

BYLAWS
OF
OAKS OF WINDCREST POA, INC.
A Texas Nonprofit Corporation
Fredericksburg, Gillespie County, Texas

These Bylaws pertain to OAKS OF WINDCREST IV, OAKS OF WINDCREST IV-A and OAKS OF WINDCREST IV-B, residential planned communities and additions to the City of Fredericksburg, Texas, which are subject to the Declaration of Covenants, Conditions, Restrictions and Easements for Oaks of Windcrest IV, Oaks of Windcrest IV-A and Oaks of Windcrest IV-B recorded or to be recorded in the Real Property Records, Gillespie County, Texas. These Bylaws are to be recorded in the Real Property Records of Gillespie County, Texas.



**TABLE OF CONTENTS
FOR BYLAWS OF
OAKS OF WINDCREST POA, INC.
(A Texas Nonprofit Corporation)**

	<u>Page</u>
ARTICLE I — NAME	1
1.1 NAME.....	1
ARTICLE II — PURPOSE AND OWNER OBLIGATION	1
2.1 PURPOSE.....	1
2.2 OWNER OBLIGATION.....	1
ARTICLE III — MEMBERSHIP AND VOTING	2
3.1 MEMBERSHIP.....	2
3.2 MEMBERSHIP LIST.....	2
3.3 VOTING.....	2
3.4 DESIGNATION OF REPRESENTATIVE.....	3
3.5 QUORUM.....	3
3.6 PROXIES.....	3
ARTICLE IV — ADMINISTRATION	3
4.1 ASSOCIATION RESPONSIBILITIES.....	3
4.2 PLACE OF MEETING.....	3
4.3 ANNUAL MEETINGS.....	3
4.4 SPECIAL MEETINGS.....	3
4.5 NOTICE OF MEETINGS.....	4
4.6 ADJOURNED MEETING.....	4
4.7 MOTIONS.....	4
4.8 FAILURE TO CALL AN ANNUAL MEETING.....	4
4.9 VOTING PROCEDURES FOR MEMBER BOTES.....	4
ARTICLE V — BOARD OF DIRECTORS	5
5.1 NUMBER.....	5
5.2 POWERS AND DUTIES.....	5
5.3 OTHER POWERS AND DUTIES.....	6
5.4 ELECTION AND TERM OF OFFICE.....	7
5.5 NOMINATIONS.....	7
5.6 QUALIFICATION.....	7
5.7 VACANCIES.....	8
5.8 REMOVAL OF DIRECTORS.....	8
5.9 ORGANIZATION MEETING.....	8
5.10 REGULAR MEETINGS.....	9
5.11 SPECIAL MEETINGS.....	9

5.12	MEETINGS BY TELEPHONE/OTHER REMOTE COMMUNICATIONS TECHNOLOGY.....	9
5.13	WAIVER OF NOTICE.....	9
5.14	CONDUCT OF MEETINGS.....	9
5.15	BOARD OF DIRECTORS QUORUM.....	9
5.16	MINUTES.....	10
5.17	VOTING.....	10
5.18	APPOINTMENT OF COMMITTEES.....	10
5.19	OPEN MEETINGS.....	10
5.20	LOCATION OF MEETINGS.....	10
5.21	NOTICE TO MEMBERS.....	10
5.22	SELECTION OF THE BOARD BY THE DECLARANT.....	11
ARTICLE VI — OFFICERS.....		11
6.1	DESIGNATION.....	11
6.2	ELECTION OF OFFICERS.....	11
6.3	REMOVAL AND RESIGNATION OF OFFICERS.....	11
6.4	PRESIDENT.....	12
6.5	VICE PRESIDENT.....	12
6.6	SECRETARY.....	12
6.7	TREASURER.....	12
6.8	AUTHORIZED AGENTS.....	12
ARTICLE VII — RULES AND REGULATIONS.....		12
7.1	RULES AND REGULATIONS.....	12
7.2	ADOPTION AND AMENDMENT.....	13
7.3	DISTRIBUTION.....	13
ARTICLE VIII — OBLIGATIONS OF THE OWNERS.....		13
8.1	FEES AND ASSESSMENTS.....	13
8.2	USE OF ANY COMMON AREAS.....	13
8.3	GENERAL.....	13
ARTICLE IX — AMENDMENTS TO BYLAWS.....		13
9.1	AMENDMENTS PRIOR TO END OF THE DEVELOPMENT PERIOD.....	13
9.2	AMENDMENTS AFTER END OF DEVELOPMENT PERIOD.....	13
ARTICLE X — MORTGAGES.....		13
10.1	NOTICE OF UNPAID ASSESSMENTS.....	13
ARTICLE XI — ACTIONS WITHOUT MEETINGS.....		14
11.1	CONSENT TO ACTION.....	14
11.2	NOTICE OF ACTION.....	14
ARTICLE XII — NONPROFIT ASSOCIATION.....		14
12.1	NONPROFIT PURPOSE.....	14

12.2	FILING OF PAPERS	14
ARTICLE XIII — INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHER AGENTS		15
13.1	INDEMNIFICATION OF DIRECTORS AND OFFICERS AND OTHER AGENTS	15
13.2	INSURANCE	15
ARTICLE XIV — DUE PROCESS PROCEDURES		15
14.1	ACTIONS REQUIRING NOTICE AND HEARING	15
14.2	NOTICE	16
14.3	HEARING	16
14.4	ACTIONS EXEMPT FROM NOTICE AND HEARING REQUIREMENTS	17
14.5	IMPOSITION OF FINE	17
14.6	REIMBURSEMENT OF EXPENSES AND LEGAL FEES	18
14.7	ADDITIONAL ENFORCEMENT RIGHTS	18
ARTICLE XV — GENERAL PROVISIONS		18
15.1	DEFINED TERMS	18
15.2	DECLARANT CONTROL DURING DEVELOPMENT PERIOD	18
15.3	FISCAL YEAR	19
15.4	OFFICES	19
15.5	MANAGEMENT CERTIFICATE	19
15.6	TABLE OF CONTENTS AND HEADINGS	19
15.7	CONSTRUCTION	19
15.8	SEVERABILITY	19
15.9	NOTICE TO CO-OWNERS	19
15.10	WAIVER OF NOTICE	19
15.11	RECORDS AVAILABLE TO MEMBERS	19

BYLAWS
OF
OAKS OF WINDCREST POA, INC.
(A Texas Nonprofit Corporation)

ARTICLE I
NAME

1.1 NAME. The name of the organization shall be Oaks of Windcrest POA, Inc., hereinafter called the "**Association**."

ARTICLE II
PURPOSE AND OWNER OBLIGATION

2.1 PURPOSE. The Association is organized and shall be operated exclusively as a homeowners association within the meaning of Section 528 of the Internal Revenue Code of 1986, as amended, or the corresponding provision or provisions of any subsequent United States Internal Revenue law or laws. The Association is a nonprofit corporation and shall have all of the powers, duties, authorizations and responsibilities for nonprofit corporations provided in the Texas Business Organizations Code. The primary purposes of the Association are as follows:

(a) To own, govern, operate and maintain any Common Areas situated in Oaks of Windcrest IV, Oaks of Windcrest IV-A and Oaks of Windcrest IV-B developments consisting primarily of single-family residential lots in the City of Fredericksburg, Gillespie County, Texas (the "**Property**");

(b) To provide compliance with the covenants and restrictions set forth in the Declaration of Covenants, Conditions and Restrictions and Easements for Oaks of Windcrest IV, Oaks of Windcrest IV-A and Oaks of Windcrest IV-B executed by OAKS OF WINDCREST, L.P., a Texas limited partnership ("**Declarant**"), and recorded or to be recorded in the Real Property Records of Gillespie County, Texas, as such Declaration may be supplemented or amended from time-to-time (the "**Declaration**"); and

(c) To operate and maintain, with or without an ownership interest, such other lands and facilities as may be necessary or appropriate to the enhancement of the Property, including any Common Areas.

2.2 OWNER OBLIGATION. All present or future Owners or tenants of any Lot or Parcel in the Property (the Lots, the Parcels, any Common Areas and any and all other real property now or hereafter encumbered by the Declaration, or any other Person who might use the facilities of the Property in any manner, are subject to the regulations set forth in these Bylaws. The mere acquisition of a Lot or occupancy of a Single-Family Unit will signify that these Bylaws are accepted, ratified and will be strictly followed.

ARTICLE III
MEMBERSHIP AND VOTING

3.1 **MEMBERSHIP.**

(a) Membership in the Association shall vest in accordance with the terms and provisions of the Declaration.

(b) The Association shall issue no certificates of stock.

(c) Declarant shall be a Member of the Association without regard to whether Declarant owns one or more specific Lots. Declarant may assign its membership interest in the Association under this subparagraph (c) to any Person by written instrument of assignment duly recorded in the Records, a copy of which shall be delivered to the Board. Conveyance of a property interest by Declarant alone shall not constitute an assignment of Declarant's membership interest under this subparagraph (c).

(d) The Association shall not be a voting member by virtue of its ownership of any Common Areas, any Lot or other portion of the Property.

3.2 **MEMBERSHIP LIST.** The Board must maintain a comprehensive list of Association Members for compliance with the Texas Business Organizations Code (the "**TBOC**"). The Association must make the membership list available to any Owner on written request, and may charge a reasonable fee for the cost of copying and delivering the membership list.

(a) **Types of Information.** At a minimum, the Association must maintain for each Lot the name and mailing address of at least one Owner, and a description of the Lot owned (if different from the mailing address). The Association may also maintain, as an Association record, additional contact information for Owners, such as phone numbers, fax numbers, email addresses, places of employment, emergency contact information, mortgage information, and any other items of information provided by Owners or obtained by the Association. Upon request, any Owner shall provide their email address if they desire that notices be sent to them via email in accordance with the terms of these Bylaws. Any and all records of the Association shall be kept and maintained in accordance with the Records Inspection, Copying, and Retention Policy set forth on Appendix "E" to the Declaration.

(b) **Source of Ownership Information.** In compiling the ownership or membership list, the Association may rely on any combination of (1) public records, such as tax rolls, (2) documentation provided by title insurance companies, (3) self-reporting by Owners and residents, and (4) any other reasonably reliable and customary source of ownership information. The requirement of maintaining ownership records may not be construed to require the Association to affirmatively investigate or research title to a Lot.

(c) **Information Available to Members.** Membership information to be maintained by the Association is similar to what is typically available to the public on the website of the appraisal district, and may not be considered confidential, private, or protected information as between the Association and its Members. Neither the Association nor a Member of the Association may sell or otherwise market the Association's membership information without the express prior consent of the Owners. Each Owner, by acquiring an ownership interest in a Lot, acknowledges that the Owner's contact information is a record of the Association that may be available to other Members of the Association.

3.3 **VOTING.** The Association shall give written notice (in accordance with Section

4.5 below) of the election or vote to (i) each Member, for purposes of an association-wide election or vote; or (ii) each Member entitled under the Declaration to vote in a particular representative election, for purposes of a vote that involves election of representatives of the Association who are vested under the Declaration with the authority to elect or appoint members of the Board. The Association shall have the voting membership as a provided in the Declaration. No cumulative voting shall be allowed at any meeting of the Members.

3.4 DESIGNATION OF REPRESENTATIVE. If any Lot is owned by more than one (1) Person, all of the Owners of such Lot shall execute and deliver to the Association no later than the commencement of each annual or special meeting of the Members of the Association (unless a valid proxy is already on file with the Association) a proxy appointing and authorizing one (1) individual to attend such annual and special meetings and to cast the vote allocated to such Lot. The requirements of this Section 3.4 must be satisfied before such Owners shall be deemed to be in good standing and entitled to vote at any annual or special meeting; provided, however, nothing herein shall disqualify a Member from voting if the vote is to elect the Board or if the vote is on any matter concerning the rights or responsibilities of such Member. However, if any Lot is owned by two (2) Persons who are legally husband and wife, either Person may execute a proxy or cast the vote allocated to such Lot.

3.5 QUORUM. Except as provided in these Bylaws or in the Declaration, the presence of the Members representing ten percent (10%) of the total votes In the Association shall constitute a quorum at all Association meetings. 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 departure of enough Members to leave less than a quorum, provided that Members representing at least five percent (5%) of the total votes in the Association remain in attendance, and provided that any action taken is approved by at least a Majority of the votes present at such adjourned meeting, unless otherwise provided in the Declaration.

3.6 PROXIES. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and in no event shall the proxy remain irrevocable for more than eleven (11) months.

ARTICLE IV **ADMINISTRATION**

4.1 ASSOCIATION RESPONSIBILITIES. The Members will constitute the Association. The responsibilities and affairs of the Association will be administered through the Board.

4.2 PLACE OF MEETINGS. All annual and special meetings of the Members shall be held at the principal office of the Association or at such other suitable and convenient place as may be permitted by law and from time to time fixed by the Board and designated in the notices of such meetings.

4.3 ANNUAL MEETINGS. The first annual meeting of the Members shall be held within one (1) year from the date of incorporation of the Association on a date and at a time set by the Board. Subsequent regular annual meetings shall be set by the Board so as to occur no earlier than one hundred (100) but not more than two hundred fifty (250) days after the close of the Association's fiscal year on a date and at a time set by the Board.

4.4 SPECIAL MEETINGS. The President of the Association shall call a special meeting of the Members if so directed by resolution of the Board or a petition signed by Members having not less than one-fifth (1/5th) of the votes entitled to be cast at such meeting and presented

to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof.

4.5 NOTICE OF MEETINGS. The Secretary shall send notices of annual and special meetings (or any other meeting in which a Member is required to be provided notice) to each Member, either personally, by facsimile transmission, by electronic mail or other form of electronic transmission if permitted by the TBOC and Texas Property Code, or by U.S. Mail (postage prepaid), directed to the last known physical address, electronic address or facsimile number of the Member, as shown on the records of the Association. The notice of any meeting of Members shall be delivered, transmitted electronically or by facsimile or mailed, as the case may be, not less than ten (10) days nor more than sixty (60) days before the date of such meeting and shall state the date, time and place of the meeting and the purpose or purposes thereof. If delivered personally, such notice may be left at the Member's residence in his absence. If requested, any mortgagee of record or its designee may be entitled to receive a similar notice.

4.6 ADJOURNED MEETING. If any meeting of Members cannot be organized because a Quorum has not attended, the Members who are present, either in person or by proxy, may adjourn the meeting until a Quorum is attained, as provided in Section 3.5 hereof.

4.7 MOTIONS. All motions or matters proposed for consideration by the Declarant at any annual meeting, special meeting, or another meeting of the Association shall be considered and voted upon by the Members, regardless of whether the Declarant's motion or another matter proposed for consideration has been seconded by any other Member of the Association.

4.8 FAILURE TO CALL AN ANNUAL MEETING. The Board must call an annual meeting of the Members of the Association. If the Board does not call an annual meeting of the Members, an Owner may demand that a meeting of the Members be called not later than the 30th day after the date of the Owner's demand. The Owner's demand must be made in writing and sent by certified mail, return receipt requested, to the registered agent of the Association and to the Association at the address for the Association according to the most recently filed management certificate. A copy of the notice must be sent to each Owner who is a Member. If the Board does not call a meeting of the Members on or before the 30th day after the date of such written demand, then, in accordance with Section 209.014 of the Texas Property Code, as amended, three or more Owners may form an election committee for the sole purpose of electing Board members.

4.9 VOTING PROCEDURES FOR MEMBER VOTES. Association ballots will be in writing and signed by the Member in order to be valid. An electronic ballot that is properly cast in accordance with the terms of these Bylaws and applicable law constitutes a written and signed ballot for these purposes. If an electronic ballot is posted on an Internet website, a notice of the posting will be sent to each Member and such posting will contain instructions on obtaining access to the posting on the website. The voting rights of a Member may be given (a) in person or by proxy at a meeting of the Association; (b) by absentee ballot, or (c) by electronic ballot. Absentee and electronic ballots may be counted as a present Member and voting for the purpose of establishing a quorum only for items appearing on the ballot. Properly delivered absentee and electronic ballots may not be counted if the Member actually attends a meeting to vote in person, so that any vote cast at a meeting by such Member replaces any previously submitted absentee or an electronic vote cast for the subject proposal. Absentee and electronic ballots may not be counted on the final vote of a proposal if the motion was amended in any way at the meeting so that it differed from the language on the absentee or electronic ballot. Any solicitation for votes by absentee ballot must include an absentee ballot that contains each proposed action and provides an opportunity to vote for or against each proposed item and instructions for delivery of

the completed absentee ballot, including the delivery location. Additionally, any solicitation for votes by absentee ballot must include the following language: “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.” A person who is a candidate in an Association election or who is the subject of an Association vote or a person related to such person within the third degree of consanguinity or affinity may not tabulate or otherwise be given access to the ballots cast in that election, except as part of any recount process. Not later than the fifteenth (15th) day after the date of the meeting at which the election was held, a person who was a candidate in an Association election or who was the subject of an Association vote, can require a recount of the votes. A demand for recount must be submitted in writing by certified mail, return receipt requested; or by delivery by the U.S. Postal Service with signature confirmation service to the Association’s mailing address as reflected on the latest management certificate filed in the Official Public Records of Travis County, Texas; or in person to the Association’s managing agent as reflected on the said recorded management certificate or to the address to which absentee and proxy ballots are mailed. The Member requesting the recount will bear the costs associated with the recount and pay such costs in advance, including but not limited to the cost to hire a qualified non-member of the Association; unless the recount changes the result of the election or vote. If the recount changes the result of the election or vote, the requesting Member will be reimbursed for any amounts paid in association with the recount. In the instance of a recount, the Association will enter into a contract for the services of a person who is not a Member or related to a Member within the third degree of consanguinity or affinity and is either a former county judge, county elections administrator, justice of the peace or county voter registrar. Any action by the Association in the period between the initial election vote tabulation and the completion of any recount is not affected by the outcome of such recount. Unless required by law, the provisions of this Section 4.9 do not apply to meetings of the Association during the Development Period.

ARTICLE V
BOARD OF DIRECTORS

5.1 NUMBER. The affairs of the Association shall be governed by a Board composed of such number of directors as shall be determined from time-to-time by the Board; provided, that the number of directors shall never be less than three (3) nor more than six (6). The initial directors of the Association are the following Persons, who, subject to Section 5.22, shall act in such capacity and shall manage the affairs of the Association until their successors are elected, and qualified, or until their respective deaths, resignations, disqualifications or removals from office:

<u>Name</u>	<u>Address</u>
Jon H. Starnes	4109 Front Range Lane Austin, TX 78732
Clarice (Terry) Starnes	4109 Front Range Lane Austin, TX 78732
Leslie C. Starnes	9226 Jollyville Rd., #151 Austin, TX 78759

5.2 POWERS AND DUTIES. Subject to the TBOC and any limitations in the Articles or these Bylaws, the Board shall have the powers and duties necessary for the operation and

maintenance of any Common Areas, any Common Maintenance Areas and the administration of the other responsibilities and affairs of the Association, including, without limitation, the powers and duties set forth in the Declaration. Subject to the provisions of the preceding sentence, the Board may do all such acts and things that are not by these Bylaws or by the Declaration directed to be exercised and done by the Members.

5.3 OTHER POWERS AND DUTIES. The Board shall also have the following additional powers and duties:

(a) To administer and enforce the covenants, conditions, restrictions, uses, limitations, obligations and other provisions of the Declaration.

(b) To establish and enforce schedules, procedures, rules, conditions, restrictions, limitations and other provisions concerning the operation of the Association, including but not limited to any and all Common Areas and any Common Maintenance Areas. (A copy of such rules shall be delivered or mailed to each Member promptly upon the adoption thereof and filed in the Official Public Records of Gillespie County, Texas if required by applicable law.)

(c) To keep in good order, condition and repair any Common Areas, any Common Maintenance Areas, the Property, any other lands and facilities maintained and operated by the Association, and all items of personal property used in the enjoyment of any Common Areas, the Property or such other lands and facilities.

(d) To purchase and maintain such casualty and liability insurance with respect to any Common Areas, any Common Maintenance Areas, the Property and any other lands and facilities maintained and operated by the Association as the Board shall consider appropriate from time to time, including, without limitation, officer, and director liability insurance.

(e) To fix, levy and collect the assessments to be paid by each of the Owners; and by majority vote of the Board to decrease or increase the amount of the annual assessments, subject to the provisions of the Declaration; to levy and collect special assessments in order to meet increased operating or maintenance expenses or costs, additional capital expenses, and other expenses and costs for which a special assessment is authorized under the Declaration. All annual and special assessments shall be in itemized statement form and shall set forth in detail the various expenses for which the assessments are being made.

(f) To collect delinquent fees or assessments by suit, lien foreclosure (as provided in the Declaration) or otherwise and to enjoin or seek damages from an Owner for violation of the Declaration or the rules or regulations of the Association.

(g) To protect and defend any Common Areas, any Common Maintenance Areas and any other lands and facilities maintained and operated by the Association from loss and damage by suit or otherwise.

(h) To borrow funds in order to pay for any required expenditure or outlay; to execute all such instruments evidencing such indebtedness; and to mortgage, pledge or hypothecate any or all of the real or personal property of the Association as security for money borrowed or debts incurred in connection with the affairs of the Association.

(i) To enter into contracts within the scope of the duties and powers of the Board, including, without limitation, the power to appoint one or more management

companies, and to pay each such management company reasonable compensation, to manage or operate any Common Areas, any Common Maintenance Areas, or the Association, or any other right or obligation required or deemed advisable by Declarant in connection therewith. Contracts entered into by the Association may, at the Board's discretion, be "bulk rate contracts" whereby a service provider may provide services under such contract for other properties in order to provide a discount rate to the Association.

(j) To establish a bank account for the common treasury for all separate funds which are required or may be deemed advisable by the Board.

(k) To maintain complete and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time during normal business hours by each of the Members and any Mortgagee of a Lot. In addition, each Member may obtain copies, at a reasonable cost to such Member, of the books and records of the Association, all in accordance with Appendix "D" of the Declaration.

(l) To designate and employ the personnel necessary for the maintenance and repair or any other activity of Declarant or the Association under the Declaration.

(m) In general, to carry on the administration of this Association and to further the communal use and enjoyment of any Common Areas and any Common Maintenance Areas.

5.4 ELECTION AND TERM OF OFFICE. At each annual meeting of the Members, the Members shall elect directors to hold office until the next succeeding annual meeting. At each election, the persons receiving the greatest number of votes shall be the directors. Each director elected shall hold office for the term for which he/she is elected and until his/her successor shall have been elected and qualified or until his/her earlier death, resignation, disqualification or removal.

5.5 NOMINATIONS. Nominations for candidates for director may be solicited from the Members through the Association newsletter, or other similar means, at least forty-five (45) days prior to each scheduled annual meeting of the Members. Any Member may nominate him/herself to be a candidate by notifying the Secretary in writing of his/her desire to be a candidate at least forty-five (45) days prior to the annual meeting. There shall be no limit to the number of candidates who may be included on the ballot for a director. A list of the names of all candidates for director who have notified the Secretary of their desire to be a candidate at least forty-five (45) days prior to the annual meeting shall be mailed to the members in the manner specified in Section 4.5 above.

5.6 QUALIFICATION. The following qualifications apply to the election or appointment of directors to the Board.

(a) Owners. At least a majority of the directors must be Members of the Association or residents of Dwellings situated on the Property.

(b) Entity Member. If a Lot is owned by a legal entity, such as a partnership or corporation, any officer, partner, agent, or employee of that entity Member is eligible to serve as a director and is deemed to be a Member for the purposes of this Section 5.6. If the relationship between the entity Member and the director representing it terminates, that directorship will be deemed vacant.

(c) Criminal Activity. No Person may be elected or appointed as a director if the Board is presented with written, documented evidence from a database or other record maintained by a governmental law enforcement authority that such Person has been convicted of a felony or crime involving moral turpitude.

5.7 VACANCIES. Vacancies on the Board caused by any reason other than the removal of a director by a vote of the Members shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum. Each director so elected shall serve out the remaining term of his predecessor.

5.8 REMOVAL OF DIRECTORS.

(a) Removal by Members. After the expiration or termination of the Development Period (or prior to the expiration or termination of the Development Period with the prior written consent of Declarant), at any annual or special meeting of the Members duly called, any director may be removed with or without cause by a Majority Vote of the Members, 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 shall be given notice of the proposed removal and an opportunity to be heard at the meeting.

(b) Removal by Directors. A director may not be removed by the officers or by the remaining directors, except for the following limited reasons for which a director may be removed by at least a majority of the other directors at a meeting of the Board called for that purpose:

(i) The director is a party adverse to the Association, the Board, or a committee of the Association in pending litigation to which the Association, Board, or committee is a party, provided the Association did not file suit to effect removal of the director.

(ii) The director's account with the Association has been delinquent for at least sixty (60) days or has been delinquent at least three (3) times during the preceding twelve (12) months, provided such director was given notice of the default and a reasonable opportunity to cure.

(iii) The director has refused or failed to attend three (3) or more meetings of the Board during the preceding twelve (12) months, provided he was given proper notice of the meetings.

(c) No Removal by Officers. A director may not be removed by officers of the Association, acting in their capacity as officers of the Association, under any circumstance.

(d) Removal for Criminal Activity. If the Board is presented with written, documented evidence from a database or other record maintained by a governmental law enforcement authority that a director has been convicted of a felony or crime involving moral turpitude, such director is immediately ineligible to serve on the Board, automatically considered removed from the Board, and prohibited from future service on the Board.

5.9 ORGANIZATION MEETING. The first meeting of a newly elected Board shall be held within ten (10) days of election at such place as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the whole

Board shall be present.

5.10 REGULAR MEETINGS. Regular meetings of the Board 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 one (1) such meeting shall be held during each Fiscal Year. Notice of regular meetings of the Board shall be given to each director, either personally, by telephone, by electronic mail or other form of electronic communication if permitted by the TBOC, or by facsimile transmission at least three (3) days prior to the day named for such meeting, or by deposit of notice in the U.S. Mail (postage prepaid) at least seven (7) days prior to the day named for such meeting.

5.11 SPECIAL MEETINGS. Special meetings of the Board may be called by the President or Secretary, or upon the written request of at least two (2) directors. The President or Secretary will give notice to each director of the time, place (as hereinabove provided) and purpose of the meeting, either personally, by telephone, by electronic mail or other form of electronic communication if permitted by the TBOC, or by facsimile transmission at least three (3) days prior to the day named for such meeting, or by deposit of notice in the U.S. Mail (postage prepaid) at least seven (7) days prior to the day named for such meeting. Notwithstanding the foregoing, in case of emergency, the Board may convene an emergency meeting for the purpose of dealing with the emergency after making a diligent attempt to notify each director by any practical method.

5.12 MEETINGS BY TELEPHONE/OTHER REMOTE COMMUNICATIONS TECHNOLOGY. To the extent allowed by Section 209.0051 of the Texas Property Code, as amended, and subject to the provisions of applicable law and these Bylaws regarding notice of meetings, members of the Board or members of any committee designated by such Board may, unless otherwise restricted by statute, by the Articles or by these Bylaws, participate in and hold a meeting of such Board or committee by using conference telephone or similar communications equipment by means of which all Persons participating in the meeting can hear each other, or by using any other suitable electronic communications system, including videoconferencing technology or the Internet (but only if, in the case of such other suitable communications system, each member entitled to participate in the meeting consents to the meeting being held by means of that system, and the system provides access to the meeting in a manner or using a method by which each member participating in the meeting can communicate concurrently with each other participant). Participation in a meeting pursuant to this Section 5.12 shall constitute presence in person at such meeting, except when a Person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called or convened.

5.13 WAIVER OF NOTICE. Before or at any meeting of the Board, any director may in writing waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

5.14 CONDUCT OF MEETINGS. The President presides over meetings of the Board and the Secretary keeps, or causes to be kept, a record of resolutions adopted by the Board and a record of transactions and proceedings occurring at meetings. When not in conflict with law or the Governing Documents, the then current edition of Robert's Rules of Order governs the conduct of the meetings of the Board.

5.15 BOARD OF DIRECTORS QUORUM. At all meetings of the Board, a majority of directors shall constitute a quorum for the transaction of business, and the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board. If

at any meeting of the Board, there is less than a quorum present, the majority of those present may adjourn the meeting from time-to-time. At any reconvened meeting at which a quorum is present, any business that may have been transacted at the meeting as originally called may be transacted without further notice.

5.16 MINUTES. The written report of a meeting of the Board is not the minutes of the meeting until approved by the directors at a future meeting. The minutes must report actions taken by the Board but need not report the substance of discussion. The Board will keep written minutes of each regular and special meeting and make such minutes available to all Members in accordance with the Association's records inspection, copying, and retention policy. Following a closed executive board session, any decisions made by the Board will be summarized orally and placed into the minutes. A closed executive board session summary should not breach the privacy of individual Member, violate any privilege, or disclose confidential information. The summary will include a general explanation of any expenditures approved in the closed executive session.

5.17 VOTING. A director who is also an officer of the Association, even the presiding officer, is expected to participate and to vote in the manner of every other director. The president of the Association is not prohibited from voting and is not limited to tie-breaking votes.

5.18 APPOINTMENT OF COMMITTEES. The Board, by resolution, may from time to time designate standing or ad hoc committees to advise or assist the Board with its responsibilities. The resolution may establish the purposes and powers of the committee created, provide for the appointment of a chair and committee members, and may provide for reports, termination, and other administrative matters deemed appropriate by the Board. Members of committees will be appointed by the Board from among the Owners and residents. The Board may not appoint a committee to act in its place in managing the affairs of the Association.

5.19 OPEN MEETINGS. Notwithstanding anything to the contrary contained elsewhere in this Article, subject to the right of the Board to adjourn a Board meeting and reconvene in closed executive session in accordance with Section 209.0051 of the Texas Property Code, as amended, all meetings of the Board, including regular meetings and special meetings, will be open to the Members; *provided, however*, this Section 5.19 will not apply to Board meetings during the Development Period which is exempted from Section 209.0051 of the Texas Property Code, as amended.

5.20 LOCATION OF MEETINGS. Except for meetings conducted in accordance with Section 5.12 herein, all Board meetings will be held in a county in which all or part of the Property is located or in a county adjacent to that county.

5.21 NOTICE TO MEMBERS. The Members shall be given notice, in accordance with Section 209.0051 of the Texas Property Code, as amended, of the date, hour, place, and general subject of all Board Meetings, including regular and special meetings, including a general description of any matter to be brought up for deliberation in executive session; *provided, however*, this Section 5.21 will not apply to Board meetings during the Development Period which is exempted pursuant to Section 209.0051 of the Texas Property Code, as amended. Any Board Meeting conducted without prior notice to the Members (unless such Board meeting is during the Development Period and is exempted from such notice requirements pursuant to Section 209.0051 of the Texas Property Code, as amended) is authorized for the purpose of taking action on routine and administrative matters or a reasonably unforeseen emergency or urgent necessity that requires immediate board action. Any action taken in such instances will require the unanimous written consent of attending Board members pursuant to other policies of the Association. Any action taken without prior notice to the Members must be summarized orally, includ-

ing any approved actual or estimated expenditures, and documented in the minutes of the next regular or special Board Meeting. The Board members, in the instance of a Board Meeting, conducted without prior notice to the Members (unless such Board meeting is during the Development Period is exempted from such notice requirements pursuant to Section 209.0051 of the Texas Property Code, as amended), will not consider or vote on fines; damage assessments; initiation of foreclosure actions; initiation of enforcement actions (excluding temporary restraining orders or violations involving irreparable harm to the Association or the Members, including but not limited to issues of health and safety); increases in assessments; appeals from a denial of architectural control approval; or suspension of a right of an individual property owner before such property owner has an opportunity to attend a Board Meeting to present the property owner's position.

5.22 SELECTION OF THE BOARD BY THE DECLARANT. Notwithstanding anything to the contrary contained elsewhere in this Article:

(a) until the earlier to occur of (i) the end of the Development Period and (ii) Declarant Control Termination Date (defined below), Declarant shall have the sole and exclusive right to appoint and remove any and all directors to the Board; and

(b) if the Declarant Control Termination Date occurs prior to the end of the Development Period, then, during the period beginning on the Declarant Control Determination Date and ending on the date the Development Period expires or terminates, at least one-third of the directors on the Board must be elected by Owners other than Declarant.

The “Declarant Control Termination Date” will be from the date the Declaration is recorded for a maximum period not to exceed the earlier of (a) twenty (20) years from date the Declaration is recorded, or (b) is the date which is one-hundred twenty (120) days after the date that seventy-five (75%) percent of the Lots that may be created and made subject to the Declaration (which Declarant acknowledges up to three-hundred-fifty (350) lots may be created, whether on the Property (as defined in the Declaration) or annexed property pursuant to the terms and conditions of the Declaration, and made subject to the Declaration) are conveyed to Owners other than the Declarant.

ARTICLE VI OFFICERS

6.1 DESIGNATION. The officers of the Association shall be a President, Secretary, and Treasurer, all of whom shall be elected by the Board. The Board may also, from time-to-time, elect one (1) or more vice-presidents of the Association. The Board may, in its sole discretion, elect to combine any two (2) or more offices such that one Person shall hold the combined offices, except that the offices of President and Secretary may not be combined. The Board may elect Assistant Secretaries and Assistant Treasurers as necessary.

6.2 ELECTION OF OFFICERS. The officers of the Association shall be elected annually by the Board at the organizational meeting of each new Board and shall hold office at the pleasure of the Board. Except for resignation or removal, officers hold office until their respective successors have been designated by the Board.

6.3 REMOVAL AND RESIGNATION OF OFFICERS. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause, and his/her successor may be elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose. An officer may resign at any time by giving writ-

ten notice to the Board. Unless the notice of resignation states otherwise, it is effective when received by the Board and does not require acceptance by the Board. The resignation or removal of an officer who is also a director does not constitute resignation or removal from the Board.

6.4 PRESIDENT. The President shall be the chief executive officer of the Association. The President shall preside at all meetings of both the Association and the Board, and shall have all the general powers and duties which are usually vested in the office of President of an association, including without limitation the power to appoint committees from among the Members to assist in the administration of the affairs of the Association. The President, or his designated alternate, shall represent the Association at all meetings of the Association.

6.5 VICE PRESIDENT. Any Vice President elected by the Board shall perform such duties as may be required of him from time to time by the President or the Board.

6.6 SECRETARY.

(a) The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Association. The Secretary shall have charge of such books and papers as the Board may direct and shall, in general, perform all the duties incident to the office of the Secretary.

(b) The Secretary shall compile and keep up to date at the principal office of the Association a complete list of Members and their last known addresses as shown on the records of the Association. Such list shall be open to inspection by Members and other Persons lawfully entitled to inspect the same at reasonable times during regular business hours.

6.7 TREASURER. The Treasurer shall receive and deposit in appropriate bank accounts all money of the Association and shall disburse such money as directed by resolution of the Board; provided, however, that a resolution of the Board shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board. The Treasurer shall also have the authority to: keep proper books of account; cause an annual statement of the Association's books to be made at the completion of each Fiscal Year; prepare an annual budget and a statement of income expenditures to be presented to the Members at their regular annual meeting, and deliver a copy of each to the Members; and perform all other duties assigned to him by the Board.

6.8 AUTHORIZED AGENTS. Except when the Governing Documents require execution of certain instruments by certain individuals, the Board may authorize any Person to execute instruments on behalf of the Association. In the absence of Board designation, the President, and the Secretary are the only Persons authorized to execute instruments on behalf of the Association.

ARTICLE VII **RULES AND REGULATIONS**

7.1 RULES AND REGULATIONS. The Board has the right to establish and amend, from time-to-time, reasonable rules and regulations for: (a) the administration of the Association; (b) the maintenance, management, operation, use, conservation, and beautification of the Property; and (c) the health, comfort, and general welfare of the residents; provided, however, that such rules and regulations may not be in conflict with applicable law or the Declaration, these Bylaws or the other governing documents of the Association. The Board will, at all times, maintain the then current and complete rules and regulations in a written form which can be copied and distributed to the Members and shall record such rules and regulations in the Official Public Rec-

ords of Travis County, Texas if required by applicable laws.

7.2 ADOPTION AND AMENDMENT. Any rule and regulation may be adopted, amended, or terminated by the Board, provided that the rule and regulation and the requisite Board approval are properly recorded as a resolution in the minutes of the meeting of the Board.

7.3 DISTRIBUTION. On request from any Member or resident, the Board will provide a current and complete copy of rules and regulations. Additionally, the Board will, from time-to-time, distribute copies of the current and complete rules and regulations to Owners and, if the Board so chooses, to non-Member residents. A reasonable fee will be charged to the requestor.

ARTICLE VIII **OBLIGATIONS OF THE OWNERS**

8.1 FEES AND ASSESSMENTS. All Owners shall be obligated to pay the transfer fee (and/or initiation fee) and the assessments imposed by the Association in accordance with the Declaration. Subject to Section 4.18 of the Declaration, a Member shall be deemed to be in good standing and entitled to participate in and vote at any annual or special meeting of Members or any of the other activities of the Association, within the meaning of these Bylaws, only if that Member is current on the transfer fee (and/or initiation fee), fines and assessments levied against such Member and such Member's Lot.

8.2 USE OF ANY COMMON AREAS. Each Member may use any Common Areas as may be acquired and in accordance with the purposes for which they are intended. The Board shall have the right to suspend a Member's right to use any Common Areas (a) in the event such Member is delinquent in the payment of the initiation fee (and/or working capital fee), fines or any assessments as provided in the Declaration and (b) for a reasonable period, in the Board's discretion, in response to any infraction of the Declaration or the Association's Rules and Regulations.

8.3 GENERAL. Each Owner shall comply strictly with the provisions of the Declaration.

ARTICLE IX **AMENDMENTS TO BYLAWS**

9.1 AMENDMENTS PRIOR TO END OF DEVELOPMENT PERIOD. Prior to the expiration or termination of the Development Period, these Bylaws may be amended or repealed, or new bylaws may be adopted, only with the express written consent of the Declarant.

9.2 AMENDMENTS AFTER END OF DEVELOPMENT PERIOD. After the expiration or termination of the Development Period, these Bylaws may be amended or repealed, or new bylaws may be adopted, at any annual or special meeting of the Members at which a Quorum is present by an affirmative Supermajority Vote, provided notice of the proposed amendment, repeal or adoption is contained in the notice of such meeting; and provided further, that the foregoing notice requirement shall not prohibit the Members from adopting the proposed amendment, affecting the proposed repeal or adopting the proposed new bylaws, as the case may be, in a modified form which is not identical to that described or set forth in the notice of such meeting.

ARTICLE X **MORTGAGES**

10.1 NOTICE OF UNPAID ASSESSMENTS. The Association shall, at the request of

a Mortgagee of a Lot, report any unpaid assessments due from the Owner of such Lot.

ARTICLE XI **ACTIONS WITHOUT MEETINGS**

11.1 **CONSENT TO ACTION.** To the extent allowed by applicable law, any action required or permitted to be taken at any meeting of Members, directors or committee members may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by a sufficient number of Members, directors or committee members, as the case may be, as would be necessary to take that action at a meeting at which all Persons entitled to vote on the action were present and voted.

11.2 **NOTICE OF ACTION.** Prompt notice of the taking of any action by Members, directors or committee members without a meeting by less than unanimous written consent shall be given to those Members, directors or committee members who did not consent in writing to the action. Every written consent signed by less than all the Members, directors or committee members entitled to vote with respect to the action that is the subject of the consent shall bear the date of signature of each Person who signs the consent. No written consent signed by less than all the Members, directors or committee members entitled to vote with respect to the action that is the subject of the consent shall be effective to take such action unless, within sixty (60) days after the date of the earliest dated consent delivered to the Association in the manner required by law, a consent or consents signed by not less than the minimum number of Members, directors or committee members that would be necessary to take the action that is the subject of the consent are delivered to the Association by delivery to its registered office, registered agent, or principal place of business, or by delivery to an officer or agent of the Association having custody of the books in which proceedings of meetings of Members are recorded. Delivery shall be by personal delivery, facsimile transmission, electronic mail or certified or registered mail, return receipt requested. Delivery to the Association's principal place of business shall be addressed to the President or principal executive officer of the Association. Transmission of any electronic signed copy by a Member, director or committee member shall be regarded as signed by the applicable Member, director or committee member for purposes of this Section 11.2.

ARTICLE XII **NONPROFIT ASSOCIATION**

12.1 **NONPROFIT PURPOSE.** This Association is not organized for profit. No Owner, Member, director or Person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as a salary or as compensation to, or distributed to or inure to the benefit of any director; provided, however, (a) reasonable compensation may be paid to any Member while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and (b) any director may, from time-to-time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association, subject to prior approval by the Board.

12.2 **FILING OF PAPERS.** The Board shall cause to be filed with all applicable government agencies such certificates, reports and other paperwork as necessary to assure that the Association, to the maximum extent possible, retains its tax-exempt status as a Texas nonprofit corporation operating exclusively as a homeowners association within the meaning of Section 528 of the Internal Revenue Code of 1986, as amended, or the corresponding provision or provisions of any subsequent United States Internal Revenue law or laws.

ARTICLE XIII

INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHER AGENTS

13.1 INDEMNIFICATION OF DIRECTORS AND OFFICERS AND OTHER AGENTS. The Association shall, to the maximum extent and in the manner permitted by the TBOC as the same now exists or may hereafter be amended, indemnify each director and officer against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with any threatened, pending or completed action, suit, or proceeding in which such Person was or is a party or is threatened to be made a party by reason of the fact that such Person is or was a director or officer of the Association. For purposes of this Section 13.1. a "director" or "officer" of the Association shall mean any Person (i) who is or was a director or officer of the Association or (ii) who, while a director or officer of the Association, is or was serving at the request of the Association as a director, officer, partner, venturer, proprietor, trustee, employee or agent. Additionally, subject to the limitations and requirements of the TBOC, as amended, the Association may voluntarily indemnify a Person who is or was an employee, trustee, agent or attorney of the Association, against any liability asserted against such Person in that capacity and arising out of that capacity.

Notwithstanding any provision in these Bylaws to the contrary, and to the fullest extent permitted by applicable law, the Association shall advance the expenses incurred by any indemnitee hereunder in connection with any proceeding covered hereby within ten (10) days after receipt by the Association of a statement or statements requesting such advances from time to time. Advances shall be interest-free, without security, and without regard to such indemnitee's ability to repay the expenses and without regard to such indemnitee's ultimate entitlement to indemnification. Advances shall include expenses incurred to enforce this Bylaw provision. Indemnitee shall qualify for such advances solely upon the execution and delivery by indemnitee to the Association of the written affirmation and the written undertaking provided for by the TBOC.

The rights conferred on any Person by this Article shall not be exclusive of any other rights which such Person may have or hereafter acquire under any statute, provision of the Association's Articles, these Bylaws, agreement, vote of the shareholders or disinterested directors or otherwise.

Any repeal or modification of the foregoing provisions of this Article shall not adversely affect any right or protection hereunder of any Person in respect of any act or omission occurring prior to the time of such repeal or modification.

13.2 INSURANCE. The Association may purchase and maintain insurance on behalf of any Person who is or was a director, officer or agent of the Association against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Association would have the power to indemnify him or her against such liability under the provisions of the TBOC.

ARTICLE XIV

DUE PROCESS PROCEDURES

14.1 ACTIONS REQUIRING NOTICE AND HEARING. Before taking any of the below-described actions, the Association or its agent must give written notice and an opportunity for a hearing according to the requirements of this Article and the notice and hearing requirements of applicable law. The following actions by or with the approval of the Board or the Association require notice and hearing as provided by this Article:

- (a) Suspension of use of a Common Area.

- (b) Imposition of a fine for violation of any provision of the Governing Documents, other than fines, interest, or collection fees charged for delinquent accounts.
- (c) Charging an Owner or a Lot or Parcel for property damage.
- (d) Filing suit against an Owner other than a suit related to the collection of assessments or foreclosure of the Association's assessment lien.

14.2 NOTICE. The required written notice must contain (a) the date the violation notice is prepared or mailed; (b) a statement that not later than the thirtieth 30th day after the date the Owner receives the notice, the Owner may request a hearing to discuss and verify facts and resolve the matter in issue, pursuant to this Article and applicable law; (c) a statement of how or where the request for hearing should be made or delivered; (d) a statement that if the hearing is before a committee or anybody other than the Board, the Owner has the right to appeal the decision to the Board by written notice to the Board; (e) a statement that the Owner may be liable for reimbursement of attorneys fees and costs if the violation continues or the damage is not paid by a stated date; and (6) the following contents applicable to violations or damage claims, as the case may be:

(a) Notice of Violation. In the case of a violation of a provision of the Governing Documents, the written notice must also contain the following: (1) a description of the violation; (2) a reference to the rule or provision of the Governing Documents that is being violated, if applicable; (3) a description of the action required to cure the violation; (4) the amount of the fine or charge to be levied, the nature of the Common Area suspension, and/or the abatement action to be taken; (5) unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six (6) months, a statement that the Owner may avoid the fine or suspension by curing the violation in a reasonable period of time, which may be specified in the notice.

(b) Notice of Damage. In the case of property damage for which the Association seeks reimbursement or imposition of a charge on the Owner or the Lot or Parcel, the written notice must also contain (1) a description of the property damage, and (2) the amount of the Association's claim against the Owner or the Lot or Parcel.

(c) Notice to Tenant. In addition to giving the violation notice to the Owner, the Board may also give a copy of the notice to a non-Owner tenant, if the Board deems it appropriate.

(d) Receipt of Notice. Unless applicable law provides otherwise, any notice given to an Owner pursuant to this Article will be deemed received by the Owner (1) on personal delivery to the Owner or to a Person at the Owner's address, or (2) on the third (3rd) business day after the notice is deposited with the U.S. Postal Service, addressed to the Owner at the most recent address shown on the Association's records, whether or not the Owner actually receives the notice.

14.3 HEARING.

(a) Request for Hearing. To request a hearing, an Owner must submit a written request within thirty (30) days after receiving the Association's written notice. Within ten (10) days after receiving the Owner's request for a hearing, and at least ten (10) days before the hearing date, the Association will give the Owner notice of the date, time, and place of the hearing. If the Association or the Owner requests a postponement of the hearing, the hearing will be postponed for up to ten (10) days. Additional postponements may

be granted by agreement of the parties.

(b) Pending Hearing. Pending the hearing, the Board may continue to exercise the Association's other rights and remedies for the violation, as if the declared violation were valid. The Owner's request for a hearing suspends only the action described in the Association's written notice.

(c) Attendance. The hearing may be held with or without the presence of the Owner or the Owner's representative.

(d) Hearing. The hearing may be held in a closed or executive session of the Board. At the hearing, the Board will consider the facts and circumstances surrounding the violation. The Owner may attend the hearing in person, or may be represented by another person or written communication.

(e) Minutes of Hearing. The minutes of the hearing must contain a statement of the results of the hearing and the amount of fine or charge, if any, imposed, or abatement or suspension action, if any, authorized. A copy of the notice and request for hearing should be placed in the minutes of the hearing. If the Owner appears at the hearing, the notice requirement will be deemed satisfied.

14.4 ACTIONS EXEMPT FROM NOTICE AND HEARING REQUIREMENTS. As a general rule, every action other than the above-described actions requiring notice and hearing is impliedly exempt from the requirements of this Article. As permitted by applicable law, the following actions are expressly exempt:

(a) A temporary suspension of a person's right to use Common Areas if the temporary suspension is the result of a violation that occurred in a Common Area and involved a significant and immediate risk of harm to others in the Property. The temporary suspension is effective until the Board makes a final determination on the suspension action after following the notice and hearing procedures prescribed by this Article.

(b) A lawsuit in which the Association seeks a temporary restraining order or temporary injunctive relief.

(c) A lawsuit filed by the Association that includes foreclosure as a cause of action.

(d) The collection of delinquent assessments.

14.5 IMPOSITION OF FINE. Within thirty (30) days after levying the fine or authorizing the abatement, the Board must give the Owner notice of the levied fine or abatement action. If the fine or action is announced at the hearing of which the Owner is actually present, the notice requirement will be satisfied. Otherwise, the notice must be in writing.

(a) Amount. The Board may set fine amounts on a case-by-case basis, provided the fine is reasonable in light of the nature, frequency, and effects of the violation. The Board may establish a schedule of fines for certain types of violations. The amount and cumulative total of a fine must be reasonable in comparison to the violation. If the Board allows fines to accumulate, it may establish a maximum amount for a particular fine, at which point the total fine will be capped.

(b) Type of Fine. If the violation is ongoing or continuous, the fine may be levied on a periodic basis (such as daily, weekly, or monthly). If the violation is not ongoing but is instead sporadic or periodic, the fine may be levied on a per occurrence ba-

sis.

(c) Other Fine-Related. The Association is not entitled to collect a fine from an Owner to whom it has not given notice and an opportunity to be heard. The Association may not charge interest on unpaid fines. The Association may not foreclose its assessment lien on a debt consisting solely of fines.

14.6 REIMBURSEMENT OF EXPENSES AND LEGAL FEES. In addition to any other rights set forth in the Governing Documents for violation of a provision of the Governing Documents, the Board may levy and collect individual assessments for reimbursement of reasonable fees and expenses, including without limitation, to the extent allowed by Section 209.008 of the Texas Property Code, as amended, legal fees, incurred by the Association to enforce the Governing Documents, including the collection of delinquent assessments, subject to the following conditions:

(a) Notice. The Association must give the Owner written notice that the Owner will be liable for reimbursement of any such fees and expenses incurred by the Association if the delinquency or violation continues after a date certain that is stated in the notice. This notice requirement does not apply to legal fees incurred by the Association in connection with the Association's counterclaim in a lawsuit to which an Owner is a plaintiff.

(b) Hearing. If legal fees are incurred by the Association for an action requiring notice and hearing, the Owner is not liable for reimbursement of legal fees incurred (1) before the date by which the Owner must request a hearing, if the Owner does not request a hearing, or (2) before conclusion of the hearing, if the Owner does request a hearing.

(c) Records. By written request, an Owner may obtain from the Association copies of any invoices for charges, including legal fees, for which the Association seeks reimbursement.

(d) Foreclosure. In connection with a nonjudicial foreclosure of the Association's assessment lien, applicable law may establish a limit on the amount of attorneys' fees that the Association may include in its lien.

14.7 ADDITIONAL ENFORCEMENT RIGHTS. Notwithstanding the notice and hearing requirement, the Board may take immediate and appropriate action, without giving the notices required in this Article, against violations of the Governing Documents which, in the Board's opinion, are (1) self-evident, such as vehicles parked illegally or in violation of posted signs; (2) threatening to life or property; or (3) repeat violations of the same provision by the same Owner to whom prior notices and demands have been given for the same violation. Further, the provisions of this Article do not apply to specific remedies provided in the Governing Documents for certain violations, such as nonpayment of assessments.

ARTICLE XV **GENERAL PROVISIONS**

15.1 DEFINED TERMS. Any terms capitalized but not defined herein shall have the meanings ascribed to such terms in the Declaration or the Articles.

15.2 DECLARANT CONTROL DURING DEVELOPMENT PERIOD. These Bylaws are not intended to supersede the Declaration but shall be construed as supplemental thereto. In the event of any inconsistency between the provisions of these Bylaws and the Declaration, it is

intended that the provisions of the Declaration shall be controlling. Without limiting the foregoing, during the Development Period, a number of provisions in these Bylaws are modified by Declarant's rights and reservations under the Declaration during the Development Period, including, without limitation, the following provisions: (i) the provisions of Article III of these Bylaws relating to the relative voting rights of the Declarant and the Members, and (ii) the provisions of Article V of these Bylaws relating to the appointment, removal, and replacement of directors.

15.3 FISCAL YEAR. The Fiscal Year of the Association shall be fixed in accordance with the Declaration.

15.4 OFFICES. The registered office of the Association shall be as designated by the Office of the Secretary of the State of Texas, as it may be changed from time-to-time by the Board. The Association may also have offices at such other places as the Board may from time-to-time determine or the business of the Association may require.

15.5 MANAGEMENT CERTIFICATE. As required by applicable law, such as Section 209.4 of the Texas Property Code, the Association will maintain a current management certificate in the county's public records. When the Association has notice of a change in any information in the recorded certificate, the Association will prepare a restated or amended certificate and deliver it to the county clerk for filing. Absent gross negligence, the Association is not liable for a delay or failure to record a certificate. The Association may delegate the responsibility for a management certificate to its managing agent if any.

15.6 TABLE OF CONTENTS AND HEADINGS. The Table of Contents and headings used in these Bylaws have been inserted for convenience only and do not constitute matters to be construed in interpretation.

15.7 CONSTRUCTION. Whenever the context so requires, the masculine shall include the feminine and neuter, and the singular shall include the plural, and conversely. If any portion of these Bylaws shall be invalid or inoperative, then, so far as is reasonable and possible, the remainder of these Bylaws shall be considered valid and operative and effect shall be given to the intent manifested by the portion held invalid and inoperative.

15.8 SEVERABILITY. Whenever possible, each provision of these Bylaws will be interpreted in a manner as to be effective and valid. Invalidation of any provision of these Bylaws, by judgment or court order, does not affect any other provision, which remains in full force and effect.

15.9 NOTICE TO CO-OWNERS. If a Lot is owned by more than one person, notice to one co-Owner is deemed notice to all co-Owners. Similarly, notice to one resident of a Lot is deemed notice to all residents of that Lot.


15.10 WAIVER OF NOTICE. Whenever any notice is required to be given under the provisions of the Texas Nonprofit Corporation Act or under the provisions of these Bylaws, a waiver thereof in writing signed by the Person or Persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

15.11 RECORDS AVAILABLE TO MEMBERS. The Association's books and records shall be open to inspection by Members and other Persons lawfully entitled to inspect the same in accordance with Section 209.005 of the Texas Property Code, as amended, and pursuant to the Records Inspection, Copying and Retention Policy set forth on Appendix "D" to the Declaration, and at reasonable times during regular business hours.

CERTIFICATE

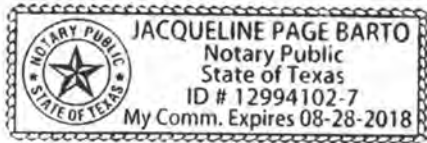
I HEREBY CERTIFY that the foregoing is a true, complete and correct copy of the By-laws of Oaks of Windcrest POA, Inc., a Texas nonprofit corporation, as adopted by the Board by unanimous consent in lieu of organizational meeting on May 19, 2017.

IN WITNESS WHEREOF, I hereunto set my hand as of May 19, 2017.


Name: Terry Starnes
Title: Secretary

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on this 19 day of May, 2017 by Terry Starnes, the Secretary of Oaks of Windcrest POA, Inc., a Texas nonprofit corporation.




Notary Public, The State of Texas