texas non-profit corporation.

Section 3. Principal Office and Agent. The principal office of the Association shall be located at 5655 Browns Landing Dr., Chandler, Texas 75758, or at such other location in the State of Texas as designated by the Board. The Association shall maintain a registered agent in Texas.

Section 4. Subdivision. The Association was formed to serve as the property owners' association for the Subdivision.

Section 5. Declaration. The Subdivision is subject to the "Declaration of Covenants, Conditions, and Restrictions of Browns Landing Phase I" which was recorded on July 14, 2008 in Volume 2889, Page 839 of the Real Property Records of Henderson County, Texas, as they may be amended from time to time.

ARTICLE TWO: DEFINITIONS

The following words, when used in these Bylaws, shall have the following definitions and meanings:

1. ACC - The Architectural Control Committee as defined in the Declaration.
2. Annual Assessment - the payment due each year from each Owner to the Association.
3. Assessments - Includes Annual Assessments, Special Assessments, attorney's fees and expenses incurred in collecting those amounts, interest, late fees, and other charges deemed to be an Assessment by the Declaration (regardless of whether such charge is referred to as an assessment, charge, levy, lien, dues, fee, or otherwise).
4. Association - BROWNS LANDING PROPERTY OWNERS ASSOCIATION, a Texas Non-Profit Corporation.
5. Board - The Board of Directors of the Association.
6. Common areas - The real property in the Subdivision other than the Lots. This includes the roads, parking lot, parks, pavilion area, floating dock at the pavilion area, and any other area which now or in the future is owned by the Association and dedicated to common use and enjoyment by the Owners. It shall not include any roads or other areas which have been accepted for maintenance by a governmental entity. At the time of adoption of these Amended and Restated Bylaws, all Common Areas are owned by the Association. A Lot owned by the

Association may become a part of the Common Areas only if it is dedicated to common use by the Owners.

7. Developer - The Original Developers were Browns Landing Limited Partnership, Gary Brown, Nancy Brown, James Farley, Sunny Farley, and Nathan Brown. On September 12, 14, 18, 2017, the Developers signed a document conveying all their rights, powers, and duties as such to the Association.
8. Facilities - The Common Areas and all other real property, fixtures, or improvements to real property which are provided or owned by the Association.
9. Lot - Any plot or tract of land shown upon any recorded map(s) or plat(s) of the Subdivision, as amended from time to time, which is designated as a lot thereon.
10. Member - Any person or entity who is a record owner of an interest in any Lot. When a lot is being purchased pursuant to a contract for deed, the seller shall continue to be considered the "owner" and "member" until the conveyance of the property to the purchaser. The word "Owner" shall not include any person or entity who hold a bona fide lien or interest in a Lot merely as security for the performance of an obligation, or any person or entity which holds only a leasehold interest in a Lot. Membership is appurtenant to and may not be separated from ownership of a Lot.
11. Obligation - Any amount of money owed to the Association, including but not limited to dues, special assessments, cleanup costs, rental fees, late fees, fines, collection costs, attorney's fees, or other charges of any kind whatsoever.
12. Owner - Synonymous with "Member."
13. Declaration - The "Declaration of Covenants, Conditions, and Restrictions of Browns Landing Phase I" which was recorded on July 14, 2008 in Volume 2889, Page 839 of the Real Property Records of Henderson County, Texas, as they may be amended from time to time. As of October 21, 2017, there has been one amendment, the "First Amendment to the Declaration of Covenants, Conditions, and Restrictions of Browns Landing" which was recorded on July 9, 2010 in the Real Property Records of Henderson County Texas as Document Number 2010-00009137. Synonymous with "Restrictions," "Declaration," and "Covenants."
14. Special Assessment - A contribution assessed against each Member or lot other than the Annual Assessments, payable to the Association, as defined in the Declaration.
15. Subdivision - The real property in Henderson County, Texas commonly referred to as Browns Landing, including Phase I and Phase II, such property being more

16. particularly described in the Declaration.

ARTICLE THREE: PURPOSES AND POWERS

Section 1. Purposes. The specific purposes for which the Association is formed are:

1. To provide for the acquisition, construction, management, maintenance and care of the Association property;
2. To provide for and assist in maintenance, preservation and architectural control of the Subdivision and to promote the health, safety and welfare of the Members and residents;
3. To borrow money (if necessary) and to acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise of real or personal property in connection with the affairs of the Association, subject to the terms and provisions of, and limitations and prohibitions within, the Texas Business Organizations Code;
4. To cause the Common Areas to be maintained, operated, regulated and administered in accordance with any applicable terms and conditions of the Declaration or as may be otherwise prescribed by the Association;
5. To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as may be set forth in the Declaration or the Articles of Incorporation, or as may be otherwise prescribed by the Association;
6. To fix, levy, collect and enforce payment by any lawful means, all obligations owed to the Association, and to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including any licenses, taxes or governmental charges which may be levied or imposed against the common areas or any other property owned by the Association; and
7. Insofar as permitted by law, to do any other thing that, in the opinion of the Board, will promote the common benefit and enjoyment of the Members and residents of the Subdivision.

Section 2. Compliance with Laws. The Association shall at all times comply with such State and Federal laws and regulations so as to obtain and maintain, insofar as is possible, nonprofit status and exemption from taxation.

Section 3. Prohibited Activities. This Association is and shall be treated as a property owners association under Section 528 of the Internal Revenue Code of 1954. The Association does not contemplate pecuniary gain or profit to the Members thereof. No

part of the net earnings of the Association shall inure to the benefit of or be distributable to any Member, director or officer of the Association, or any private individual (except that reasonable compensation may be paid for services rendered to or for the Association related or pertaining to one or more of its purposes). No part of the activities of the Association shall include carrying on propaganda, or otherwise attempting to influence legislation, or participating in, or intervening in (including the publication or distribution or statements) any political campaign on behalf of any candidate for public office.

ARTICLE FOUR: MEMBERSHIP

Section 1. Members. The Association shall have one class of voting members. Every person or entity who is now or hereafter becomes an Owner shall automatically be and must remain a Member of the Association as long as that person or entity owns one or more Lots. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

The rights of membership shall not be exercised by any person until satisfactory proof has been furnished to the Secretary of the Association that the person is qualified as a Member. Such proof may consist of a copy of a properly executed and acknowledged deed showing conveyance of a Lot, with a file mark showing it has been recorded with the Deed Records of Henderson County, Texas. The Association may rely on a copy of such a deed in the absence of a conflicting claim presented to the Secretary.

Section 2. Voting Rights. Each Member shall be entitled to one vote in any election or vote on a proposal for each Lot owned by that Member. However, a Member only receives a vote for any Lot(s) for which the Member is obligated by the Declaration to pay assessments. No Member may be disqualified from voting in an election, or on any matter concerning Members' rights or responsibilities, because of failure to actually pay assessments to the Association, or for any other reason.

Section 3. Multiple Owners. When more than one person holds such interest or interests in any lot, all such persons shall be Members, but only one vote may be cast for that lot. The vote for such Lot shall be exercised as the owners shall determine among themselves. In the event of any dispute regarding voting among multiple owners, the first person listed as owner of record in the Henderson County tax rolls shall have the right to cast the vote. Any notice required to be sent to an Owner or Member may be delivered by sending notice to any one of the owners of a Lot.

Section 4. Assessments and Other Obligations; Lien. Each owner is obligated to pay all obligations on his or her lots. Maintenance fees must be received by the Association by the date payment is due in each calendar year. The Board can assess a late fee for accounts paid after that date. All obligations to the Association are secured by a lien upon each lot as set forth in the Declaration.

Section 5. Rights of Membership. All members, their families and authorized guests shall have the right to use all of the Association’s facilities to the extent permitted by and in accordance with the rules and regulations established by its Board. An Owner who leases a Lot to a tenant retains the right to cast any vote as Owner, but transfers his or her other rights associated with that Lot to use the Association’s facilities to the tenant; the Owner and tenant(s) are responsible for all duties imposed by these Bylaws, the Declaration, any Rules and Regulations, and the other governing documents of the Association and the Subdivision. Membership shall be evidenced by such card, certificate or other writing as the Board of Directors shall authorize. As to each membership which is not held by an individual, including those which are jointly held by two or more persons, a corporation, or by a partnership, the owner or owners shall designate one individual person who, along with his or her immediate family, shall be authorized to use the facilities. Members must have paid all obligations to the Association in full, or have a signed agreement with the Association for payment of those obligations, in order to exercise any other rights of Members except for voting and using the private streets. The membership rights of any Member, except for voting rights and the right to use the private streets, will be automatically suspended without the necessity for any action of the Board during the period when any obligation owed to the Association is unpaid. Upon payment of all obligations in full, the member’s rights and privileges shall be automatically restored.

Section 6. Violations. The Board may punish any owner, family member, guest, or tenant who violates the Declaration, these Bylaws, or the Rules and Regulations by a suspension of rights to the common areas or amenities for up to sixty days for each violation. In appropriate circumstances the Board may permanently prohibit a guest from using any of the facilities, and warn the guest that entry on Association property will constitute criminal trespass.

ARTICLE FIVE: MEETINGS OF THE MEMBERS
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Section 1. Annual Meeting. The Annual Meeting of the Members shall be in April each year, or at another time that the Board of Directors designates for good cause. The Board shall designate the time, place, and location of the meeting. At such meeting, the Officers shall deliver a report to the Members, the Officers shall present a proposed budget for the upcoming year, the elections for Director positions shall be conducted, and any other business may be transacted which is within the Members’ power.

Section 2. Special Meetings. Special meetings of the members shall be held when called by the President, by any two members of the Board, or by written request of any combination of members holding at least fifteen percent of the votes entitled to be cast. The purpose of any special meeting and business to be transacted shall be included in the notice.

Section 3. Place of Members’ Meetings. All Members’ meetings shall be held at a location in Henderson County, Texas, designated by the Board. If the Board of Directors

does not designate the place of a meeting of the members, the meeting shall be held at the Pavilion located at 5655 Browns Landing Drive, Chandler, TX, 75758.

Section 4. Determination of Voting Members. The Board may designate a record date no more than sixty days before each meeting of the Members, for determining the list of Members of the Association who are entitled to receive notice of that meeting and to vote at such meeting. If the Board does not designate another date, then the record date shall be the date notice of the meeting is sent. At least ten days but not more than sixty days before each meeting of members, the Secretary shall make a complete list of the members entitled to vote at such meeting. The list shall be arranged in alphabetical order, and shall list each member's address. The list shall be kept on file at the principal office of the Association or such other location which has been designated by the Board and shall be subject to inspection by any member at any time during the usual business hours, beginning no later than the second day after notice of the meeting is sent, and continuing for a period of at least ten days prior to the meeting. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any member at any time during the meeting.

Section 5. Notice of Meetings. Written notice of each meeting of the Members (other than a reconvened meeting) shall be sent to each Member along with an absentee ballot, instructions for returning it, and a conspicuously marked envelope for return of such ballot, at least ten but not more than sixty days before the meeting. Notice is deemed given (whether actually received or not) when hand delivered, or if mailed, when deposited with the United States Postal Service, postage prepaid. When the members are to vote on a proposal (rather than casting their votes for Directors), the notice shall include the exact wording of the issue on which the vote is to be held. Each absentee ballot shall include the following disclaimer:

"By casting your vote via absentee ballot you will forgo the opportunity to consider and vote on any 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 you desire to retain this ability, please attend any meeting in person. You may submit an absentee ballot and later choose to attend any meeting in person, in which case any in-person vote will prevail."

Section 6. Quorum. At a meeting of the members for which proper notice has been given, a quorum shall consist of members holding a majority of votes. Members who are present, represented by a valid proxy, or who cast a vote by absentee ballot or another method shall count as "present" for purposes of determining a quorum. Once the presence of a quorum has been confirmed, business may continue despite any failure to maintain a quorum during the remainder of the meeting.

Section 7. Procedure for Meetings of Members, Votes, and Elections. The following procedures shall govern all meetings of the Members and all votes by the members,

including elections:

- a. **Matters to be Considered.** Any Member may bring any matter before the Members at any meeting thereof, subject to any applicable notice requirements.
- b. **Methods of Voting.** Members may cast their votes in person, by proxy, or by absentee ballot. Members may cast their votes by electronic ballot if authorized by the Board. Members may cast their votes by another method of representative or delegated voting, but only if such method is authorized by the Bylaws or Declaration.
- c. **Electronic Ballots.** Electronic ballots, if authorized, may be cast by email, facsimile, or posting on a website. The Board must establish a method of verifying the Member's identity, and the Member must receive a receipt showing the ballot was cast and received. If an electronic ballot is posted on the Association's website, the Board shall cause a notice of the posting to be sent to each Member, containing instructions to obtain access to the posting on the website.
- d. **Absentee Ballots.** The Board shall establish procedures to authenticate absentee ballots. To be counted, each absentee ballot must be signed by the Member, received in the envelope sent with the ballot, and such envelope must be sealed. Absentee ballots which are not received in the office of the Association prior to the meeting of the members shall not be counted. Envelopes containing absentee ballots shall not be unsealed until the Election Committee opens them for the purpose of counting votes. Any vote cast at a meeting by a Member supersedes any vote submitted by absentee or electronic ballot previously submitted for that proposal. If a proposal is amended at the meeting so it differs in any way from the exact language on the absentee or electronic ballot, then any absentee or electronic ballots cast in favor or against the original proposal shall not be counted in the final vote on that proposal.
- e. **Registration of Candidates; Nominating Committee.** All candidates wishing to run for a position as a Director (other than write-in candidates), and all persons wishing to nominate another person to run for a position as a Director must register the candidate's name with the Association's office at least ninety days before the election. The President shall appoint a Nominating Committee of at least three members. On or before the date notice of the Annual Meeting of the Members is sent, said committee shall nominate persons whom it considers qualified and eligible to serve, as candidates for each Director position. The Nominating Committee shall designate at least as many candidates as the number of Directors to be elected that year. The Nominating Committee shall deliver its designations

in writing, and its report shall be sent with the notice of the Annual Meeting. All Members who are designated by the Nominating Committee or who register their names as candidates as set forth above shall be named as candidates on all ballots. All ballots shall also have a space for a write-in candidate for each Director position.

- f. **Nomination from the Floor.** Candidates not designated by the Nominating Committee and who do not register their name as candidates as set forth above may be nominated from the floor during the Annual Meeting of the Members. These candidates must meet all qualifications established by the Bylaws. Any person nominated from the floor in this manner will be a write-in candidate.
- g. **Endorsements.** No Officer or Director acting in his or her official capacity may endorse any candidate. Officers, and Directors may make endorsements of candidates in their individual capacities. The Board may endorse proposals, but may not endorse any candidate.
- h. **Conduct of Election.** The election of Directors shall be conducted at the Annual Meeting, except when filling vacancies. A separate election shall be conducted for each director position. Members shall not cast more than one vote for any one candidate or proposal. Following the casting of votes, all votes shall be tallied by the Election Committee, including absentee ballots. The persons receiving the most votes shall be elected to each open director position. Votes may not be counted by a candidate or any person related to a candidate within three degrees of consanguinity. No other person except for members of the Election Committee, including candidates, may have access to the ballots. The members of the Election Committee shall not disclose how anyone voted.
- i. **Uncontested Elections.** Ballots in uncontested races need not be written or signed.
- j. **Recounts.** Each Member may require a recount, by sending a signed request to the Association's address where absentee ballots are mailed, or to its President, by certified mail/return receipt requested within fifteen days after the meeting at which the election was held. The Association must execute a written contract retaining a qualified person to perform the recount, and send an Invoice to the Member specifying the costs. The Member requesting the recount must pay all costs of the recount in advance, within three days of receiving the invoice from the Association. A person is qualified to perform the recount if he or she is not a Member, is not related to the candidate or the Member requesting the recount by the third degree of consanguinity, and must be a current or former county judge, elections administrator, justice of the peace, county voter registrar,

or someone agreed to in writing by the Association and the Member requesting the recount. The recount must be completed within thirty days of receiving the request and payment. If the recount changes the results of the election, the Association must reimburse the Member for the costs.

- k. **Disposal of Ballots.** If no request for a recount is received within twenty-one days after an election, the ballots for that election shall be destroyed. If a recount is conducted, the Board shall meet when it is concluded and make a formal finding as to the outcome of that election, which shall be memorialized in the minutes of that meeting. After that meeting, the ballots for that election shall be destroyed.

ARTICLE SIX: BOARD OF DIRECTORS
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Section 1. General Purpose and Nature. The business and affairs of the Association shall be managed by the Board. The Board shall have the power to exercise all powers granted to the Association in the Declaration, as it may be amended from time to time. The Directors shall act only as a Board, and an individual Director shall have no power as such. The powers of the Board shall be subject to such limitations as are imposed by law, the Declaration, the Articles of Incorporation, and to these Bylaws. The Board of Directors shall try to act by consensus. However, the vote of a majority of Directors present and voting or voting by proxy at a meeting at which a quorum is present shall be sufficient to constitute the act of the Board of Directors unless the act of a greater number is required by law, the Declaration, or these bylaws. A Director who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the decision of the Board of Directors.

Section 2. Number, Qualification, and Tenure of Directors. The number of directors shall be an odd number between three and eleven, as designated by the Board. Each Director shall serve for a term of three years. The terms of Directors will be staggered so that at least one-third of the Board is elected each year. If the Board changes the number of Directors, it shall before the next election determine the length of time each such Directorship shall serve. No decrease in the number of Directors shall shorten the term of any Director. To be eligible for election or appointment as a director, a person must be a member of the Association and may not be convicted of a felony or crime of moral turpitude. Any person convicted of such a crime shall be considered automatically removed from his or her position as a director, and permanently disqualified from serving, upon presentation of proper evidence of the conviction from a governmental authority. No member may be prevented from running for or serving as a director for any other reason, including failure to pay assessments to the Association.

Section 3. Terms of Office. The term of office for all Directors shall be three years, except in the case of a vacancy or as initially needed to ensure that the Directors' terms are staggered. The term for each Director shall begin immediately following that Director's election held at the Annual Meeting of the Members, and shall end when that

Director's successor is elected. A Director may be elected to succeed himself or herself as Director.

Section 4. Powers and Duties. The Board shall be responsible for setting policy and for managing the general affairs of the Association, subject to the limitations imposed by law, the Declaration, the Articles of Incorporation, and these Bylaws. The Directors shall exercise ordinary business judgment in managing the affairs of the Association. Subject to those limitations, the Board may exercise all powers of the Association, including but not limited to the following:

- (a) To provide for the care, preservation and maintenance of the common areas and the furnishing and upkeep of any desired personal property for use in or on the Common area;
- (b) To make arrangements for security;
- (c) To pay taxes, insurance and utilities (including without limitation, electricity, gas, water and sewer charges) which pertain to the common areas only;
- (d) To obtain the services of a person or firm to manage the Association or any separate portion thereof, to the extent deemed advisable by the Board, and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board or by the manager;
- (e) To obtain legal and accounting services;
- (f) To obtain any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, taxes or special assessments which the Board is required to obtain or pay for pursuant to the terms of the Declaration or which, in its option, shall be necessary or proper for the operation or protection of the Association or for the enforcement of the Declaration.
- (g) To execute all declarations of ownership for tax assessment purposes with regard to any of the common areas owned by it as an incorporated entity;
- (h) To call for a special meeting or an annual meeting of the members;
- (i) To increase, decrease, amend, or modify the time and method of collection any and all matters and aspects of any kind or character whatsoever arising out of or related to the assessments;
- (j) To enter into contracts, maintain one or more bank accounts and to have all the powers necessary or incidental to the operation and management of the Association;

- (k) To protect or defend the common areas from loss or damage by suit or otherwise, to sue or defend in any court of law in behalf of the Association and to provide adequate reserves for repairs and replacements;
- (l) To prepare an annual financial report each year, and to make a copy of same available to each Member;
- (m) To enforce the provisions of the Declaration, Bylaws, and rules and regulations and to enjoin and seek damages and/or fines from any Member for violation of such provisions and rules; and
- (n) To exercise all other powers provided in the Declaration, Texas Business Organizations Code, and/or Texas Property Code, and all other implied powers necessary and proper to carry out its express powers.

Section 5. Policies, Rules and Regulations. The Board may adopt, amend, and repeal policies, rules, and regulations governing the use and enjoyment of the Common area, and to implement the provisions of this Declaration, these Bylaws, and Certificate of Formation, as they may be amended in the future. The Board of Directors may not adopt a policy, rule, or regulation governing a matter over which the Association is not granted power by the Declaration, these Bylaws, Certificate of Formation, or by law. The Board shall adopt such policies as are required by law. At the time of adoption of these Amended and Restated Bylaws, the law required policies on Open Records and Copying, Alternative Payment Schedules, and Document Retention.

Section 6. Rental Fees. The Board may also assess a fee for any lot which is occupied or possessed by any person or entity other than the Member, regardless of whether there is a lease agreement with the Member or whether any consideration is paid by the lessee. Both the Member and the person occupying or possessing the lot shall be responsible for paying the rental fee. Rental fees shall be due on the same date the Annual Assessment is due during each year.

Section 7. Vacancies. Any vacancy occurring in the Board as a result of resignation, death, or disability may be filled by the affirmative vote of a majority of the remaining directors. The remaining directors may make this appointment even though the vacancy prevents them from achieving a quorum. Any vacancy not resulting from resignation, death, or disability may be filled only by an election of the Members. A Director appointed or elected to fill a vacancy shall serve the unexpired term of the Director he or she was appointed to replace.

Section 8. Increase in Number of Directors. Any director position to be filled by reason of an increase in the number of directors shall be filled at any annual meeting of the Members or at a special meeting of the Members entitled to vote called for that purpose.

Section 9. Compensation. Officers and Directors shall not receive compensation for performance of their duties as such. A Director may serve the Association in any other capacity and receive compensation for those services. Any compensation that the Association pays to a Director shall be commensurate with the services performed, reasonable in amount, and approved by the other members of the Board. Any eligible Member may submit bids, make offers, or contract with the Board to perform services for the Association.

Section 10. General Duties for Officers and Directors. Each Officer and Director, and shall have the following duties:

- a. **Training.** Ensure that members are trained to serve on future Boards, especially for the person's position.
- b. **Planning.** Help the Board in creating a plan of action with specific goals for the year, especially in the person's area of responsibility, with input from the Members.
- c. **Communications.** Keep the Members and the Board informed about Association activities, especially in the person's area of responsibility, by making announcements at meetings and submitting information to the newsletter. Provide information to members regarding Association programs and affairs.
- d. **Information.** Actively participate in the decision-making process of the Association. Gather information about all issues before the Board, share that information with the Board, and engage in constructive discussion and debate at meetings. Provide recommendations to the President and Board on courses of action, reflecting the best interests of the Association and its members.
- e. **Governing Documents.** Gain a working knowledge of the Bylaws, Declaration, Articles of Incorporation, Rules and Regulations, and Robert's Rules of Order as they apply to the Association, comply with them, and help ensure that other Directors, Officers, and committee members comply. Advise the President and/or Board of inappropriate activity or violations.
- f. **Meetings.** Attend all meetings of the Members, Board, and any committees on which the Officer or Director serves whenever possible.

ARTICLE SEVEN: MEETINGS OF THE BOARD

Section 1. Place of Board Meetings. The Board of Directors may designate any place within Henderson County, Texas, either within or without the Subdivision, as the location of any regular or special meeting of the Board or Members. If the Board of Directors does not designate the place of meeting, the meeting shall be held at the Pavilion located at 5655 Browns Landing Drive, Chandler, TX, 75758.

Section 2. Annual Meeting. The annual meeting of each newly elected Board shall be held at the same place and immediately following the annual meeting of the members. Notice of this meeting shall be included with the notice of the annual meeting of Members.

Section 3. Regular meetings. Regular meetings of the Board should generally be held on at least a quarterly basis. The Board will allow, at its regular meetings, reasonable time for questions and concerns being raised by members. Any issue to be raised must be placed on the agenda prior to the commencement of the meeting.

Section 4. Special Meetings. Special meetings of the Board can be held when called by the President or by any two Directors. The person(s) calling a special meeting shall notify the Secretary of the purpose(s) of the meeting and any other required information. Special meetings shall not take the place of the regular Board meeting. The notice of a special meeting may specify the purpose of the meeting and the business to be transacted, but this is not required unless the matter is such that the Members, or a specific Member, is legally entitled to such specific notice.

Section 5. Notice of Meetings. The Secretary shall give Directors and Members notice of the date, hour, place, and general subject of each regular and special board meeting. The notice shall include a general description of any matter to be discussed in executive session. The notice shall be provided to each member by 1) mail sent between 10 and 60 days before the meeting, 2) posting the notice in a conspicuous manner at a place in the Subdivision which is reasonably designed to provide notice to Members, by posting it on the Association's website, at least 72 hours before the meeting, or 3) email sent at least 72 hours before the meeting to each Member who provided the Association with an email address.

Section 6. Notice to Affected Member. The Board may not consider or vote on any of these matters without prior notice to the member who will be directly affected by the decision: (1) fines; (2) damage assessments; (3) initiation of foreclosure actions; (4) initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety; (5) appeals from a denial of architectural control approval; or (6) a suspension of a right of a particular Member. In the notice to the Member who would be directly affected by the decision, the Board shall offer him or her an opportunity to attend a board meeting to present the Member's position, including any defense, on the issue.

Section 7. Quorum. A majority of the number of Directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The Directors present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough Directors leave the meeting so that less than a quorum remains. If a quorum is present at no time during a meeting, a majority of the Directors present may adjourn and reconvene the meeting one time without further

notice.

Section 8. Proxies. Directors may issue proxies to other Directors for specific meetings, but all such proxies are revocable.

Section 9. Open Meetings; Executive Session. Board meetings must be open to Members, except for a portion of a meeting conducted in executive session. The Board may adjourn a meeting and reconvene in executive session only to consider the following matters:

1. actions involving personnel;
2. pending or threatened litigation;
3. contract negotiations;
4. enforcement actions;
5. confidential communications with the Association's attorney;
6. matters involving the invasion of privacy of individual Members;
7. matters that are to remain confidential by request of the affected parties and agreement of the Board; and
8. other matters legally allowed to be considered in executive session.

The Board may not consider or vote on any of the following matters, except in an open meeting for which proper notice was given to owners:

1. fines;
2. damage assessments;
3. initiation of foreclosure actions;
4. initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety;
5. appeals from a denial of architectural control approval;
6. 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;
7. lending or borrowing money;
8. the adoption or amendment of a dedicatory instrument;
9. the approval of an annual budget or the approval of an amendment of an annual budget that increases the budget by more than 10 percent;
10. the sale or purchase of real property;
11. the filling of a vacancy on the board;
12. the construction of capital improvements other than the repair, replacement, or enhancement of existing capital improvements; or
13. the election of an officer.

If the Board takes action in executive session, the person who presides over the meeting must summarize the decision verbally and it must be described 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 request of the affected parties. The verbal summary must include a general explanation of expenditures approved in executive session.

Section 10. Minutes and Other Records. The Secretary shall take Minutes of all meetings of the Board and of the Members. In the absence of the secretary, the Board shall appoint an acting secretary to take minutes at all meetings of the Board and of the Members.

Section 11. Unanimous Written Consent. The Board may take action by unanimous written consent regarding routine and administrative matters, or a reasonably unforeseen emergency or urgent necessity that requires immediate action by the Board.

Section 12. Electronic Meetings. The Board may meet by any method of communication, including telephone, conference call, video conference, or other electronic method, without prior notice to Members, if each director may hear and be heard by every other director. The notice of a meeting by electronic methods must state the method by which the meeting will be conducted, provide instructions for calling in or connecting to the meeting, and include all other matters required to be included in the notice. A person's participating in an electronic meeting constitutes his or her presence at the meeting.

ARTICLE EIGHT: OFFICERS

Section 1. Officer Positions. The officers of the Association shall be a President, one or more Vice Presidents, a Secretary and a Treasurer. The Board may authorize an Assistant Secretary and/or Assistant Treasurer, and such other offices as it deems appropriate. The same person may hold any two or more offices, except that no person can simultaneously serve as President, Treasurer and Secretary. All officers shall be elected annually by the Board of Directors at the Annual Meeting of the Board, immediately following the Annual Meeting of Members. All officers shall hold office for a period of one year, or until his successor is duly elected and qualified.

Section 2. Eligibility of Candidates. To be eligible for election or appointment as an officer, a person must be a member of the Association and may not be convicted of a felony or crime of moral turpitude. Any person convicted of such a crime shall be considered automatically removed from his or her position as an officer, and permanently disqualified from serving, upon presentation of proper evidence of the conviction from a governmental authority. The Board may incorporate other requirements for eligibility to serve as an officer, by amending these Bylaws.

Section 3. Election of Officers. The Board, at its first meeting after each Annual Meeting of the Members, shall elect a President, Vice President, Treasurer, and a Secretary. The Board may appoint such other officers of the Association and agents, as may be deemed necessary.

Section 4. Term of Office. The officers of the Association shall hold office until the next Annual Meeting of the Board, or until their successors are elected.

Section 5. Duties of Officers. The Officers shall have such powers and duties as are generally associated with their respective offices and as may be specifically conferred by the Board, and the following specific duties and powers:

- a. **President.** The President shall be the chief executive officer. The chief executive officer shall preside at all meetings of the Members and the Board, and shall have such other powers and duties as usually pertain to such office or as may be delegated by the Board. The President shall see that all policies, orders, and resolutions of the Board are carried into effect. The President shall execute bonds, mortgages, deeds, contracts, and other documents on behalf of the Association, except where required or permitted by law to be otherwise signed and executed, and except where the signing and execution thereof shall be expressly delegated by the Board to some other officer or agent of the Association.
- b. **Vice President.** The Vice President, unless otherwise determined by the Board, shall, in the absence or disability of the President, perform the duties and exercise the powers of the President. The Vice President shall assist the President and shall perform such other duties and have such other powers as the Board shall prescribe.
- c. **Secretary.** The Secretary shall send notice of all meetings of the Board and/or Members, attend all meetings of the Board and all meetings of the Members, and record all the minutes of the meetings of the Members and of the Board. The Secretary shall be responsible for maintaining all other business records of the Association, including those which the Association is required to maintain by law, except for those under control of the Treasurer. The Secretary shall perform such other duties as may be assigned by the Board. The Secretary shall keep in safe custody the seal of the Association, and when authorized by the Board, affix the same to any instrument requiring it, and when so affixed, his or her signature shall attest it. If the secretary is not a director, he/she will not have voting rights as a Director.
- d. **Treasurer.** The Treasurer shall have the custody of the corporate funds and other financial assets of the Association, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association. The Treasurer shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board. The Treasurer shall prepare financial statements, cooperate with the Board and Officers to prepare an annual budget, and ensure that the Association complies with

all legal requirements regarding financial records and taxes. The Treasurer shall disburse the funds of the Association as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and the Board at its regular meetings, or when the Board so requires, an account of all his or her transactions as Treasurer and of the financial condition of the Association. The Treasurer will be responsible to give a report to the members at the Annual Meeting of the Members the status of the Association.

Section 6. Vacancies. Any vacancy occurring in officer positions may be filled by the Board.

Section 7. Bond. If required by the Board, the Treasurer shall give the Association a bond issued by a reputable company in such sum and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of his or her office and for the restoration to the Association, in case of his or her death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his or her possession or under his or her control belonging to the Association. The Association shall pay the costs of the bond.

Section 8. Removal of Officers or Directors. The Board may, by a unanimous vote of all the other Directors, remove a Director from office for good cause. The Board may, by a majority vote, remove an Officer from office, with or without good cause. Good cause shall include but not be limited to failing or ceasing to perform the duties of the office, failing to attend two or more Board meetings without a valid excuse, ceasing to be a Member, and violating the Declaration, these Bylaws, or other dedicatory instruments. The President or any three Officers may by written notice place the removal of any Officer or Director on the agenda for a future meeting. If an Officer or Director's removal is placed on the agenda, the President shall notify the Secretary, who shall send written notice to the person whose removal is to be considered, by certified mail, mailed at least twenty-one days in advance of the meeting. The Secretary shall also send written notice to each member of the Board, at least twenty-one days in advance of the meeting, but said notice need not be sent by certified mail. Said notice shall include notice of the proposed removal and the grounds for removal, as well as the time and place of the meeting at which removal is to be considered. At the meeting, the Association shall consider possible arrangements for resolving the problems that are in the mutual interest of the Association and the Director. The person whose removal is being considered shall have the opportunity to be heard at the meeting at which removal is to be considered.

ARTICLE NINE: COMMITTEES

Section 1. Appointment of Committees. The President shall appoint the chair and members of the Architectural Control Committee and Nominating Committee, with approval by the Board. The President may appoint other committees at any time,

designate their duties, and appoint persons to chair such committees, with the approval of the Board. The President and Vice President shall automatically be nonvoting members of all committees.

Section 2. Minutes. All committees shall keep regular minutes of their proceedings and shall promptly deliver those minutes to the Secretary. Each Committee shall report to the Board as needed or when required by the Board. The designation of such committees shall not operate to relieve the Board, or any member, thereof, of any responsibility imposed upon them by law.

Section 3. Architectural Control Committee. The Architectural Control Committee (ACC) shall be a standing committee. The ACC shall perform those duties which are set forth in the Declaration, and shall periodically report to the Board. The chair of the ACC shall see to it that minutes are kept for all meetings, and shall deliver those minutes to the Secretary.

Section 4. Dispute Resolution Committee. The Board may form a Dispute Resolution committee. The Committee shall be composed of no less than three members nor more than five. It shall be the duty of the Committee to receive complaints from members on any matter involving the Association functions, duties and activities within its field of responsibility, to receive information regarding those matters, and to make findings and issue recommendations for their resolution. The Committee shall report its decisions back to the Board for resolution if further action is required. All Members are required to present any complaints to the dispute resolution committee or to the Board before initiating any legal action against the Association.

ARTICLE TEN: PROCEDURES GOVERNING ALL MEETINGS

Section 1. Notice. Unless otherwise stated, any notice required or permitted by these Bylaws to be given to a director, officer, or member of a committee may be given by mail, by announcement at a regular Board meeting or at the Annual Meeting of the Members, by electronic mail sent to the person's last known e-mail address, or by posting on a bulletin board located outside the office of the Association. Actual notice shall be deemed sufficient. If mailed, a notice is deemed delivered when deposited in the mail addressed to the person at his or her address as it appears on the Association's records, with postage prepaid. A person may change his or her address in the Association's records by giving written notice of the change to the Secretary of the corporation. A written waiver signed by the person entitled to receive such notice is considered the equivalent to giving the required notice. A waiver of notice is effective whether signed before or after the time stated in the notice being waived. A person's attendance at a meeting constitutes waiver of notice of the meeting unless the person attends for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

Section 2. Vote Required. Whenever these Bylaws require approval of any action or decision, whether by the Board, the Membership, or any other body, then that approval

shall require a majority vote of the members of that body who are present at that meeting (including by proxy, if applicable), unless otherwise stated. Cumulative voting is prohibited.

Section 3. Quorum. Unless otherwise stated, a quorum of the Board, any committee, or any other body (other than a meeting of the members) shall consist of a majority of the members of that body. Once the presence of a quorum has been confirmed, business may continue despite any failure to maintain a quorum during the remainder of the meeting. If a quorum is not present during a Board or Committee meeting, a majority of the Directors or committee members who are present may adjourn and reconvene the meeting one time without further notice.

Section 4. Proxies. Proxies are allowed in any vote, including voting by the Board, Members, Committees, and all other bodies. A proxy must be signed by the person issuing it, and the date of the signature must be stated on the proxy. A proxy shall state whether it is valid for one specific meeting, or until it expires. A person who issued a proxy may revoke it in writing or by attending a meeting for which the proxy was issued. Any proxy that is not issued for specific meetings shall expire eleven months after it is executed. A person intending to cast a vote by authority of a proxy shall present the original proxy to the Secretary during or before the vote is taken.

Section 5. Open Meetings; Executive Session. All meetings and functions shall be open to attendance by all members except for executive sessions held during Board meetings. The Board may meet in executive session, not open to the Members or the public, provided that such session is as a committee of the whole. During Executive sessions, the Board may only consider actions involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, confidential communications with the Association's attorney, matters involving the invasion of privacy of individual Members, matters that are to remain confidential by request of the affected parties and agreement of the board, or other matters that a property owners' association is lawfully authorized to consider in executive 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 Members, 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 any expenditures approved in executive session.

Section 6. Adjournment. A quorum of the Directors may adjourn any Directors' meeting to meet again at a stated hour on a stated day. Notice of the time and place where an adjourned meeting will be held need not be given to absent Directors if the time and place is fixed at the adjourned meeting. In the absence of a quorum, a majority of the Directors present at any Directors' meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board.

Section 7. Parliamentary Procedure. Except where inconsistent with these Bylaws, all

meetings shall be governed by the most recently revised edition of Robert's Rules of Order.

Section 8. Conflicts Among Documents. In the case of any conflict between the Articles of Incorporation of this Association and these Bylaws, the Articles of Incorporation shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Section 9. Interpretation. Any dispute or question concerning the interpretation or meaning of these Bylaws shall be determined by the Board. The Board may consult the opinions of the General Counsel whenever appropriate, before making a determination regarding any such question.

ARTICLE ELEVEN: FINANCIAL MATTERS, BOOKS, AND RECORDS
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Section 1. Books and Papers. The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to the inspection of any Member. All minutes of Executive Sessions will be kept in a secured location and not be available for members review. Minutes of all other meetings shall be made available to any Member during the Association's regular business hours. Board shall comply with all laws regarding recordkeeping and availability of records to members, as set forth in the Texas Non-Profit Corporation Act. A copy of these Bylaws shall be provided to any Member by the Secretary upon request. The Corporation will keep correct and complete books and records of account, including the following:

1. Official documents - a file-endorsed copy of all documents filed with the Texas Secretary of State relating to the Corporation, including but not limited to the articles of incorporation, and any articles of amendment, restated articles, articles of merger, articles of consolidation, and statement of change of registered office or registered agent.
2. Corporate documents - A copy of all bylaws and any amended versions or amendments to them.
3. Minutes - Minutes of the proceedings of the members, Board, and committees having any of the authority of the Board.
4. Names and Addresses - A list of the names and addresses of the members, directors, officers, and any committee members of the Corporation.
5. Financial Statements - Financial statements showing the Corporation's assets, liabilities, and net worth at the end of the three most recent fiscal years, and showing the Corporation's income and expenses for the three most recent fiscal years.

6. Tax Rulings - All rulings, letters, and other documents relating to the Corporation's federal, state, and local tax status.
7. Tax Filings - The Corporation's federal, state, and local tax information or income-tax returns for each of the Corporation's three most recent tax years.

Section 2. Annual Independent Financial Examination. The Association's accountant or another qualified independent source selected by the Board, shall perform an annual examination of the financial records of the Association.

Section 3. Signatures for Release of Funds. The signatures of at least one Officer or Director shall be required on all checks and other authorizations for release of Association funds. The Board may authorize up to five Officers or Directors to be listed on the signature card.

Section 4. Transfer of Funds. Funds owned by the Association may not be transferred from one financial institution to another without unanimous approval of the Board.

Section 5. Restrictions. The officers shall present a proposed budget to the Members each year, at the annual meeting. The Members may suggest amendments to the budget for consideration by the Board, and the Board shall adopt an annual budget. The Board may only make expenditures which are not authorized in the budget if the Board expressly finds that the expenditure is urgent, or if the Board approves the expenditure unanimously. Urgent circumstances include safety issues, the need to prevent damage to property of the Association or members, or the likelihood that the costs will be substantially higher if the issue is not handled expeditiously. The Board shall not have the authority to borrow funds or incur indebtedness on behalf of the Association in excess of \$10,000.00, unless approved by the Members.

Section 6. Loans. The Association may not make loans to Officers or Directors.

Section 7. Interested Directors. Any Officer, Director, or Member who receives money from the Association for goods or property of any kind, or for services provided to the Association, must fully disclose all relevant circumstances to the Board before consummation of the transaction, and must abstain from any vote which relates to that transaction. These requirements are in addition to any other requirements of law or equity which apply to transactions involving self-dealing or conflicts of interest.

Section 8. Fiscal Year. The fiscal year of the Association shall be fixed by resolution of the Board.

Section 9. Application of Payments. Any payment received by the Association from a Member shall be applied in the following order of priority:

- (a) any delinquent assessment owed by the Member;

- (b) any current assessment owed by the Member;
- (c) any attorney's fees or third party collection costs incurred by the Association associated solely with assessments or any other charge owed by the Member, that could provide the basis for foreclosure;
- (d) any attorney's fees incurred by the association that are not subject to the foregoing subsection;
- (e) any fines assessed against the Member by the Association; and
- (f) any other amount owed by the Member to the Association.

ARTICLE TWELVE: GENERAL PROVISIONS

Section 1. Limited Liability. No Member, Director, or Officer shall be personally liable for debts contracted for or otherwise incurred by the Association or for a tort committed by another member, whether such other member was acting on behalf of the Association or otherwise.

Section 2. Association Property. The Association owns all real and personal property, including all improvements located on the property, acquired by the Association. A Member has no interest in specific property of the Association. Each member waives the right to require partition of all or part of the Association's property.

Section 3. Corporate Seal. The corporate seal shall have inscribed thereon the name of the Association. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced. In no event, however, shall any corporate seal be required to be affixed to any document or instrument in order to validate, effectuate or authorize the matters contained within said instrument on behalf of the Association.

Section 4. Use of Association Name. Any person or entity employing the name of the Association must have the prior approval of the Board.

Section 5. Enforcement Procedures.

- a. Notice. Before the Board may (i) suspend a Member's right to use a Common Area, (ii) file a suit against a Member other than a suit to collect any Assessment, (iii) foreclose the Association's lien, (iv) charge a Member for property damage, or (v) levy a fine for a violation of the Dedicatory Instruments, the Association or its agent must give written notice to the Member by certified mail, return receipt requested. The notice must describe the violation or property damage that is the basis for the suspension action, charge, or fine and state any amount due the Association from the Member. The notice also must inform the Member that the

Member (i) is entitled to a reasonable period to cure the violation and avoid the fine or suspension unless the Member was given notice and a reasonable opportunity to cure a similar violation within the preceding six months, (ii) may request a hearing on or before the thirtieth day after the date the Member receives the notice, (iii) may have special rights if the Owner is serving on active military duty, and (iv) state the date by which the Owner must cure a curable violation that does not pose a threat to public health and safety.

- b. Hearing. If the Member is entitled to an opportunity to cure the violation, the Member has the right to submit a written request for a hearing to discuss and verify facts and resolve the matter in issue before a committee appointed by the Board or before the Board if the Board does not appoint a committee. If a hearing is to be held before a committee, the notice must state that the Member has the right to appeal the committee's decision to the Board by written notice to the Board.

The Association must hold a hearing under this section not later than the thirtieth day after the date the Board receives the Member's request for a hearing and must notify the Member of the date, time, and place of the hearing not later than the tenth day before the date of the hearing. The Board or the Member may request a postponement, and, if requested, a postponement will be granted for a period of not more than ten days. Additional postponements may be granted by agreement of the parties. The Member or the Association may make an audio recording of the meeting.

The hearing will be held in executive session affording the alleged violator a reasonable opportunity to be heard. Before any sanction hereunder becomes effective, proof of proper notice will be placed in the minutes of the meeting. Such proof will be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered the notice. The notice requirement will be satisfied if the alleged violator appears at the meeting. The minutes of the meeting will contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board may, but will not be obligated to, suspend any proposed sanction if the violation is cured within a thirty-day period. Such suspension will not constitute a waiver of the right to sanction violations of the same or other provisions and rules by any person.

- c. Appeal. Following hearing before a committee, if any, the violator will have the right to appeal the decision to the Board. To perfect this right, a written notice of appeal must be received by the managing agent, if any, president, or secretary within thirty days after the hearing date.

- c. Lien. No officer, director, or representative of the Association may file with the deed records a lien, lien affidavit, or other instrument evidencing the nonpayment of assessments or other charges owed to a property owners' association,

because such documents are legal instruments affecting title to real property. Such documents may only be filed by the Association's attorney.

Section 6. Policies. The Board must adopt policies governing open records and copying, alternative payment schedules, and document retention.

Section 7. Dedicatory Instruments. The Board must cause its "dedicatory instruments" to be filed with the Henderson County Deed Records, as soon as possible. "Dedicatory instruments" includes each document governing the establishment, maintenance, or operation of the Subdivision. The term includes the Association's Declaration, Bylaws, any rules and regulations, any other governing documents, and any amendments to those documents. If the Association maintains a website, the Board shall cause all "dedicatory instruments" to be posted on its website so the members may download them.

Section 8. Management Certificate. The Board must cause a Management Certificate to be prepared in accordance with Texas Property Code § 209.004, and filed with the Henderson County Deed Records. The Board shall cause the Management Certificate to be updated and refiled whenever the information becomes obsolete.

Section 9. Resale Certificate. Upon proper request, the Association's officers shall prepare or cause to be prepared a resale certificate pursuant to Texas Property Code Chapter 207.

ARTICLE THIRTEEN: INDEMNIFICATION

Section 1. Definitions. As used in this Article, the following definitions apply:

- a. "Governing person" shall include any Officer or Director of the Corporation.
- b. "Proceeding" means any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, arbitative 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.
- c. "Indemnification" or "Indemnify" shall include payment of any judgments, penalties (including excise and similar taxes), fines, settlements, and any reasonable expenses actually incurred (including court costs and attorneys' fees) in connection with the proceedings.

Section 2. Indemnification Required. The Corporation shall indemnify a governing person, former governing person, delegate, officer, director, employee, or agent who was, is, or is threatened to be made a respondent in a proceeding, for acts and

omissions in the scope of their duties to the Corporation, whenever such indemnification is permitted by law.

Section 3. Indemnification Prohibited. Without regard to any other provision herein, the Corporation shall not indemnify any Director who is found liable on the basis that any personal benefit was improperly received by him from the Corporation, any Director who is found liable to the Corporation, or any Director found liable for willful or intentional misconduct in the performance of his duty to the Corporation.

Section 4. Advancing Expenses. The Corporation shall pay or reimburse reasonable expenses incurred by a governing person, former governing person, delegate, officer, director, employee, or agent who was, is, or is threatened to be made a respondent in a proceeding, for acts and omissions in the scope of their duties to the Corporation, in advance of the final disposition of the proceeding, whenever permitted by law and on the express condition that the Board of Directors confirm that, based on the information available at the time, it appears that the Corporation will be able to advance such expenses without preventing it from meeting its other financial obligations. As a condition of advancing such expenses, the governing person must deliver to the Corporation:

- a. A written affirmation of his good faith belief that he has met the standard of conduct necessary for indemnification; and
- b. a written undertaking by or on behalf of the Director to repay the amount paid or reimbursed by the Corporation if it is ultimately determined that he has not met that standard or if indemnification is otherwise prohibited.

The written undertaking must be an unlimited general obligation of the Director, but need not be secured. It may be accepted without reference to the Director's financial ability to make repayment.

Section 5. Rights Not Exclusive. The rights to indemnification granted herein shall not be deemed exclusive of any other rights to which such Officer, Director, or member may be entitled, under any bylaw, agreement, insurance policy or vote of members, statute, case, or rule of law, or otherwise.

Section 6. Insurance. The corporation may purchase and maintain insurance on behalf of any Director, insuring against any liability asserted against him and incurred by him in his capacity or arising out of his status as a Director, whether or not the Corporation would otherwise have the power to indemnify him.

ARTICLE FOURTEEN: AMENDMENT OF BYLAWS AND ARTICLES

Section 1. Amendment of Bylaws. These Bylaws may be amended in whole or in part at any time by one or more instruments signed by the Owners of a majority of the Lots

in the Subdivision and recorded in the real property records of Henderson County, Texas. An authenticated document bearing the signatures of the Owner of a Lot, which attests that the Owner has reviewed and approves the proposed amendment, shall constitute conclusory proof of those facts and shall evidence the Owner's approval of the amendment, regardless of whether the amendment is attached to the document. Notwithstanding the above, those provisions of the Bylaws which are governed by the Articles of Incorporation of this Association may be amended only by also complying with the procedures for amending the Articles of Incorporation, in addition to the procedures for amending the Bylaws.

Section 2. Amendment of Articles of Incorporation. The Articles of Incorporation may be amended by a majority vote of the members at a properly called meeting. Notice of that meeting shall include either a general description of the nature of the proposed amendment, or a verbatim statement of the amendment.

CERTIFICATION

I certify that the foregoing document, the "Amended and Restated Bylaws of Browns Landing Property Owners Association" was duly adopted by the owners of a majority of the lots in the Browns Landing Property Owners Association at the Special Meeting of the Association held on _____, 2017.

BARRY BERESIK, Secretary

STATE OF TEXAS
COUNTY OF _____

This instrument was Acknowledged before me on _____, 2017
By BARRY BERESIK

Notary Public, State of Texas

JERRY SUGGS, President

STATE OF TEXAS
COUNTY OF _____

This instrument was Acknowledged before me on _____, 2017
By JERRY SUGGS.

Notary Public, State of Texas