

**CORPORATE CERTIFICATE  
SECTIONS THREE AND FOUR  
RANCH CREST HOME OWNERS' ASSOCIATION**

The undersigned certifies that he is the Attorney for Sections Three and Four Ranch Crest Home Owners' Association (the "Association"). The Association is the property owners' association for Ranch Crest Section Three and Ranch Crest Section Four, a subdivision in Montgomery County, Texas, according to the maps or plats thereof recorded in the Map Records of Montgomery County, Texas.

The Association is a Texas non-profit corporation, and attached to this certificate is a true and correct copy of the BYLAWS OF SECTIONS THREE AND FOUR RANCH CREST HOME OWNERS' ASSOCIATION.

Signed this 18<sup>th</sup> day of July, 2016.

*B P F*

BRYAN P. FOWLER, Attorney for the Association

STATE OF TEXAS §

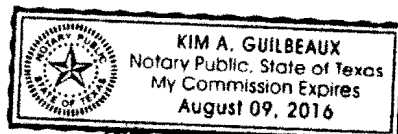
COUNTY OF MONTGOMERY §

SWORN TO AND SUBSCRIBED BEFORE ME on the 18<sup>th</sup> day of July, 2016, by **BRYAN P. FOWLER**, Attorney for SECTIONS THREE AND FOUR RANCH CREST HOME OWNERS' ASSOCIATION, a Texas non-profit corporation.

*Kim A. Guilbeaux*  
\_\_\_\_\_  
NOTARY PUBLIC, State of Texas

THE STATE OF TEXAS §

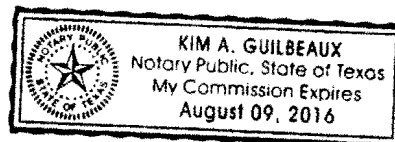
COUNTY OF MONTGOMERY §



This instrument was acknowledged before me on the 18<sup>th</sup> day of July, 2016, by **BRYAN P. FOWLER**, Attorney for SECTIONS THREE AND FOUR RANCH CREST HOME OWNERS' ASSOCIATION, a Texas non-profit corporation, on behalf of said corporation.

*Kim A. Guilbeaux*  
\_\_\_\_\_  
NOTARY PUBLIC, State of Texas

**AFTER RECORDING RETURN TO:**  
The Fowler Law Firm  
300 West Davis, Suite 510  
Conroe, Texas 77301



DOC #2016063192

**BYLAWS**  
**OF**  
**SECTIONS THREE AND FOUR**  
**RANCH CREST HOME OWNERS' ASSOCIATION**

**BYLAWS OF**  
**SECTIONS THREE AND FOUR**  
**RANCH CREST HOME OWNERS' ASSOCIATION**

**TABLE OF CONTENTS**

**ARTICLE 1**

Offices

- 1.01 Principal Office
- 1.02 Other Offices
- 1.03 Change of Location

**ARTICLE 2**

Definitions

**ARTICLE 3**

Qualifications for Membership

- 3.01 Membership
- 3.02 Proof of Membership
- 3.03 No Additional Qualification
- 3.04 Certificates of Membership

**ARTICLE 4**

Voting Rights

- 4.01 Classes of Membership
- 4.02 Voting
- 4.03 Methods of Voting
- 4.04 Proxies
- 4.05 Quorum
- 4.06 Required Vote
- 4.07 Recount Procedures
- 4.08 Election Vote Tabulators
- 4.09 Cumulative Voting

## **ARTICLE 5**

### **Meetings of Members**

- 5.01 Annual Meetings
- 5.02 Special Meetings
- 5.03 Place
- 5.04 Notice of Meetings
- 5.05 Order of Business at Meetings
- 5.06 Action Without Meeting by Unanimous Consent
- 5.07 Action by Non-Unanimous Consent

## **ARTICLE 6**

### **Board of Directors**

- 6.01 Number
- 6.02 Term
- 6.03 Removal
- 6.04 Vacancies
- 6.05 Director Appointments
- 6.06 Compensation
- 6.07 Powers and Duties
- 6.08 Association Contracts
- 6.09 Actions of Board of Directors

## **ARTICLE 7**

### **Nomination and Election of Directors**

- 7.01 Nomination of Directors
- 7.02 Election
- 7.03 Required Election of Directors by Members
- 7.04 Rules and Procedures

## **ARTICLE 8**

### **Meetings of Directors**

- 8.01 Regular Meetings
- 8.02 Special Meetings
- 8.03 Open Board Meetings; Executive Session
- 8.04 Meetings With Notice to Members
- 8.05 Meetings Without Notice to Members

- 8.06 Quorum
- 8.07 Voting Requirement

## **ARTICLE 9**

### **Committees**

- 9.01 Appointed by Board of Directors
- 9.02 Authority of Committees
- 9.03 Discharge of Committees and Committeemen

## **ARTICLE 10**

### **Officers**

- 10.01 Enumeration of Officers
- 10.02 Term
- 10.03 Resignation and Removal
- 10.04 Multiple Offices
- 10.05 Compensation

## **ARTICLE 11**

### **President**

- 11.01 Election
- 11.02 Duties

## **ARTICLE 12**

### **Vice President**

- 12.01 Election
- 12.02 Duties

## **ARTICLE 13**

### **Secretary**

- 13.01 Election
- 13.02 Duties

## **ARTICLE 14**

### **Treasurer**

14.01 Election

14.02 Duties

## **ARTICLE 15**

### **Limitation of Liability of Directors and Officers and Indemnification**

15.01 Limitation of Liability

15.02 Indemnification

## **ARTICLE 16**

### **Books and Records**

16.01 Maintenance

16.02 Inspection

## **ARTICLE 17**

17.01 Amendments

## **ARTICLE 18**

### **Conflicts**

18.01 Restrictions Govern

## **ARTICLE 1**

### **OFFICES**

1.01. Principal Office. The principal office of the Association shall be located at 19221 I-45 South, Suite 37, Conroe, Texas 77385.

1.02. Other Offices. The corporation also may have offices at such other places within Montgomery County, Texas, as the Board of Directors may from time to time determine or the business of the Association may require.

1.03. Change of Location. The Board of Directors may change the location of any office of the Association.

## **ARTICLE 2**

### **DEFINITIONS**

2.01. "Association" shall mean and refer to Sections Three and Four Ranch Crest Home Owners' Association, its successors and assigns.

2.02. "Subdivision" shall mean and refer to (i) that certain tract or parcel of land heretofore platted and known as Ranch Crest, Section Three, a subdivision in Montgomery County, Texas, according to the map or plat thereof recorded in Cabinet Z, Sheet 1741, Map Records of Montgomery County, Texas, and (ii) that certain tract or parcel of land heretofore platted and known as Ranch Crest, Section Four, a subdivision in Montgomery County, Texas, according to the map or plat thereof recorded in Cabinet Z, Sheet 3569, Map Records of Montgomery County, Texas, and (iii) such other properties as may be brought within the scheme of development of the Ranch Crest subdivision or subjected to similar covenants, conditions and restrictions.

2.03. "Common Area" shall mean all real property, if any, within the Subdivision, owned by the Association and dedicated for the common use and enjoyment of the Owners of property in the Subdivision.

2.04. "Lot" or "Lots" shall mean and refer to the numbered lots as shown on the plat of the Subdivision, any lot or tract resulting from the subdivision or re-subdivision of any Lot and any other tracts brought within the jurisdiction of the Association.

2.05. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Subdivision. In the event of an executory contract for installment sale or contract for deed covering any Lot, the "Owner" shall be the purchaser named in the contract. "Owner" does not include those persons or entities having an interest merely as security for the performance of an obligation, persons or entities who own only an easement, or those having an interest in the mineral estate only.

2.06. "Developer" and/or "Declarant" shall mean and refer to White Oak Developers, Inc., and to any entity which succeeds to all or substantially all of the unsold Lots in the Subdivision by merger, consolidation or conveyance and to whom the Declarant's rights and privileges as the developer of the Subdivision are specifically assigned in writing.

2.07. "Restrictions" shall mean and refer to the Restrictions and Covenants Governing Certain Designated Lots in Ranch Crest, Section Three, as recorded in the Official Public Records of Montgomery County, Texas under Clerk's File Nos. 2011018270 and 2013025804, and the Restrictions and Covenants Governing All Lots and Reserves in Ranch Crest, Section Four, as recorded in the Official Public Records of Montgomery County, Texas under Clerk's File No. 2015078235, together with any amendments or supplements thereto, and to any similar restrictions and covenants applicable to any properties that may hereafter be brought within the scheme of development of Ranch Crest Subdivision and subjected to the jurisdiction of the Association.

2.08. "Member" shall mean and refer to those persons entitled to membership in the Association.

### **ARTICLE 3**

#### **QUALIFICATIONS FOR MEMBERSHIP**

3.01. Membership. The membership of the Association shall consist of all the Owners of the Lots within the Subdivision, including contract purchasers. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation, persons or entities who own only an easement, or those having an interest in the mineral estate only. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

3.02. Proof of Membership. The rights of membership shall not be exercised by any person until satisfactory proof has been furnished to the Secretary of the Association that the person is qualified as a Member. Such proof may consist of a copy of a duly executed and acknowledged deed, contract for deed or title insurance policy evidencing ownership of a Lot or Lots in the Subdivision. Such deed, contract for deed or policy shall be deemed conclusive in the absence of a conflicting claim based on a later deed, contract or policy.

3.03. No Additional Qualification. The sole qualification for membership shall be ownership of a Lot or Lots in the Subdivision. No initiation fees, costs, or dues shall be assessed against any person as a condition of membership except such assessments, levies, and charges as are specifically authorized under the Restrictions.

3.04. Certificates of Membership. The Board of Directors may provide for the issuance of certificates evidencing membership in the Association which shall be in such form as may be determined by the Board. All certificates evidencing membership shall be consecutively numbered. The name and address of each Member and the date of issuance of the certificate shall be entered on

the records of the Association and maintained by the Secretary at the principal office of the Association.

#### **ARTICLE 4** **VOTING RIGHTS**

4.01. Classes of Membership. The Association shall have two classes of voting membership:

CLASS A. Class A Members shall be all Owners with the exception of the Developer and, except as provided below, shall be entitled to one (1) vote for each Lot owned in the Subdivision. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. Unless otherwise determined by the Developer, during any time that the Developer owns any Lot or other property within the Subdivision (hereinafter referred to as the "Developer Control Period"), the Class A Members shall not be entitled to vote on (i) the amendment or modification of the Restrictions, (ii) the election of Directors (subject, however, to the provisions of Section 209.00591(c) of the TEXAS PROPERTY CODE which requires election of one-third of the directors of a property owners association by the members of the association upon the occurrence of certain events), (iii) amendment of the Certificate of Formation of the Association, or (iv) amendment of these Bylaws.

CLASS B. The Class B Member shall be the Developer, and any person or entity which succeeds to all or substantially all of the unsold Lots in the Subdivision by merger, consolidation or conveyance and to whom the Developer's rights and privileges as the developer of the Subdivision are specifically assigned in writing. The Class B Member shall be entitled to ten (10) votes for each Lot owned within the Subdivision, and during the Developer Control Period, shall have the exclusive right to vote on (i) the amendment or modification of the Restrictions, (ii) the election of Directors (subject, however, to the provisions of Section 209.00591(c) of the TEXAS PROPERTY CODE which requires election of one-third of the directors of a property owners association by the members of the association upon the occurrence of certain events), (iii) amendment of the Certificate of Formation of the Association, or (iv) amendment of these Bylaws. The Class B membership shall exist during the Developer Control Period. At the end of the Developer Control Period, the Class B membership shall cease. If the Developer (or any other person or entity entitled to Class B membership as provided herein) then owns any Lot in the Subdivision, it shall become a Class A Member with all of the rights and privileges of the Class A Members.

4.02. Voting. Except for Class B Member(s), voting shall be on a one vote per Lot basis. The Owner or Owners of each Lot are entitled to one vote [or in the case of Class B members, ten (10) votes] for each Lot owned in the Subdivision. If record title to a particular Lot or Lots is in the name of two or more persons, all co-owners shall be Members and may attend any meeting of the Association but the voting rights appurtenant to each such Lot may not be divided and fractional votes shall not be allowed. Any one of said co-owners may exercise the vote appurtenant to each such Lot so owned at any meeting of the Members and such vote shall be binding and conclusive on

all of the other co-owners of said Lot who are not present; provided, if one of the non-attending co-owners has given the Association notice of objection to the attending co-owner's vote, no vote shall be cast for said Lot except upon notice of unanimous consent by all such co-owners being given to the Association. Except in the case of Class B Member(s), in the event more than one vote is cast for a single Lot by an Owner, none of the votes so cast shall be counted and all of such votes shall be deemed void.

4.03. Methods of Voting. The voting rights of a Member may be cast or given:

- (1) in person or by proxy at a meeting of the Association;
- (2) by absentee ballot; or
- (3) by electronic ballot by electronic mail or facsimile.

Any vote cast must be in writing and signed by the Member as required by Section 209.0058 of the TEXAS PROPERTY CODE. Electronic votes constitute written and signed ballots.

Absentee ballots may not be counted, even if properly delivered, if the Member attends any meeting to vote in person so that any vote cast at a meeting by the Member supersedes any vote submitted by absentee or electronic ballot previously submitted for that proposal. Absentee or electronic ballots may not be counted on the final vote of a proposal if the motion was amended at a meeting of the Members to be different from the exact language on the absentee or electronic ballot. Any solicitation for votes by absentee ballot by the Association must include an absentee ballot that contains each proposed action and provides an opportunity to vote for or against the proposed action, instructions for delivery of the completed absentee ballot, including the delivery location, all of which are required by Section 209.00592 of the TEXAS PROPERTY CODE.

4.04. Proxies. All proxies shall be in writing and filed with the Secretary of the Association. Every proxy shall be revocable and shall automatically cease on conveyance by the Member of his Lot, or on receipt of notice by the Secretary of the death or judicially declared incompetence of such Member. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise specifically provided in the proxy.

4.05. Quorum. The presence, either in person or by proxy, at any meeting of Members entitled to cast at least ten (10%) percent of the total votes of the Association shall constitute a quorum for any action. Electronic and faxed ballots shall count for purposes of establishing a quorum. In the absence of a quorum at a meeting of Members, the meeting may nevertheless be convened for the sole purpose of conducting Director elections. The quorum required for election of Directors at the convened meeting shall be the number of votes cast in person, by proxy, by absentee ballot or electronic or faxed ballot. For any purpose other than the election of Directors, if at any meeting of Members, the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting. No subsequent meeting shall be held more than (60) days following the preceding meeting.

4.06. Required Vote. The vote of the majority of the votes entitled to be cast by the Members present, or represented by proxy, and by those voting by absentee or mailed ballot or by electronic or faxed ballot at a meeting at which a quorum is present shall be the act of the meeting of the Members, unless the vote of a greater number is required by statute, the Restrictions, the Certificate of Formation or these Bylaws.

4.07. Recount Procedures. A Member may, not later than the fifteenth (15<sup>th</sup>) day after the date of a meeting at which an election was held, require a recount of votes in accordance with Section 209.0057 of the TEXAS PROPERTY CODE.

4.08. Election Vote Tabulators. A person who is a candidate in an Association election or who is otherwise the subject of an Association vote, or a person related to that person within the third degree of consanguinity or affinity, as determined under Chapter 573 of the TEXAS GOVERNMENT CODE, may not tabulate or otherwise be given access to the ballots cast in the election or vote.

4.09. Cumulative Voting. Cumulative voting shall not be permitted.

## **ARTICLE 5**

### **MEETINGS OF MEMBERS**

5.01. Annual Meetings. The annual meeting of the Members of the Association shall be held at a time and date in October of each year as determined by the Board of Directors.

5.02. Special Meetings. Special meetings of the Members may be called by the President, the Board of Directors, or by Members representing at least ten (10%) percent of the total votes entitled to be cast by the Members.

5.03. Place. Meetings of the Members shall be held within the Subdivision or at a convenient meeting place as close thereto as possible as the Board may specify in writing.

5.04. Notice of Meetings. Written notice of all Members' meetings shall be given by or at the direction of the Secretary of the Association (or other persons authorized to call the meeting) by mailing or personally delivering a copy of such notice at least ten (10) but not more than fifty (50) days before such meeting to each Member entitled to vote at such meeting, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the nature of the business to be undertaken. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at the address last appearing on the books of the Association with postage thereon paid.

5.05. Order of Business at Meetings. The order of business at all meetings of the Members shall be as follows:

- (1) Roll call;
- (2) Proof of notice of meeting or waiver of notice;
- (3) Reading of Minutes of preceding meeting;
- (4) Reports of officers;
- (5) Reports of committees;
- (6) Election of directors;
- (7) Unfinished business; and
- (8) New business.

5.06. Action Without Meeting by Unanimous Consent. Any action required or permitted by the Certificate of Formation, these Bylaws, or the Code to be taken at a meeting of the Members of the Association may be taken without a meeting if all the Members entitled to vote with respect to the subject matter sign a written consent setting forth the action so taken.

5.07. Action by Non-Unanimous Consent. Any action required or permitted by the Certificate of Formation, these Bylaws, or the Code to be taken at any annual or special meeting of Members may be taken, subject to any statutory requirements, without a meeting, without prior notice, and without a vote, if the Members having not less than the minimum number of votes that would be necessary to take such action (had the matter arisen at a membership meeting at which the all Members entitled to vote on the action were present and voted) sign a written consent or consents setting forth the action so taken.

## **ARTICLE 6**

### **BOARD OF DIRECTORS**

6.01 Number. The affairs of the Association shall be managed by the Board of Directors consisting of no less than three (3) persons. During the Developer Control Period, the Board shall consist of not less than three (3) Directors, none of whom need be Owners or Members of the Association. After the Developer Control Period, the Board shall consist of three (3) Directors, all of whom shall be Members of the Association. The initial members of the Board of Directors shall be chosen by the Developer. Except for the initial Directors, during the Developer Control Period, the Directors of the Association shall be appointed or elected by the Board of Directors. After the Developer Control Period, the Board of Directors shall be elected by the Members of the Association.

6.02 Term. The Directors set forth in the Certificate of Formation, or their successor appointees, shall hold office until the annual election of Directors to be held at the first annual meeting of the Members of the Association after the Developer Control Period or until their successors are elected and qualified. At the first annual meeting of the Members after the Developer Control Period, three (3) Directors will be elected, who will be divided into two classes. There will be one (1) Director in the first class, who will hold office until the first annual meeting of Members after his election or until his successor is elected and qualified; there will be two (2) Directors in the second class, who will hold office until the second annual meeting of Members after their election or until their successors are elected and qualified. At each annual meeting of Members thereafter,

Directors will be elected for the class whose term of office expires at that meeting, and they will hold office until the second annual meeting of Members after their election or until their successors are elected and qualified.

6.03 Removal. Except for the initial Directors or other Directors serving during the Developer Control Period, who shall serve until the first annual meeting of Members after the Developer Control Period, or until their successors are elected and qualified, Directors may be removed from office with or without cause by a majority of all of the votes entitled to be cast by the Members of the Association.

6.04 Vacancies. In the event of a vacancy on the Board caused by the death, resignation, or removal of a Director, the remaining Directors shall, by majority vote, elect a successor who shall serve for the unexpired term of his predecessor in office.

Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting or at a special meeting of Members called for that purpose.

6.05 Director Appointments. Any Board member whose term has expired must be elected by the Members of the Association. A Board member may be appointed by the Board only to fill a vacancy caused by any reason. A Board member appointed to fill a vacant position shall serve the unexpired term of the predecessor Board member.

6.06 Compensation. No Director shall receive compensation for any service he may render to the Association. A Director may, however, be reimbursed by the Board for actual expenses incurred by him in the performance of his duties.

6.07 Powers and Duties. The Board shall have the powers and duties, and shall be subject to limitations on such powers and duties, as enumerated in these Bylaws or in the Restrictions or as set forth in the Certificate of Formation of the Association. In addition, the Board of Directors shall have the following powers and duties:

- a. cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the Members;
- b. supervise all officers, agents and employees of this Association, and see that their duties are properly performed;
- c. as may be more fully provided in the Restrictions to:
  - (1) adjust the amount of the annual maintenance fund assessment against each lot;
  - (2) send written notice of each assessment to every Owner subject thereto; and

- (3) if applicable, foreclose the lien against any property for which assessments are not timely paid and/or bring an action at law against each Owner personally obligated to pay the same;
- d. issue, or to cause an appropriate office to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
  - e. procure and maintain, if possible, adequate liability and hazard insurance on property owned by the Association;
  - f. cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
  - g. cause any private roads and streets in the Subdivision to be maintained;
  - h. cause the Common Area, if any, to be maintained;
  - i. cause the Restrictions of the Subdivision to be enforced and administered;
  - j. cause the architectural control of the Subdivision as set forth in the Restrictions;
  - k. adopt a Fine Schedule and impose, implement and levy fines as set out in the Fine Schedule, and as may be deemed necessary or desirable for the interpretation and implementation of the Bylaws, Architectural Guidelines and Regulations, and the Declaration;
  - l. employ such accountants, attorneys, contractors or other persons or entities as the Board deems necessary to manage and administer the affairs of the Association;
  - m. manage the affairs of the Association; and
  - n. perform all acts and do all things provided for or contemplated to be done by the Association in the Restrictions and the Certificate of Formation.

Directors shall exercise ordinary business judgment in managing the affairs of the Association. Directors shall act as fiduciaries with respect to the interests of the Members. In acting in their official capacity as directors of this Association, directors shall act in good faith and take actions they reasonably believe to be in the best interests of the Association and that are not unlawful. In all instances, the directors shall not take any action that they should reasonably believe would be contrary to the Association's best interests or would be unlawful. A director shall not be

liable if, in the exercise of ordinary care, the director acts in good faith relying on written financial and legal statements provided by an accountant or attorney retained by the Association.

6.08. Association Contracts. The Association may enter into an enforceable contract with a current Association board member, a person related to a current Association board member within the third degree by consanguinity or affinity, as determined under Chapter 573, GOVERNMENT CODE, a company in which a current Association board member has a financial interest in at least 51 percent (51%) of profits, or a company in which a person related to a current Association member within the third degree by consanguinity or affinity, as determined under Chapter 573, GOVERNMENT CODE, has a financial interest in at least 51 percent (51%) of profits, if the following conditions are satisfied:

- (a) the board member, relative, or company bids on the proposed contract and the Association has received at least two other bids for the contract from persons not associated with the board member, relative, or company, if reasonably available in the community; and
- (b) the board member:
  - (1) is not given access to the other bids;
  - (2) does not participate in any board discussion regarding the contract; and
  - (3) does not vote on the award of the contract.

6.09 Actions of Board of Directors. The Board of Directors shall try to act by consensus. However, the vote of a majority of directors present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the Board of Directors unless the act of a greater number is required by law or these Bylaws. A director who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the decision of the Board of Directors. For the purpose of determining the decision of the Board of Directors, a director who is represented by proxy in a vote is considered present.

## **ARTICLE 7**

### **NOMINATION AND ELECTION OF DIRECTORS**

7.01. Nomination of Directors. At least ten (10) days before the Association disseminates absentee ballots to Association members for the purpose of voting in a board member election, the Association must provide notice to the Association members soliciting candidates interested in running for a position on the board. The notice must contain instructions for an eligible candidate to notify the Association of the candidate's request to be placed on the ballot and the deadline to submit the candidate's request. The notice must also state (a) the number of positions available on the board that will be filled at the upcoming election; (b) the phone number, fax number, email address and/or physical address at which the member may notify the Association that he or she wishes to have his or her name placed on the ballot for the election; and (c) any other information necessary to inform the members how to have their name listed on the ballot for the election. The

deadline may not be earlier than the 10<sup>th</sup> day after the date the Association provides the notice required herein. The Association shall include on each absentee ballot for a board member election the name of each eligible candidate from whom the Association received a request to be placed on the ballot.

Candidates for the Board of Directors of the Association also may be nominated (i) by petition signed by eligible Members entitled to cast at least two (2) votes, provided such petition shall be received by the Secretary at least ten (10) days before the annual meeting, or (ii) at the annual meeting by motion and second by eligible Members. No Member shall be eligible to be nominated for or to serve on the Board of Directors if such Member has a felony conviction or a conviction for a crime involving moral turpitude within twenty (20) years prior to the date of election.

7.02. Election. Directors are elected at the annual meeting of Members of the Association. Members, or their proxies, and those voting by absentee or mailed ballot or by electronic or faxed ballot, may cast, in respect to each directorship to be filled, as many votes as they are entitled to exercise under the provisions of the Restrictions. The nominees receiving the highest number of votes shall be elected. No Member may cumulate votes.

7.03. Required Election of Directors by Members. Notwithstanding any provision to the contrary contained in Sections 7.01 or 7.02 or elsewhere in these Bylaws, the election of Directors shall be subject to the provisions of TEX. PROP. CODE §209.00591 (Board Membership) requiring one-third (1/3) of the board members to be elected by the members of the Association (i) on or before the 120<sup>th</sup> day after the date 75 percent of the Lots are conveyed to owners other than the Declarant, or (ii) if the Declaration does not include the number of Lots that may be created and made subject to the Declaration, then not later than the 10<sup>th</sup> anniversary of the date the Declaration was recorded in the Real Property Records of Montgomery County, Texas.

7.04. Rules and Procedures. The Board of Directors may adopt rules and procedures for the conduct of annual elections of Directors, provided that such rules and procedures are not inconsistent with these Bylaws.

## **ARTICLE 8**

### **MEETINGS OF DIRECTORS**

8.01. Regular Meetings. Regular meetings of the Board of Directors shall be held at such place, on such dates and at such time as may be fixed from time to time by resolution of the Board. The first regular meeting of each new Board shall be held within twenty (20) days after the annual meeting of Members. Unless waived, notice of the time and place of regular meetings shall be mailed or delivered to each member of the Board of Directors not less than five (5) nor more than twenty (20) days before the date of the meeting.

8.02. Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President or Secretary of the Board of Directors or by any two Directors. The notice shall specify the date, time and place of the meeting and the nature of any special business to be considered. Notice of any special meeting must be given to each Director not less than five (5) days (except in the case of emergencies), or more than fifteen (15) days prior to the date fixed for such meeting by written notice delivered personally or sent by mail or telegram to each Director at his address as shown in the records of the Association.

8.03. Open Board Meetings; Executive Session. Regular and special Board meetings shall be open to Members, subject to the right of the Board to adjourn a meeting and reconvene in closed executive session to consider actions involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, confidential communications with the property Association's attorney, matters involving the invasion of privacy of individual owners, or matters that are to remain confidential by request of the affected parties and agreement of the Board. Following any executive session, any decision made in the executive session shall be summarized orally and placed in the minutes, in general terms, without breaching the privacy of individual owners, violating any privilege, or disclosing information that was to remain confidential at the request of the affected parties. The oral summary shall include a general explanation of any expenditures approved in executive session.

8.04. Meetings With Notice To Members. Members shall be given notice of the date, hour, place, and general subject of a regular or special meeting of the Board, including a general description of any matter to be brought up for deliberation in executive session. The notice shall be (a) mailed to each member not later than the tenth (10<sup>th</sup>) day or earlier than the sixtieth (60<sup>th</sup>) day before the date of the meeting; or (b) provided at least seventy-two (72) hours before the start of the meeting by (i) posting the notice in a conspicuous manner reasonably designed to provide notice to the members in a place located on the Association's common property, or on conspicuously located private property within the subdivision, or (ii) by posting the notice on an Internet website maintained by the Association; and (iii) by sending the notice by e-mail to each owner who has registered an e-mail address with the Association.

A Board meeting may be held by electronic or telephonic means provided that (1) a Board member may hear and be heard by every other Board member, (2) except for any portion of the meeting conducted in executive session, (a) that all owners in attendance at the meeting may hear all Board members, and (b) Owners are allowed to listen using any electronic or telephonic communication methods used or expected to be used by the Board member to participate, and (3) notice of meeting includes instructions for owners to access any communication method required to be assessable hereunder.

8.05. Meetings Without Notice to Members. A Board may take action outside of a meeting, including voting by electronic or telephonic means, without prior notice to owners as required herein, if each Board member is given a reasonable opportunity to express the Board member's opinion to all other Board members and to vote. Any action taken without notice to the Members must be summarized orally, including an explanation of any known actual or estimated expenditures

approved at the meeting, and documented in the minutes at the next regular or special meeting of the Board. The Board may not, unless done in an open Board meeting for which prior notice was given to owners as required herein, consider or vote on fines; damage assessments; initiation of foreclosure actions; initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety; increases in assessments; levying of special assessments; appeals from a denial of architectural control approval; or the suspension of a right of a particular Member before the Member has an opportunity to attend a Board meeting to present the Member's position, including any defense on the issue, lending or borrowing, the adoption of an amendment to any dedicatory instruments, the approval of an annual budget or the approval of an amendment to an annual budget which raises the budget by more than 10%, sale of purchase of real property, the filling of a vacancy on the Board, the construction of capital improvements other than the repair, replacement, or enhancement of existing capital improvements, or the election of an officer.

8.06. Quorum. A quorum for the transaction of business by the Board of Directors shall be a majority of the number of Directors constituting the Board of Directors as fixed by these Bylaws.

8.07. Voting Requirement. The act of the majority of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors unless any provision of the Certificate of Formation or these Bylaws requires the vote of a greater number.

## **ARTICLE 9**

### **COMMITTEES**

9.01. Appointed by Board of Directors. The Board of Directors shall appoint such committees as are required by the Restrictions. The Board may from time to time establish and appoint to such other committees as it shall deem necessary and advisable to assist the Board in the general operation and management of the Association. The Chairman and all Members of each such committee must be a Member of the Association.

9.02. Authority of Committees. The Board of Directors may grant to any committee thus established by the Board such authority and power consistent with these Bylaws as the Board shall deem required to carry out the intended purposes and functions of such committee.

9.03. Discharge of Committees and Committeemen. The Board of Directors may discharge any committee established by the Board and may remove and replace any committeeman appointed to any committee.

## **ARTICLE 10**

### **OFFICERS**

10.01. Enumeration of Officers. The Officers of the Association (who shall at all times be members of the Board of Directors) shall be a President, a Vice President, a Secretary and a

Treasurer. The Board of Directors may, by resolution, create such other offices as it deems necessary or desirable.

10.02. Term. The Officers of this Association shall be elected annually by the Board of Directors and each shall hold office for a term of one year, unless such officer shall sooner resign, be removed, or be otherwise disqualified to serve.

10.03. Resignation and Removal. Any Officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect at the date of receipt of such notice or at any later time specified therein. Any officer may be removed from office by the Board whenever, in the Board's judgment, the best interests of the Association would be served by such removal.

10.04. Multiple Offices. Any two or more offices may be held by the same person, except the offices of President and Secretary.

10.05. Compensation. Officers shall not receive compensation for services rendered to the Association.

## **ARTICLE 11**

### **PRESIDENT**

11.01. Election. At the first meeting of the Board immediately following the annual meeting of the Members, the Board shall elect one of its members to act as President.

11.02. Duties. The President shall:

- (a) Preside over all meetings of the Members and of the Board;
- (b) Sign as President all deeds, contracts, and other instruments in writing which have been first approved by the Board, unless the Board, by duly adopted resolution, has authorized the signature of a lesser officer;
- (c) Call meetings of the Board whenever he deems it necessary in accordance with rules and on notice agreed to by the Board. The notice period shall, with the exception of emergencies, in no event be less than five (5) days; and
- (d) Have, subject to the advice of the Board, general supervision, direction and control of the affairs of the Association and discharge such other duties as may be required of him by the Board.

**ARTICLE 12**  
**VICE PRESIDENT**

12.01. Election. At the first meeting of the Board immediately following the annual meeting of the Members, the Board shall elect one of its members to act as Vice President.

12.02. Duties. The Vice President shall:

- (a) Act in the place and in the stead of the President in the event of his absence, inability, or refusal to act; and
- (b) Exercise and discharge such other duties as may be required of him by the Board. In connection with any such additional duties, the Vice President shall be responsible to the President.

**ARTICLE 13**  
**SECRETARY**

13.01. Election. At the first meeting of the Board immediately following the annual meeting of the Members, the Board shall elect a Secretary. The Secretary need not be a member of the Board.

13.02. Duties. The Secretary shall:

- (a) Keep a record of all meetings and proceedings of the Board and of the Members;
- (b) Keep the seal of the Association, if any, and affix it on all papers requiring said seal;
- (c) Serve such notices of meetings of the Board and the Members required either by law or by these Bylaws;
- (d) Keep appropriate current records showing the members of this Association together with their addresses; and
- (e) Sign as Secretary all deeds, contracts, and other instruments in writing which have been first approved by the Board if said instruments require a second Association signature, unless the Board has authorized another Officer to sign in the place and stead of the Secretary by duly adopted resolution.

**ARTICLE 14**  
**TREASURER**

14.01. Election. At the first meeting of the Board immediately following the annual meeting of the members, the Board shall elect a Treasurer. The Treasurer need not be a member of the Board.

14.02. Duties. The Treasurer shall:

- (a) Receive and deposit in such bank or banks as the Board may from time to time direct, all of the funds of the Association;
- (b) Be responsible for, and supervise the maintenance of, books and records to account for such funds and other Association assets;
- (c) Disburse and withdraw said funds as the Board may from time to time direct, and in accordance with prescribed procedures; and
- (d) Prepare and distribute the financial statements for the Association required by the Restrictions.

**ARTICLE 15**  
**LIMITATION OF LIABILITY OF DIRECTORS AND**  
**OFFICERS AND INDEMNIFICATION**

15.01. Limitation of Liability. To the full extent permitted by applicable law, no director or officer of the Association shall be liable to the Association or its members for monetary damages for an act or omission in such director's capacity as a director or officer of the Association, except that this Article 15 does not eliminate or limit the liability of a director or officer of the Association for:

- (a) breach of such director's or officer's duty of loyalty to the Association or its members;
- (b) an act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law;
- (c) a transaction from which such director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of such director's or officer's office; or
- (d) an act or omission for which the liability of such director or officer is expressly provided for by statute.

Any repeal or amendment of this Article by the members of this Association shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director or officer of the Association existing at the time of such repeal or amendment. In addition to the circumstances in which a director or officer of this Association is not personally liable as set forth in the foregoing provisions of this Article 15, a director or officer shall not be liable to the full extent permitted by an amendment to the TEXAS BUSINESS ORGANIZATIONS CODE or other statute hereafter enacted that further limits the liability of a director or officer.

15.02. Indemnification. To the full extent permitted by applicable law, the Association shall indemnify any director or officer against judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses (including court costs and attorney fees) actually incurred by any such person who was, is or is threatened to be made a named defendant or respondent in a proceeding because the person is or was a director or officer and shall advance to such person such reasonable expenses as are incurred by him in connection therewith. The rights of directors and officers set forth in this Article shall not be exclusive of any other right which directors or officers may have or hereafter acquire relating to the subject matter hereof. As used in this Article, the terms "director" and "officer" shall mean any person who is or was a director or officer of the Association and any person 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, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise. As used in this Article, the term "proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitral or investigative, any appeal in any such action, suit or proceeding and any inquiry or investigation that could lead to such an action, suit or proceeding.

## **ARTICLE 16**

### **BOOKS AND RECORDS**

16.01. Maintenance. Complete and correct records of account and minutes of proceedings of meetings of Members, Directors, and committees shall be kept at the registered office of the Association. A record containing the names and addresses of all Members entitled to vote shall be kept at the registered office or principal place of business of the Association.

16.02. Inspection. The Restrictions of the Subdivision, the Certificate of Formation, the Bylaws, and the books and records of the Association, shall be made available for inspection according to TEXAS PROPERTY CODE §209.005, any amendments thereto, and the Association's Records Production Policy.

## **ARTICLE 17**

### **AMENDMENTS**

17.01. Amendments. The Board of Directors of this Association is expressly authorized to alter, amend, or repeal the Bylaws or to adopt new Bylaws of the Association, without any action on the part of the Members of the Association, but during the Developer Control Period, the Bylaws made by the Directors and the powers so conferred may be altered or repealed or new Bylaws adopted by the Class B Member(s). After the Developer Control Period, the Bylaws made by the Directors and the powers so conferred may be altered or repealed or new Bylaws adopted by a majority of the vote of the eligible Members present and voting, in person, by proxy, or in any other manner provided herein or in the Certificate of Formation, at any annual or special meeting or election called for that purpose; provided, however, that a statement of the proposed modifications, alterations, amendments, or repeal and proposed new Bylaws shall be signed by either the Board of Directors or by ten percent (10%) or more of the Members entitled to vote and delivered to the Board


of Directors at least twenty (20) days before the date of such meeting or election; and it shall be the duty of the Board of Directors to cause a copy of such proposed modifications, alterations, amendments, or repeal and proposed new Bylaws to be mailed to each Member of the Association at his last known address as shown on the books of the Association at least ten (10) days before such meeting or election.

**ARTICLE 18**  
**CONFLICTS**

18.01. Restrictions Govern. In the event of a conflict between the provisions of these Bylaws and the Restrictions, the terms and provisions of the Restrictions shall prevail.

**Attestation**

ADOPTED by the Board of Directors on this 28 day of January, 2016.

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

**ATTEST:**  
  
\_\_\_\_\_  
Secretary

FILED FOR RECORD  
07/18/2016 04:24PM

*Mark Tumball*

COUNTY CLERK  
MONTGOMERY COUNTY, TEXAS

STATE OF TEXAS,  
COUNTY OF MONTGOMERY

I hereby certify that this instrument was filed in the file number  
sequence on the date and time stamped herein  
by me and was duly RECORDED in the Official Public  
Records of Montgomery County, Texas.

07/18/2016



*Mark Tumball*

County Clerk  
Montgomery County, Texas