

**BYLAWS
OF
EMBER CREEK
COMMON IMPROVEMENTS MAINTENANCE ASSOCIATION**

****Including October 2007 and November 2015 Amendments
With Additional Wording Underlined****

These Bylaws govern the affairs of *Ember Creek Common Improvements Maintenance Association* (herein referred to as "Ember Creek CIMA"), a non-profit corporation as described and regulated by the Texas Non-Profit Corporation Act. The Building and Use Restrictions and Common Improvements Maintenance Association Provisions Addendum containing restrictions automatically binding upon all lots and running with the land in Ember Creek Estates, Mansfield, Texas are incorporated by reference.

**ARTICLE I
OFFICES & REGISTERED AGENT**

Principal Office

1.01. The Corporation's principal office in Texas will be located at P.O. Box 1440, Mansfield, Texas 76063. The Corporation may have such other offices in Texas or elsewhere as the Board of Directors may determine. The Board may change the location of any office of the Corporation.

Registered Office and Registered Agent

1.02. The Corporation will maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical to the Corporation's principal office in Texas. The Board may change the registered office and the registered agent as permitted in the Texas Non-Profit Corporation Act. The Corporation's registered office in Texas is located at 215 N. Walnut Creek Drive, Suite D, Mansfield, Texas 76063, and the Corporation's registered agent at that address is Putman Law Firm, P.C.

ARTICLE II MEMBERS

Classes of Members

2.01. The Corporation will have two (2) classes of members. Class A will consist of members who do not have an outstanding balance owed to the Corporation for past-due annual homeowners' assessments or other fees. Class A members may vote on all matters put before the membership. Class B will consist of all members who do not belong to Class A. Class B members may not vote on matters submitted to a vote of the members.

Admitting Members and Maintaining Membership Status

2.02. Membership in the Ember Creek CIMA is automatic and mandatory for all owners of real estate in Ember Creek Estates, Mansfield, Texas, and all members in the Ember Creek CIMA must be owners of real estate in Ember Creek Estates, Mansfield, Texas. A member maintains Class A membership status by timely paying all required fees and assessments. Each individual membership is collectively and concurrently held by the current owners of each separate lot of real property in Ember Creek Estates, Mansfield, Texas (i.e. – one membership per home). Membership in the Ember Creek CIMA is automatically transferred with any transfer of legal ownership of real estate in Ember Creek Estates, Mansfield, Texas; however, this membership transfer does not release any prior owners from any liability or obligation arising during that person's period of ownership.

Membership Assessments

2.03. Mandatory annual assessments payable to the Corporation by members are \$80.00 and are payable on or before January 1st of each year. Interest, late charges, including costs of collection and attorneys' fees, may be added to delinquent payments and recovered as authorized and described by the Common Improvements Maintenance Association Provisions Addendum to the Building and Use Restrictions incorporated in these Bylaws by reference. Any changes to the amount of the annual or special assessments must be proposed by the Board and approved by the members at an annual or special members' meeting. If the special or annual members' meeting fails to be attended by a sufficient number of members to constitute a quorum, the board proposal for an assessment change (as indicated by the printed agenda for the meeting or by the board's previous meeting minutes) may be approved and implemented by the board. The assessments for a new member's first year will be prorated from the first day of that member's ownership of real estate in Ember Creek Estates, Mansfield, Texas through the end of the calendar year.

Certificates of Membership

2.04. Upon the receipt of a proper written request and for a reasonable charge, the Board shall issue certificates evidencing the existence or status of any membership in the Corporation.

Voting Rights

2.05. On each matter submitted to a vote of the members, each Class A member is entitled to one (1) vote per separate real estate lot in Ember Creek Estates, Mansfield, Texas that is owned by that Class A member.

Resolving Disputes

2.06. In any dispute between members relating to the Corporation's activities, all parties involved will cooperate in good faith to resolve the dispute. If the parties cannot resolve a dispute among themselves, they will elect one or more mediators to help resolve it. If no timely resolution of the dispute occurs through mediation, any party may demand binding arbitration only if the parties have met together with a mediator. This paragraph will apply to a dispute involving the Corporation as a party relating to the sanctioning of a member of the Corporation. The Board has discretion to authorize using corporate funds for mediating or arbitrating a dispute described in this paragraph.

Sanctioning or Suspending Members

2.07. The Board may impose reasonable sanctions on a member, including but not limited to assessing fines on a member or suspending a member's voting rights, for good cause after a hearing. Good cause includes defaulting on an obligation to the Corporation to pay fees or assessments for a period of thirty (30) days following delivery of notice of default, or a material and serious violation of the Corporation's articles of incorporation, bylaws, or rules, or of law. The Board may delegate powers to a regular or ad hoc committee to conduct a hearing, make recommendations to the Board, or take action on the Board's behalf. The Board or a committee designated by the Board to handle a matter involving sanctioning may not take any action against a member without giving the member adequate notice and an opportunity to be heard. To be deemed adequate, notice must be in writing and delivered at least ten (10) days before the hearing; however, shorter notice may be deemed adequate if the Board or a committee designated by the Board to handle a matter involving sanctioning determines that the need for a timely hearing outweighs the prejudice caused to the member and if the notice states the need for a timely hearing. If mailed, the notice will be sent by registered or certified mail, return receipt requested. A member may be represented by counsel at and before the hearing. The Board or a committee designated by the Board to handle a matter involving sanctioning may impose sanctions by vote of a majority of directors or a committee designated by the Board to handle a matter involving sanctioning that are present and voting.

Reinstatement

2.08. A sanctioned member may submit a written request for reinstatement of Class A membership status. The Board or a committee designated by the Board to handle the matter may reinstate membership status on any reasonable terms that the Board or committee deems appropriate.

Waiving Interest in Corporate Property

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

ARTICLE III MEETINGS OF MEMBERS

Annual Meeting

3.01. The Board will schedule and conduct an annual members' meeting in October of each year or at another time that the Board designates. At the annual meeting, the members will elect directors and officers, and transact any other business that may come before the meeting.

Special Meetings

3.02. Special meetings of the members may be called by the president, the Board, or not less than one-tenth of the Class A members.

Place of Meeting

3.03. The Board may designate any place inside the city limits of Mansfield, Texas for any annual or special members' meeting that is called by the Board. If the Board does not designate the place of meeting, the meeting will be held at the Corporation's registered office in Texas.

Notice of Meetings

3.04. Written or printed notice of any members' meeting, including the annual meeting, will be delivered to each member entitled to vote at the meeting not less than ten (10) nor more than sixty (60) days before the date of the meeting. Notice will be given by or at the direction of the president or secretary, or the officers or persons calling the meeting. If all of the Class A members meet and consent to holding a meeting, any corporate action may be taken at the meeting regardless of lack of proper notice.

Eligibility to Vote at Members' Meetings

3.05. Class A members, as defined in Article II of these Bylaws, are entitled to vote at a meeting of the members of the corporation.

Quorum

3.06. Class A members holding 8% of the votes that may be cast at a meeting who attend the meeting in person will constitute a quorum at a meeting of members. The members present at a duly called or held meeting at which a quorum is present may continue to transact business, even if enough members leave so that less than a quorum remains; however, no action may be approved without the vote of at least a majority of the number of members required for a quorum. If a quorum is not present at any time during a meeting, a majority of the members who are present may adjourn and reconvene the meeting once without further notice. Also if a quorum is not present, the board may approve and implement essential proposals on the agenda, or identified on the previous board meeting minutes, such as assessment changes and common area improvements or maintenance.

Actions of Membership

3.07. The membership will try to act by consensus; however, if a consensus is not available on a matter or proposal, the vote of a majority of voting members in good standing, present and entitled vote at a meeting at which a quorum is present, is enough to constitute the act of the membership unless law or the bylaws require a greater number. Voting will be by ballot or by voice, except that any election of directors will be by ballot if demanded by any voting member at the meeting before the voting begins.

Proxies & Absentee Voting

3.08. A member entitled to vote at a meeting of members of the corporation may not vote by proxy. Absentee voting shall be permitted in an appropriate manner as determined by the Board.

Voting by Mail

3.09. The Board may authorize members to vote by traditional mail on the election of directors and officers or on any other matter that the members may vote on.

ARTICLE IV BOARD OF DIRECTORS*Management of Corporation*

4.01. The Board will manage corporate affairs.

Number, Qualifications, and Tenure of Directors

4.02. The Board will be comprised of the four (4) officers (Law Article V). Additional directors who are willing to attend the board meetings and participate in the board activities may be elected by a vote of the membership at the annual meeting of the members. Directors must be Texas residents and Class A members of the Corporation. Each director will serve for a term of approximately one (1) year, beginning immediately after the annual meeting of the members during which they were elected and expiring at the conclusion of the next annual meeting of the members.

Nominating Directors

4.03. At any meeting at which the election of a director is held, a Class A member or director may nominate a person with the second of any other Class A member or director. In addition to nominations made at meetings, a nominating committee may consider possible nominees and make nominations for each election of directors. The Secretary will include the names nominated by that committee, and any report of the committee, with the notice of the meeting at which the election occurs.

Electing Directors

4.04. A person who meets the qualifications for director and who has been duly nominated may be elected as a director. Directors will be elected by the vote of the membership at the annual meeting of the members. Each director will hold office until a successor is elected and qualifies. A director may be elected to succeed himself or herself as director.

Vacancies

4.05. The Board will fill any vacancy in the Board by the affirmative vote of a majority of the remaining directors, even if it is less than a quorum of the Board, or if it is a sole remaining director. A director selected to fill a vacancy will be serve for the unexpired term of his or her predecessor in office.

Annual Meeting

4.06. The annual meeting of the Board may be held without notice other than these Bylaws. The annual Board meeting will be held as soon as reasonably possible after the annual members' meeting.

Regular Meetings

4.07. The Board may provide for regular meetings by resolution stating the time and place of such meetings. The meetings may be held at any place inside the city limits of Mansfield, Texas, and will be held at the Corporation's registered office in Texas if the resolution does not specify the location of the meetings. No notice of regular Board meetings is required other than a Board resolution stating the time and place of the meetings.

Special Meetings

4.08. Special Board meetings may be called by, or at the request of, the president or any two (2) directors. A person or persons authorized to call special meetings of the Board may select any place inside the city limits of Mansfield, Texas as the place for holding a special meeting. The person or persons calling a special meeting will inform the secretary of the corporation of the information to be included in the notice of the meeting. The secretary of the Corporation will give notice to the directors as these Bylaws require.

Notice

4.09 Written, printed or e-mail notice of any special meeting of the Board will be delivered to each director not less than seven (7), nor more than thirty (30) days before the date of the meeting. Proposed meetings through e-mail or other electronic notification requires a verified response by any director involved. The notice will state the place, day, and time of the meeting; who called it, and the purpose or purposes for which it is called.

Quorum

4.10 Three (3) directors or a majority of the number of directors then in office constitutes a quorum for transacting business at any Board meeting. Approval of any action requires the vote of at least three (3) 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; however, no action may be approved without the vote of at least a majority of the number of directors required for a quorum. If a quorum is never present at any time during a meeting, a majority of the directors present may adjourn and reconvene the meeting once without further notice. Board members, directors and officers may conduct meetings and internal business through electronic means if using *verified accounts. *CONT→*

Electronic votes by board members, directors and officers through *verified electronic accounts will also be accepted for internal business. Electronic meetings do not constitute the attendance of an official meeting. Official meetings will still be held in person at a pre-determined location. Electronic meetings are only to be conducted as needed to conduct internal business and attendance does not translate to attendance as noted concerning Sections 4.16, 4.17, and 4.18 of Ember Creek Estates bylaws

*Verified constitutes and account known to be of regular use and password protected by a board member, director or officer. Verification need only be addressed through internal board means. No outside entity or agency is required.

Duties of Directors

4.11. Directors will discharge their duties, including any duties as committee members, in good faith, with ordinary care, and in a manner they reasonably believe to be in the Corporation's best interest. In this context, the term "ordinary care" means the care that ordinarily prudent persons in similar positions would exercise under similar circumstances. In discharging any duty imposed or power conferred on directors, directors may, in good faith, rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Corporation or another person that has been prepared or presented by an entity or persons, including officers and employees of the Corporation, professional advisors or experts such as accountants or legal counsel. A director is not acting in good faith if he or she has knowledge concerning a matter in question that renders reliance unwarranted. Directors are not deemed to have the duties of trustees of a trust with respect to the Corporation or with respect to any property held or administered by the Corporation, including property that may be subject to restrictions imposed by the donor or transferor of the property.

Duty To Avoid Improper Distributions

4.12. Directors who vote for or assent to improper distributions are jointly and severally liable to the Corporation for the value of improperly distributed assets, to the extent that, as a result of the improper distribution or distributions, the corporation lacks sufficient assets to pay its debts, obligations, and liabilities. Any distribution made when the Corporation is insolvent, other than in payment of corporate debts, or any distribution that would render the Corporation insolvent, is an improper distribution. A distribution made during liquidation without payment and discharge of or provision for payment and discharge of all known debts, obligations, and liabilities is also improper. Directors present at a Board meeting at which the improper action is taken are presumed to have assented, unless they dissent in writing. The written dissent must be filed with the secretary of the Corporation before adjournment of the meeting in question or mailed to the secretary by registered mail as soon as reasonably possible after adjournment. *CONT→*

A director is not liable if, in voting for or assenting to a distribution, the director (1) relies in good faith and with ordinary care on information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by one or more officers or employees of the Corporation, legal counsel, public accountants, or other persons as to matters the director reasonably believes are within the person's professional or expert competence, or a committee of the Board of which the director is not member; (2) when acting in good faith and with ordinary care, considers the Corporation's assets to be at least that of their book value; or (3) in determining whether the Corporation made adequate provision for paying, satisfying, or discharging all of its liabilities and obligations, relied in good faith and with ordinary care on financial statements or other information concerning a person who was or is contractually obligated to satisfy or discharge some or all of these liabilities or obligations. Directors are protected from liability if, in exercising ordinary care, they acted in good faith and in reliance on the written opinion or an attorney for the Corporation. Directors held liable for an improper distribution are entitled to contribution from persons who accepted or received the improper distributions knowing they were improper. Contribution is in proportion to the amount received by each such person.

Delegating Duties

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

Interested Directors

4.14. Contracts or transactions between directors, officers, or members who have a financial interest in the matter are not void or voidable solely for that reason. Nor are they void or voidable solely because the director, officer, or member is present at or participates in the meeting that authorizes the contract or transaction, or solely because the interested party's votes are counted for the purpose; however, every director with any personal interest in the transaction must disclose all material facts concerning the transaction, including all potential personal benefit and potential conflict of interest, to the other members of the Board or other group authorizing the transaction. The transaction must be approved by a majority of the uninterested directors or other group with the authority to authorize the transaction.

Actions of Board of Directors

4.15. The Board will try to act by consensus; however, if a consensus is not available, the vote of a majority of directors present and voting at a meeting at which a quorum is present is enough to constitute the act of the Board, unless the act of a greater number is required by law or by some other provision of these Bylaws. A director who is present at a meeting and absent from a vote is not considered to be present and voting for the purpose of determining the Board's decision.

Proxies

4.16. A director may not vote by proxy.

Compensation

4.17. Directors may not receive salaries for their services. The Board may adopt a resolution providing for paying directors expenses of attendance, if any, for attending each Board meeting. A director may serve the Corporation in any other capacity and receive compensation for those services. Any compensation that the Corporation pays to a director will be reasonable and commensurate with the services performed.

Removing Directors

4.18. The Board or members may vote to remove a director at any time, only for good cause. Good cause for removal of a director includes the unexcused failure to attend two (2) Board meetings. A meeting to consider removing a director may be called and noticed following the procedures provided in these Bylaws for a special meeting of the Board of Directors or the members of the corporation. The notice of the meeting will state that the issue of possibly removing the director will be on the agenda and the notice will state the proposed cause for removal. At the meeting, the director may present evidence of why he or she should not be removed and may be represented by an attorney at and before the meeting. Also at the meeting, the Corporation will consider possible arrangements for resolving the problems that are in the mutual interest of the Corporation and the director. A director may be removed by the affirmative vote of a majority of the Board or members.

ARTICLE V OFFICERS

Officer Positions

5.01. The Corporation's officers are a president, a secretary, a vice-president, and a treasurer. The Board may create additional officer positions, define the authority and duties of each such position, and elect or appoint persons to fill the positions. The same person may hold any two or more offices, except for president and secretary.

Election and Term of Office

5.02. The Corporation's officers will be elected annually by the Members at the annual Member meeting. If officers are not elected or appointed at this time, they will be elected as soon thereafter as possible. Each officer will hold office until a successor is duly selected and qualifies. An officer may be elected to succeed himself or herself in the same office.

Removal

5.03. Any officer elected or appointed by the Board or membership may be removed by the Board or membership only with good cause. Removing an officer will be without prejudice to the officer's contractual rights, if any.

Vacancies

5.04. The Board may select a person to fill a vacancy in any office for the unexpired portion of the officer's term.

President

5.05. The president is the Corporation's chief executive officer. He or she will supervise and control all of the Corporation's business and affairs and will preside at all meetings of the members and of the Board. The president may execute any deeds, mortgages, bonds, contracts, or other instruments that the Board authorizes to be executed; however, the president may not execute instruments on the Corporation's behalf if this power is expressly delegated to another officer or agent of the Corporation by the Board, these Bylaws, or statute. The president will perform other duties prescribed by the Board and all duties incident to the office of president.

Vice President

5.06. When the president is absent, cannot act, or refuses to act, a vice president will perform the president's duties. When acting in the president's place, the vice president has all the powers of and is subject to all the restrictions on the president. A vice president will perform other duties as assigned by the president or Board.

Secretary

5.07. The Secretary will:

- (a) Give all notices as provided in the bylaws and as required by law.
- (b) Take minutes of the meetings of the members and the Board and keep the minutes as part of the corporate records.
- (c) Maintain custody of the corporation's records and seal.
- (d) Affix the corporate seal to any documents as authorized.
- (e) Keep a register of each member, director, officer, employee and independent contractor.
- (f) Perform duties as assigned by the president or the Board and all duties incident to the office of secretary.

Treasurer

5.08. The Treasurer will:

- (a) Have charge and custody of and be responsible for all the Corporation's funds and securities.
- (b) Receive and give receipts for moneys due and payable to the Corporation from any source.
- (c) Deposit all moneys in the Corporation's name in banks, trust companies, or other depositories as these Bylaws provide or as the Board or president directs.
- (d) Write checks and disburse funds to discharge the Corporation's obligations; however, funds drawn from the Corporation or its accounts are restricted as follows:
 - (1) Disbursements in an amount up to and including Five Hundred Dollars (\$500.00) may be made upon proper written request received and approved by the Treasurer;
 - (2) Disbursements in an amount greater than Five Hundred Dollars (\$500.00) may be made after the receipt of at least two (2) independent bids and upon approval by the Board at a meeting of the Board; *CONT*→

- (3) Disbursements in an amount greater than Three Thousand Dollars (\$3,000.00) may be made only after approval by the Members at a meeting of the Members; and
- (4) Complete records of all disbursements and the corresponding requests, bids, and approvals must be maintained by the Treasurer;
- (e) Maintain the Corporation's financial books and records.
- (f) Prepare financial reports at least annually.
- (g) Perform other duties assigned by the president or the Board and all duties incident to the office of treasurer.
- (h) If the Board requires, give a bond for faithfully discharging his or her duties in a sum and with a surety as determined by the Board.

ARTICLE VI COMMITTEES

Establishing Committees

6.01. The Board may adopt a resolution establishing one or more committees delegating specific authority to a committee, and appointing or removing members of a committee. A committee will include a (Director who will serve as** to be deleted) committee chair, one (1) or more Officers as committee members, and may include other members who are not Officers or Directors. If the Board delegates any of its management authority to a committee, the majority of the committee will consist of Directors. The Board may also delegate to the president its power to appoint and remove members of a committee that has not been delegated any management authority of the Board. The Board may establish qualifications for membership on any committee. Establishing a committee or delegating authority to it will not relieve the Board, or any individual Director, of any responsibility imposed by these Bylaws or otherwise imposed by law. No committee has the authority of the Board to:

- (a) Amend the articles of incorporation.
- (b) Adopt a plan of merger or of consolidation with another corporation.
- (c) Authorize the sale, lease, exchange, or mortgage of all or substantially all of the Corporation's property and assets.
- (d) Authorize voluntary dissolution of the Corporation.
- (e) Invoke proceedings for voluntary dissolution of the Corporation.
- (f) Adopt a plan for distributing the Corporation's assets.
- (g) Amend, alter, or repeal these Bylaws.
- (h) Elect, appoint, or remove a member of a committee or a Corporate director or officer.
- (i) Approve any transaction to which the Corporation is a party and that involves a potential conflict of interest as defined in paragraph 7.04. below.
- (j) Take any action outside the scope of authority delegated to it by the Board.
- (k) Take final action on a matter requiring membership approval.

Authorization of Specific Committees

6.02. The Board will define the activities and scope of authority of each committee by resolution. The following committees are authorized:

- (a) Grounds & Maintenance;
- (b) Neighborhood Watch;
- (c) Newsletter, Member Directory & Website;
- (d) Social & Events;
- (e) Welcoming & Hospitality;
- (f) Yard Of the Month.

Term of Office

6.03. Each committee member will continue to serve on the committee, until the next annual members' meeting and until a successor is appointed; however, a committee member's term may terminate earlier if the committee is terminated, or if the member dies, ceases to qualify, resigns, or is removed as a member. A vacancy on a committee may be filled by an appointment made in the same manner as an original appointment. A person appointed to fill a vacancy on a committee will serve for the unexpired portion of the terminated committee member's term.

Chair and Vice-Chair

6.04. One member of each committee will be designated as the committee chair, and another member of each committee will be designated as the vice-chair. The chair and vice-chair will be appointed by the president. The chair will call and preside at all meetings of the committee. When the chair is absent, cannot act, or refuses to act, the vice-chair will perform the chair's duties. When a vice-chair acts for the chair, the vice-chair has all the powers of and is subject to all the restrictions on the chair.

Notice of Meetings

6.05. Written or printed notice or telephone or other direct conversation of a committee meeting will be delivered to each member of a committee not less than seven (7) nor more than thirty (30) days before the date of the meeting. The notice will state the place, day, and time of the meeting, and the purpose or purposes for which it is called.

Quorum

6.06. One-half of the number of committee members constitutes a quorum for transacting business at any meeting of the committee. The committee members present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough committee members leave the meeting so that less than a quorum remains; however, no action may be approved without the vote of at least a majority of the number of committee members required for a quorum. If a quorum is never present at any time during a meeting, the chair may adjourn and reconvene the meeting once without further notice.

Actions of Committees

6.07. Committees will try to take action by consensus; however, if a consensus is not available, the vote of a majority of committee members present and voting at a meeting at which a quorum is present is enough to constitute the act of the committee unless the act of a greater number is required by statute or by some other provision of these Bylaws. A committee member who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the act of the committee. At the discretion of the Board, each Committee may submit a report at Board meetings or at Member meetings.

Proxies

6.08. A committee member may not vote by proxy.

Compensation

6.09. Committee members may not receive salaries for their services. The Board may adopt a resolution providing for paying committee members expenses of attendance, if any, for attending each meeting of the committee. A committee member may serve the Corporation in any other capacity and receive compensation for those services. Any compensation that the Corporation pays to a committee member will be reasonable and commensurate with the services performed.

Rules

6.10. Each committee may adopt its own rules, consistent with these Bylaws or with other rules that may be adopted by the Board.

ARTICLE VII TRANSACTIONS OF CORPORATION

Contracts

7.01. The Board may authorize any officer or agent of the Corporation to enter into a contract or execute and deliver any instrument in the name of, and on behalf of, the Corporation. This authority may be limited to a specific contract or instrument, or it may extend to any number and type of possible contracts and instruments.

Deposits

7.02. The Corporation's funds will be deposited to the credit of the Corporation in banks, trust companies, or other depositaries that the Board selects.

Gifts

7.03. The Board may accept, on the Corporation's behalf, any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Corporation. *CONT→*

The Board may make gifts and give charitable contributions not prohibited by these Bylaws, the articles of incorporation, state law, and provisions set out in federal tax law that must be complied with to maintain the Corporation's federal and state tax status.

Potential Conflicts of Interest

7.04. The Corporation may not make any loan to a director or officer of the Corporation. A member, director, officer, or committee member of the Corporation may lend money to and otherwise transact business with the Corporation except as otherwise provided by these Bylaws, the articles of incorporation, and applicable law. Such a person transacting business with the Corporation has the same rights and obligations relating to those matters as other persons transacting business with the Corporation. The Corporation may not borrow money from or otherwise transact business with a member, director, officer, or committee member of the Corporation unless the transaction is described fully in a legally binding instrument and is in the Corporation's best interests. The Corporation may not borrow money from or otherwise transact business with a member, director, officer, or committee member of the Corporation without full disclosure of all relevant facts and without the Board's or the members' approval, not including the vote of any person having a personal interest in the transaction.

Prohibited Acts

7.05. As long as the Corporation exists, and except with the Board's or the members' prior approval, no member, director, officer, or committee member of the Corporation may:

- (a) Do any act in violation of these Bylaws or a binding obligation of the Corporation.
- (b) Do any act that would make it impossible or unnecessarily difficult to carry on the Corporation's intended and ordinary business.
- (c) Receive an improper personal benefit from the operation of the Corporation.
- (d) Use the Corporation's assets, directly or indirectly, for any purpose other than carrying on the Corporation's business.
- (e) Wrongfully transfer or dispose of Corporation property, including intangible property such as good will.
- (f) Use the Corporation's name or any substantially similar name or any trademark or trade name adopted by the Corporation, except on behalf of the Corporation in the ordinary course of its business.
- (g) Disclose any of the Corporation's business practices, trade secrets, or any other information not generally known to the business community to any person not authorized to receive it.

**ARTICLE VIII
BOOKS AND RECORDS**

Required Books and Records

8.01. The Corporation must keep correct and complete books and records of account. The books and records include: *CONT*→

- (a) An 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.
- (b) A copy of all current and superseded Bylaws and any amended versions or amendments.
- (c) Minutes of the proceedings of the members, Board, and committees having any of the authority of the Board.
- (d) A list of the names and addresses of the members, directors, officers, and any committee members of the Corporation.
- (e) A financial statement showing the Corporation's assets, liabilities, and net worth at the end of the three (3) most recent fiscal years.
- (f) A financial statement showing the Corporation's income and expenses for the three (3) most recent fiscal years.
- (g) All filings, letters, and other documents relating to the Corporation's federal, state, and local tax status.
- (h) The Corporation's federal, state, and local tax information or income tax returns for each of the Corporations three (3) most recent tax years.

Inspection and Copying

8.02. Any member, director, officer, or committee member of the Corporation may inspect and receive copies of all the corporate books and records required to be kept under the bylaws. Such a person may, by written request, inspect or receive copies if he or she has a proper purpose related to his or her interest in the Corporation. He or she may do so through his or her attorney or other duly authorized representative. The inspection may take place at a reasonable time, no later than ten (10) working days after the Corporation receives a proper written request. The Board may establish reasonable copying fees which may cover the cost of materials and labor. The Corporation will provide requested copies of books or records no later than ten (10) working days after receiving a proper written request.

Audits

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

ARTICLE IX FISCAL YEAR

The Corporation's fiscal year begins on the first day of January and ends on the last day in December in each year.

**ARTICLE X
INDEMNIFICATION**

When Indemnification Is Required, Permitted, and Prohibited

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

(b) The Corporation will indemnify a person only if he or she acted in good faith and reasonably believed that his or her conduct was in the Corporation's best interests. In case of a criminal proceeding, the person may be indemnified only if he or she had no reasonable cause to believe that the conduct was unlawful. The Corporation will not indemnify a person who is found liable to the Corporation or is found liable to another on the basis of improperly receiving a personal benefit from the Corporation. A person is conclusively considered to have been found liable in relation to any claim, issue, or matter if the person has been adjudged liable by a court of competent jurisdiction and all appeals have been exhausted. Termination of a proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent does not necessarily preclude indemnification by the Corporation.

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

(d) In addition to the situations otherwise described in this paragraph, the Corporation may indemnify a director, officer, member, committee member, employee, or agent of the Corporation to the extent permitted by law; however, the Corporation will not indemnify any person in any situation in which indemnification is prohibited above.

(e) The corporation may advance expenses incurred or to be incurred in the defense of a proceeding to a person who might be eventually entitled to indemnification, even though there has been no final disposition of the proceeding. Advancement of expenses may occur only when the procedural conditions specified in paragraph 10.03(c), below, have been satisfied. Furthermore, the Corporation will never advance expenses to a person before final disposition of a proceeding if the person is a named defendant or respondent in a proceeding brought by the Corporation or if the person is alleged to have improperly received a personal benefit or committed other willful or intentional misconduct.

Extent and Nature of Indemnity

10.02. The indemnity permitted under these Bylaws includes indemnity against judgments, penalties, (including excise and similar taxes), fines, settlements, and reasonable expenses (including attorney's fees) actually incurred in connection with the proceeding. If the proceeding was brought by or on behalf of the Corporation, the indemnification is limited to reasonable expenses actually incurred by the person in connection with the proceeding.

Procedures Relating to Indemnification Payments

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

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

(ii) If such a quorum cannot be obtained, by a majority vote of a committee of the Board, designated to act in the matter by a majority vote of all directors, consisting solely of two or more directors who at the time of the vote are not named defendants or respondents in the proceeding.

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

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

(b) The Corporation will authorize indemnification and determine that expenses to be reimbursed are reasonable in the same manner that it determines whether indemnification is permissible. If special legal counsel determines that indemnification is permissible, authorization of indemnification and determination of reasonableness of expenses will be made as specified by subparagraph (a)(iii) above governing selection of special legal counsel. A provision contained in the articles of incorporation, or a resolution of members or the Board that requires the indemnification permitted by paragraph 10.01 above, constitutes sufficient authorization of indemnification even though the provision may not have been adopted or authorized in the same manner as the determination that indemnification is permissible.

(c) The Corporation will advance expenses before final disposition of a proceeding only after it determines that the facts then known would not preclude indemnification. The determination that the facts then known to those making the determination would not preclude indemnification and authorization of payment will be made in the same manner as a determination that indemnification is permissible under subparagraph (a) above. In addition to this determination, the Corporation may advance expenses only after it receives a written affirmation and undertaking from the person to receive the advance. The person's written affirmation will state that he or she has met the standard of conduct necessary for indemnification under these Bylaws. The written undertaking will provide for repayment of the amounts advanced by the Corporation if it is ultimately determined that the person has not met the requirements for indemnification.

CONT→

The undertaking will be an unlimited general obligation of the person, but it need not be secured and may be accepted without reference to financial ability to repay.

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

ARTICLE XI NOTICES

Notice by Mail

11.01. Any notice required or permitted by these Bylaws to be given to a member, director, officer, or member of a committee of the Corporation may be given by mail or by hand-delivery. 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 corporate records, with postage prepaid. If hand-delivered, a notice is deemed delivered when affixed in any reasonable manner to the person's front door at his or her address as it appears on the corporate records. A person may change his or her address in the corporate records by giving written notice of the change to the secretary of the corporation.

Signed Waiver of Notice

11.02. Whenever any notice is required by law or under the articles of incorporation or these Bylaws, 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.

Waiving Notice by Attendance

11.03. 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.

ARTICLE XII SPECIAL PROCEDURES CONCERNING MEETINGS

Meeting by Telephone

12.01. The members, Board of Directors, and any committee of the Corporation may hold a meeting by telephone conference-call procedures. In all meetings held by telephone, matters must be arranged in such a manner that all persons participating in the meeting can hear each other; the notice of a meeting by telephone conference must state the fact that the meeting will be held by telephone as well as all other matters required to be included in the notice; and a person's participating in a conference call meeting constitutes his or her presence at the meeting.

Decision Without Meeting

12.02. Any decision required or permitted to be made at a meeting of the members, Board, or any committee of the Corporation may be made without a meeting. A decision without a meeting may be made if written consent to the decision is signed by all the persons entitled to vote on the matter. The original signed consents will be placed in the Corporation minute book and kept with the corporate records.

**ARTICLE XIII
AMENDING BYLAWS**

These Bylaws may be altered, amended, or repealed, and new bylaws may be adopted only by the membership. The notice of any meeting at which these Bylaws are altered, amended, or repealed, or at which new bylaws are adopted will include the text of the proposed bylaw provisions as well as the text of any existing provisions proposed to be altered, amended, or repealed. Alternatively, the notice may include a fair summary of those provisions.

**ARTICLE XIV
MISCELLANEOUS PROVISIONS**

Legal Authorities Governing Construction of Bylaws

14.01. These Bylaws will be construed under Texas law. All references in these Bylaws to statutes, regulations, or other sources of legal authority will refer to the authorities cited, or their successors, as they may be amended from time to time.

Legal Construction

14.02. To the greatest extent possible, these Bylaws shall be construed to conform to all legal requirements and all requirements for obtaining and maintaining all tax-exempt status *CONT*→ that may be available to non-profit corporations. If any bylaw provision is held invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability will not affect any other provision and the bylaws will be construed as if they had not included the invalid, illegal, or unenforceable provision.

Headings

14.03. The headings used in the bylaws are for convenience and may not be considered in construing the bylaws.

Number

14.04. All singular words include the plural, and all plural words include the singular.

Seal

14.05. The Board of Directors may provide a corporate seal. Such a seal would consist of two concentric circles including the name of the corporation in one circle and the word "Incorporated" together with the date of incorporation in the other circle.

Power of Attorney

14.06. A person may execute any instrument related to the Corporation by means of a power of attorney if an original executed copy of the power of attorney is provided to the secretary to be kept with the corporate records.

Parties Bound

14.07. The bylaws will bind and inure to the benefit of the members, directors, officers, committee members, employees, and agents of the Corporation and their respective heirs, executors, administrators, legal representatives, successors, and assigns except as the bylaws otherwise provide.

October 17, 2019 Proposal for Amendment to the Bylaws of Ember Creek Common Improvements Maintenance Association

Page 2, Paragraph 2.02

...Ember Creek Estates, Mansfield, Texas, And All members..., Texas, as identified by the recorded deed and/or identified as such by the Tarrant Count Appraisal District. This ownership is extended to the legal spouse residing at the same address as the identified owner.

Page 4, paragraph 3.06

...meeting of members, however nonresident class A (as identified in the roster of owners) are not included in the calculation of the quorum (but those in attendance may vote).

Page 4, paragraph 3.06

... Notice, but no vote by the remaining membership will be taken.

Page 5, paragraph 4.02

The board's directors will be... (4) Officers (Bylaw Article V) and additional directors, such as committee chair persons. These directors' annual assessment will be waived if the entire years' required duties are accomplished. Also directors should be willing to attend board meetings...

Page 6, paragraph 4.10

... Without further notice but not vote by the remaining board members will be taken.

Page 10, paragraph 5.05

...: however, the president may not execute..., Bylaws, or statute(unless the officer or agent position is vacant).

Page 10, paragraph 5.08

5.08 The Treasurer will

(a) In coordination with the Board of Directors perform the following secretary duties from above:

(1) Give all notices as provided in the bylaws and as required by law.

(2) Keep a register of each member, director, officer, employee and independent contractor.

Page 11, paragraph 5.08 cont.

(J) Attend annual meeting, will identify class A members, and will assist as needed for taking votes.