

STATE OF TEXAS §

COUNTY OF WILLIAMSON §

STONE HOUSE OWNERS ASSOCIATION, INC.

NOTICE OF DEDICATORY INSTRUMENTS

(Certificate of Formation, Bylaws, Rules/Policies)

Declaration of Covenants, Conditions and Restrictions: Recorded as Document 2008006197, Official Public Records, Williamson County, Texas, and as may be amended from time to time.

Pursuant to Texas Property Code §202.006, Stone House Owners Association, Inc. (Association) gives notice that all property subject to the Declaration referenced above is also subject to the Policies set forth below (Records Production Policy, Records Retention Policy, Collection and Payment Plan Policy, Contract Bid Process Policy) and the attached Certificate of Formation and Bylaws.

EXECUTED this 1st day of December, 2022.

STONE HOUSE OWNERS ASSOCIATION, INC.

Acting by and through its Board of Directors

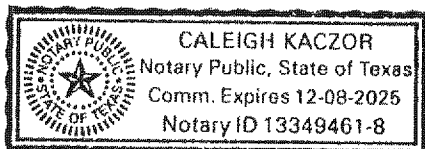
By: Niemann & Heyer, LLP, attorneys and authorized agents, acting on behalf
of the Board in accordance with Chapter 202, Texas Property Code

By: Patrice Arnold
Patrice Arnold, attorney in fact

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 1st day of December, 2022, by Patrice Arnold in the capacity stated above.



Caleigh Kaczor
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

AFTER RECORDING RETURN TO:

Stone House Development, Ltd.
350 County Rd 258
Liberty Hill, TX 78642

RECORDS PRODUCTION POLICY

This records production policy is adopted by the Association's Board of Directors pursuant to Texas Property Code § 209.005 (the Statute).

1. Request for Records

The owner or the owner's authorized representative must submit a written request by certified mail. The request must contain (a) sufficient detail to describe the books and records requested and (b) an election either to inspect the books and records before obtaining copies or to have the Association forward copies of the requested books and records.

2. Inspection

If an inspection is requested, the Association shall respond within 10 business days by providing written notice of the dates and times during normal business hours that the inspection may occur.

3. Copies

If copies are requested, and the Association is unable to produce the copies within 10 business days of the request, the Association must give written notice of that fact and state a date, within the next 15 business days, that the copies will be available.

4. Format

The Association may produce documents in hard copy, electronic, or other format of its choosing.

5. Charges

The Association will charge for time spent retrieving, compiling, and producing all records based on the rates set forth in d - g below. The Association will charge for reproduction if copies are requested based on the rates set forth below. Those charges shall be the maximum amount allowed by the Statute. At the time this policy is adopted, the allowable rates of charge are:

- a. Paper copies - 10¢ per regular page, 50¢ per oversize pages
- b. CD - \$1 per disc
- c. DVD - \$3 per disc
- d. Labor charge for requests of more than 50 pages - \$15 per hour
- e. Overhead charge for requests of more than 50 pages - 20% of the labor charge
- f. Document retrieval charges from off-site storage – actual cost
- g. Postage and materials – actual cost

If the rates of charge allowed by Statute change, that charge will automatically apply to Association records, without necessity of amending this policy.

6. Advance Payment

The Association may require advance payment of estimated costs. If the actual cost is less than the estimate, the Association shall refund the excess to the owner within 30 business days. If the actual cost is greater than the estimate, the owner shall pay the excess within 30 business days after the information is delivered to the owner. If the owner fails to reimburse the Association, the amount of the unpaid excess costs shall be added as an assessment to the owner's account with the Association.

7. Exempt Information

The Association shall not be required to provide information of the following types without the prior written consent of the person who is the subject of the information or a Court order:

- Owner violation history
- Owner personal financial information
- Owner contact information other than the owner's address
- Information relating to an Association employee, including personnel files
- Information that is legally exempt/protected from disclosure, such as attorney-client communications and attorney work product

8. Summaries/Compilations

The duty to provide documents on request applies only to existing books and records. The Statute does not obligate the Association to create a new document, prepare a summary of information, or compile and report data.

RECORDS RETENTION POLICY

This records retention policy is adopted by the Association's Board of Directors pursuant to Texas Property Code 209.005.

Permanent records:

- Articles of Incorporation/Certificate of Formation and all amendments
- Bylaws and all amendments
- Dedicatory instruments and all amendments

7 years:

- Financial books and records
- Minutes of owners' meetings
- Minutes of Board meetings
- Tax returns
- Audit records

5 Years:

- Account records of current owners

4 Years:

- Contracts with a term of one year or more shall be retained for 4 years after expiration of the contract term

COLLECTION AND PAYMENT PLAN POLICY

This collection and payment plan policy is adopted by the Association's Board of Directors pursuant to Texas Property Code § 209.0062 (the Act).

1. Due Date

Annual assessments are due in advance on the first day of January of each year. Non-receipt of a statement or invoice is not a defense to payment of assessments or other charges. An owner who does not receive a statement/invoice is responsible for contacting the Association to advise of non-receipt and confirm that the Association has the owner's current contact information.

2. Late Fee

If payment is not received by the 15th day of January, the assessment shall be deemed delinquent, and will incur a late fee. **The late fee is \$15 per month and will continue to be imposed monthly as long as the account reflects an outstanding balance due** (including when a payment is dishonored or reversed). The fee is to defray the additional administrative time involved in collection of delinquent accounts.

3. Offer of Payment Plan

A payment plan will be offered upon an owner's request. A payment plan will also be offered to an eligible owner prior to the Association sending the matter to an attorney for collection. The owner has 45 days after the date of the offer to accept the payment plan in writing or negotiate an alternative plan with the Association; failure to enter into a mutually acceptable payment plan within 30 days of the Association's offer of a plan will be treated the same as a payment plan default.

4. Eligibility for and Terms of Payment Plan

All owners are eligible to receive a payment plan, unless disqualified. **An owner who defaults under a payment plan will be disqualified from receiving a payment plan for two (2) years after the default.** The Association will allow owners to pay delinquent regular and special assessments and other amounts due the Association in payments over a period of 3 months. Payments shall be made at intervals of not more than 30 days. Payments shall be roughly equal in amount. As long as the owner complies with the requirements of the plan, the Association will not charge any late fees during the plan.

5. Default

The owner will be in default under an agreed plan if the owner does not pay (a) the agreed installment payment on time. Any payment that is dishonored or reversed will be considered non-payment. If the owner defaults under the plan, the Association may demand immediate payment of the entire amount due, resume charging late fees, and refer the matter to an attorney or agent for collection.

CONTRACT BID PROCESS POLICY

Texas Property Code §209.0052(c) provides that “an association that proposes to contract for services that will cost more than \$50,000 shall solicit bids or proposals using a bid process established by the association”. The following policy is therefore adopted:

1. **Multiple Bids.**

As a general rule, and subject to certain exceptions, the Association shall obtain multiple (more than one) bids for all contracts that anticipate an expenditure of \$50,000 or more (a) for a single project, or (b) in the aggregate, paid to a single payee, over a 12-month period.

2. **Exceptions.**

Multiple bids shall not be required under certain circumstances determined by the Board, in its sole discretion. Examples are: cases of emergency, the Association has a long-standing relationship with a particular vendor who is especially knowledgeable about the Association’s operations/property, changing vendors would disrupt existing warranties, and/or other qualified vendors are not willing to bid on the contract. Given the unique and subjective nature of the management relationship, the multiple bids need not be obtained for contracts to provide Association management services.

3. **Disclosures by Bidders.**

The bidder must disclose to the Association, in writing and at the time of submitting its bid, all potential conflicts of interest that it may have with Association directors, officers, management personnel, or employees. Potential conflicts of interest include (but are not limited to) a family relationship or a business investment/affiliation. If a potential conflict of interest is discovered after bid submission, the bidder must supplement the disclosure as soon as the potential conflict is discovered. Similarly, each person evaluating bids on behalf of the Association must disclose to the Association, in writing, all potential conflicts of interest that it may have with any bidder as soon as the person discovers the potential conflict of interest. Association representatives who have or may have a conflict of interest may be precluded from participating in Association deliberations concerning the contract if required by applicable law or the Board of Directors.

4. **Board Discretion.**

Contracts will not necessarily be awarded to the lowest bidder--contracts will be awarded to the best bidder as determined by the Board of Directors. Non-price factors that the Board may consider include (but are not limited to): reputation, references, experience, qualifications, licenses, financial resources, insurance coverage, prior contract history with the Association, length of time in business, individual personnel who will perform the contract, and potential conflicts of interest.

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697



John B. Scott
Secretary of State

Office of the Secretary of State

CERTIFICATE OF FILING OF

Stone House Owners Association, Inc.
File Number: 804796902

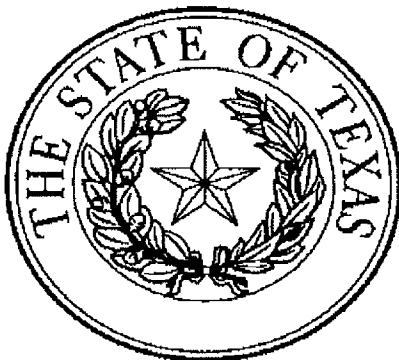
The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Nonprofit Corporation has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.


Dated: 11/04/2022

Effective: 11/04/2022



A handwritten signature in black ink, appearing to read "John B. Scott".

John B. Scott
Secretary of State

Form 202 Secretary of State P.O. Box 13697 Austin, TX 78711-3697 FAX: 512/463-5709 Filing Fee: \$25	 Certificate of Formation Nonprofit Corporation	Filed in the Office of the Secretary of State of Texas Filing #: 804796902 11/04/2022 Document #: 1193888460005 Image Generated Electronically for Web Filing
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Article 1 - Corporate Name

The filing entity formed is a nonprofit corporation. The name of the entity is :

Stone House Owners Association, Inc.

Article 2 – Registered Agent and Registered Office

☐ A. The initial registered agent is an organization (cannot be corporation named above) by the name of:

OR

☒ B. The initial registered agent is an individual resident of the state whose name is set forth below:

Name:
David Morgan

C. The business address of the registered agent and the registered office address is:

Street Address:
350 County Road 258 Liberty Hill TX 78642

Consent of Registered Agent

☐ A. A copy of the consent of registered agent is attached.

OR

☒ B. The consent of the registered agent is maintained by the entity.

Article 3 - Management

☐ A. Management of the affairs of the corporation is to be vested solely in the members of the corporation.

OR

☒ B. Management of the affairs of the corporation is to be vested in its board of directors. The number of directors, which must be a minimum of three, that constitutes the initial board of directors and the names and addresses of the persons who are to serve as directors until the first annual meeting or until their successors are elected and qualified are set forth below.

Director 1: David Morgan	Title: Director
Address: 350 County Road 258 Liberty Hill TX, USA 78642	
Director 2: Ronnie Weems	Title: Director
Address: 100 Stone House Drive Liberty Hill TX, USA 78642	
Director 3: Kate Hurd	Title: Director
Address: 10300 Milky Way Austin TX, USA 78730	

Article 4 - Organization Structure

☒ A. The corporation will have members.

or

☐ B. The corporation will not have members.

Article 5 - Purpose

The corporation is organized for the following purpose or purposes:

The corporation is organized in accordance with, and shall operate for non-profit purposes pursuant to, the Texas Business Organizations Code. The corporation shall have all rights and powers conferred by applicable law upon

nonprofit corporations and property owner associations. The purposes and powers of the corporation shall be construed broadly, to include any action necessary, advisable, or in furtherance of governance or administration of the Stone House Estates subdivision or the Declaration of Covenants, Conditions, and Restrictions recorded as Document No. 2008006197 in the Official Public Records of Williamson County, Texas (the "Declaration").

Supplemental Provisions / Information

The corporation shall indemnify and director, officer or committee member or former director, officer or committee member of the corporation for expenses and cost (including attorneys' fees) actually and necessarily incurred by him in connection with any claim asserted against the director or officer, by action in court or otherwise, by reason of being or having been the director, officer, or committee member, except in relation to matters as to which the person is finally adjudged guilty of gross negligence or willful misconduct with respect to the matter in which indemnity is sought or if the act of omission is: (1) a breach of a duty or loyalty to the corporation or its members; (2) an act or omission not in good faith or that involves intentional misconduct or a knowing violation of law; (3) a transaction from which a director, officer or committee member receives an improper benefit, whether or not the benefit resulted from an action taken within the scope of the person's office; or (4) an act or omission for which liability is expressly provided for by statute. The Board of Directors may purchase (but not required to purchase) directors and officers liability insurance to cover the corporation's indemnity obligation.

[The attached addendum, if any, is incorporated herein by reference.]

Effectiveness of Filing

☒ A. This document becomes effective when the document is filed by the secretary of state.

OR

☐ B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of its signing. The delayed effective date is:

Initial Mailing Address

Address to be used by the Comptroller of Public Accounts for purposes of sending tax information.

The initial mailing address of the filing entity is:

**350 County Road 258
Liberty Hill, TX 78642
USA**

Organizer

The name and address of the organizer are set forth below.

Patrice Arnold 1122 Colorado Street, Suite 313, Austin, Texas 78701

Execution

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

Patrice Arnold

Signature of organizer.

BYLAWS

STONE HOUSE OWNERS ASSOCIATION, INC.

Article I: NAME AND LOCATION

1.01. *Name.* The name of the Association is "Stone House Owners Association, Inc." hereinafter referred to as the "Association."

1.02. *Location.* The Association administers the subdivision commonly known as Stone House Estates, located in Williamson County, Texas.

Article II: DEFINITIONS

2.01. *Definitions.* The definitions of all terms herein shall be the same as those in the Stone House Estates Declaration of Covenants, Conditions and Restrictions filed of record as Document No. 2008006197, Official Public Records, Williamson County, Texas.

Article III: MEETING OF MEMBERS

3.01. *Annual Meetings.* The annual meeting of the Members shall be held each year at a date, time and place designated by the Board, preferably in the first quarter or last quarter of the year.

3.02. *Special Meetings.* Special meetings of the Members may be called at any time by the president or by the Board of Directors, or the President shall call a special meeting upon receipt of a petition signed by members holding at least 20% of the total voting interests in the corporation. The place of the meeting shall be as stated in the notice.

3.03. *Notice of Meetings.* Written notice of each meeting of the Members shall be given by, or at the discretion of the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 10 days but no more than 60 days before such meeting to each Member entitled to vote, addressed to the Member's address last appearing on the books of the Association for the purpose of notice. Such notice shall specify the place, day and time of the meeting, and, in the case of a special meeting, the purpose of the meeting. If mailed, notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at Member's last known address according to Association records. Notices may, in the alternative, be given by fax or email to any fax number or email provided by the Member to the Association.

3.04. *Quorum.* The presence (including via telephone, via absentee ballot, via proxy, or other authorized method of attendance or voting) at the meeting of Members entitled to cast, or of proxies entitled to be cast, at least 35% of the Members' votes shall constitute a quorum for any action. If a vote is taken outside of a meeting, a majority of those votes cast will represent an action of the Members provided that at the total number of votes cast equals or exceeds 50% of the total number of votes entitled to be cast by Members.

3.05. *Voting methods; forms and ballots.* At all meetings of Members held in a physical location (in-person meetings), each Member may vote in person or (at the board's election) either by absentee ballot or proxy. The Board in its discretion may allow any other voting method allowed by law. If an in-person meeting is not held, each Member may vote by proxy or absentee ballot (at the Board's election), and by any other voting method allowed by law that the Board elects to utilize. All proxies shall be in writing and filed with the secretary or other designated Association agent. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his/her Lot. The Board shall promulgate the form of all proxies and ballots, and no other form shall be valid.

3.06. *Elections and Votes.* Elections and votes of Members may be taken with or without a meeting unless otherwise provided in the Declaration or these Bylaws. If an election or vote by the Members is to be taken at a meeting of the Members, written notice of such meeting must be given to the Members not later than the 10th day or earlier than the 60th day before the date of the election or vote. If an election or vote is not taken at a meeting, notice must be given not later than the 20th day before the latest date on which a ballot may be submitted.

3.07 *Method of Meetings.* Meetings of the Members may be held in person or by telephonic or other electronic means. If held by telephonic or other electronic means, the notice of the meeting of the Members shall include instructions for the Members to access the communication method.

Article IV: BOARD OF DIRECTORS

4.01. *Number and Initial Term.* The affairs of the Association shall be managed by a Board of three directors. At the first meeting of Members called after the adoption of these Bylaws, three directors shall be elected by the Members. One initial director shall serve a one-year term, one a two-year term, and one a three-year term: the term length shall correlate with the number of votes received. If there is a tie, the initial directors shall either agree among themselves, or draw straws, to determine who shall serve which term. Thereafter, directors shall be elected to three-year terms.

4.02. *Qualification and Term of office.* At least two directors must be Members or spouses of Members. Each director shall serve beginning from the date of his/her election to the date of the election of the director's successor. The terms shall be staggered so that each year only one term expires.

4.03. *Removal; resignations.* Any director may be removed from the Board, with or without cause, by a majority vote of a quorum of the Members of the Association casting votes at a meeting or by majority vote of the remaining Board members. In the event of death, resignation or removal of a director, the director's successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his/her predecessor

4.04. *Compensation.* No director shall receive compensation for any service he may render to the Association in his/her capacity as a director. However, any director may be reimbursed for actual expenses incurred in the performance of the director's duties.

Article V: ELECTION OF DIRECTORS

5.01. *Nomination.*

(a) At least 10 days before the date the Association disseminates absentee ballots or other ballots to the members for purposes of voting in a Board member election, the Association must provide notice to the Members soliciting candidates interested in running for a position on the board. Such notice must be provided in accordance with Texas Property Code Chapter 209 and must include 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 request. The deadline may not be earlier than the 10th day after the date the Association provides notice under this section. Nominations may not be made after the deadline.

(b) In the Board's discretion a nominating committee may also be appointed to consist of a chairperson who must be a member of the Board and two or more members of the Association. The nominating committee, if appointed, shall make as many nominations for election to the Board as it shall in its discretion determine, but no fewer than the number of vacancies that are to be filled. The nominating committee nominees shall be listed on the ballot along with the names of candidates who timely reply to the solicitation sent pursuant to section 5.01(a) above. The candidates selected by the nominating committee may be noted on the ballot as such.

(c) Other than the nominees identified pursuant to 5.01 (a) and (b) above, no other nominations shall be allowed (no nominations from the floor or any other nominations).

5.02. *Election.* At such election the Members or as applicable their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The person receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

5.03. *Voting.* At the discretion of the Board, the vote to elect a director may be held with or without a meeting, and votes may be cast via electronic means, absentee ballot, at a regular or special meeting of the Members, or any combination thereof.

Article VI: MEETINGS OF DIRECTORS

6.01 *Regular Meetings.* Regular meetings of the Board of Directors shall be held at least annually. Directors and Members shall be notified of the meeting as required by State law.

6.02. *Special Meetings.* Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than two days' notice to each director. Notice may be provided via email, phone, mail, fax, in person, or other similar means.

6.03. *Quorum.* A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors shall be regarded as the act of the Board.

6.04 *In person or by telephone or unanimous consent.* Meetings of the Board may be in person or by telephone or by other electronic means where board members can all hear and be heard by other board members. If a Board meeting is to be held by telephone or other electronic means, the notice of meeting to the Members must include instructions for the Members as to how to access the meeting. Members need not be allowed to participate in Board meetings but must be able to listen to such meeting with the exception of any portion of such meeting held in executive session.

6.05 *Notice of Meetings.* Notice of Board meetings shall be provided to the Members as required by law. (Texas Property Code §209.0051).

6.05. *Action Taken Without a Meeting.* To the fullest extent allowed by law¹, the directors shall have the right to take any action in the absence of a meeting which they could take at a meeting. Any action so approved shall have the same effect as though taken at a meeting of the directors. Any action taken without a meeting must be orally summarized, including any expenditures approved, and documented in the minutes of the next Board meeting.

Article VII: POWERS OF THE BOARD

7.01. *Authority.* The Board of Directors shall have authority to exercise for the Association all powers, duties and authority vested in or delegated to the Association, and not reserved to the Members by other provisions of these Bylaws, the Certificate of Formation, or the Declaration.

7.02. *Powers.* The Board of Directors shall have the power, but not the duty (unless such duty is imposed by law or by other dedicatory instruments of the Association) to:

(a) cause to be kept a record of all its financial books and to present a report thereof to the Members at the annual meeting of the Members;

(b) fix the amount of the regular Assessment for each Lot pursuant to the procedure in the Declaration; send written notice of assessments to every Member; and collect assessments and enforce assessments, all pursuant to procedures and limitations as set forth in the Declaration;

(c) issue resale certificates, loan eligibility certificates, and verification certificates setting forth whether or not any Assessment has been paid. The Board may make a reasonable charge for the issuance of these certificates and other written documents provided by the Association;

(d) procure and maintain, as it may deem appropriate or necessary; liability and hazard insurance on any Common Areas owned by the Association; directors and officers liability insurance; and a bond for all officers having fiscal responsibilities;

(e) cause any Common Areas to be maintained as per the Declaration;

¹ See Texas Property Code §209.0051 for a list of topics which are required to be discussed or voted on at a meeting.

- (f) appoint and remove members of the Architectural Control Committee, to serve for periods determined by the Board;
- (g) carry out all other duties and powers of the Association or Board under the Declaration or law, and perform other functions the Board deems necessary or appropriate; and
- (h) adopt and amend rules regarding the use and occupancy of the Property,
- (i) adopt and prescribe penalties (including imposition of fines) for violation of any governing documents of the Association or Stone House Estates.

Article VIII: OFFICERS AND THEIR DUTIES

8.01. *Officers.* The Officers of the Association shall be a president, a secretary, and a treasurer, all of whom shall at all times be members of the Board of Directors.

8.02. *Election.* The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

8.03. *Term.* Each officer of the Association shall be elected annually by the Board and each shall hold office for approximately one year until the election of his/her successor, unless the director shall sooner resign, or shall be removed, or otherwise disqualified to serve.

8.04. *Special Appointments.* The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

8.05. *Resignation and Removal.* The Board may remove any officer from office with or without cause. Any officer may resign at any time giving written notice to the Board, the president, or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, the acceptance of such resignation shall not be necessary to make it effective.

8.06. *Vacancies.* A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he/she replaces.

8.07. *Multiple Offices.* The same person may hold the offices of secretary and treasurer. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 8.04 of this Article.

8.08. *Duties.* The duties of the officers are as follows:

- (a) *President:* The president shall preside at all meetings of the Board of Directors.
- (b) *Secretary:* The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.
- (c) *Treasurer:* The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by the Board; shall sign all checks and promissory notes of the Association; keep proper books of account; if directed by the Board, cause an annual audit or review by a third-party accountant or bookkeeper of the Association books to be made at the completion of each fiscal year; and shall prepare an annual budget for the forthcoming year and a statement of income and expenditures for the previous year, to be presented to the Members at the regular annual meeting.

Article IX: COMMITTEES

The Board of Directors will appoint an Architectural Control Committee as provided in the Declaration. The Board may decide that the Board shall serve as the Architectural Control Committee. In the absence of appointment of an Architectural Control Committee, the Board shall be deemed to serve as the Architectural Control Committee. The Board may appoint other committees as it deems appropriate in carrying out the purposes of the Association. All committee members shall serve at the pleasure of the Board.

Article X: BOOKS AND RECORDS

The financial books and records of the Association shall be subject to inspection by Members in accordance with State law.

Article XI: AMENDMENTS

Except as otherwise provided in the Declaration, these Bylaws may be amended by the Board of Directors, or by majority vote of a quorum of Members casting votes at a meeting of the Members.

Article XII: MISCELLANEOUS

12.01 *Fiscal Year*. The fiscal year of the Association shall be the calendar year.

12.02 *Indemnification*.

(a) To the fullest extent permitted by applicable law, the Association will indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that such person is or was a director, officer, committee member, employee, servant, or agent of the Association (together "Person") against expenses (including attorney's fees, judgments, fines, and amounts paid in settlement) actually and reasonably incurred by such person in connection with such action, suit or proceeding.

(b) Notwithstanding the foregoing, indemnification of a Person who is found liable to the Association or is found liable because the person improperly received a personal benefit:

(1) is limited to reasonable expenses actually incurred by the person in connection with the proceeding;

(2) does not include a judgment, a penalty, a fine, and an excise or similar tax, including an excise tax assessed against the person with respect to an employee benefit plan; and

(3) may not be made in relation to a proceeding in which the person has been found liable for:

(A) willful or intentional misconduct in the performance of the person's duty to the Association;

(B) breach of the person's duty of loyalty owed to the Association; or

(C) an act or omission not committed in good faith that constitutes a breach of a duty owed by the person to the Association.

For purposes of this section a Person is considered to have been found liable in relation to a claim, issue, or matter only if the liability is established by an order, including a judgment or decree of a court, and all appeals of the order are exhausted or foreclosed by law.

**ELECTRONICALLY RECORDED
OFFICIAL PUBLIC RECORDS**

2022132251

Pages: 14 Fee: \$74.00
12/01/2022 08:54 AM
MBARRICK



Nancy E. Rister

Nancy E. Rister, County Clerk
Williamson County, Texas