

BYLAWS OF
Old Mill Crossing Condominium Association, Inc.
(A Texas Nonprofit Corporation)

(Effective November 4, 2016)

ARTICLE 1
GENERAL

Section 1. **Name.** The name of the organization shall be OLD MILL CROSSING CONDOMINIUM ASSOCIATION, INC. (the "Association").

Section 2. **Applicability.** These Bylaws provide for the self-government of Old Mill Crossing, a condominium regime located in the City of New Braunfels, Comal County, Texas, according to the map or plat thereof recorded in Document No. 201606018979, Map and Plat Records of Comal County, Texas, and those additional condominium units, if any, which are or hereafter become subject to the Declaration of Condominium Regime for Old Mill Crossing (the "Declaration") recorded in Document No. 201606034149 of the Official Public Records, Comal County, Texas, which condominium regime is established pursuant to the Texas Uniform Condominium Act (chapter 82 of the Texas Property Code) ("TUCA"). All property subject to the Declaration at any time shall hereinafter be referred to as the "Property."

Section 3. **Definitions.** Words and phrases defined in these Bylaws shall have the same meanings given to them in the Declaration, except where specifically defined herein. Unless defined otherwise in the Declaration or in these Bylaws, words and phrases defined in Section 82.003 of TUCA shall have the same meaning when used in these Bylaws. The following words and phrases shall have the specified meanings set forth below when used in these Bylaws:

- a. "Assessment" means any charge levied against a Unit or Owner by the Association pursuant to the Documents, the Act, or other Applicable Law, including but not limited to Regular Assessments, Special Assessments, Utility Assessments, Individual Assessments, and Deficiency Assessments as defined in the Declaration.
- b. "Board" and "Board of Directors" means the Board of Directors of the Association.
- c. "Certificate" means the Certificate of Formation of the Association filed in the Office of the Secretary of State of Texas, as the same may be amended from time to time.
- d. "Common Elements" means all portions of the Property save and except the Units. "Common Elements" includes both the General Common Elements and the Limited Common Elements, both as defined and identified in the Declaration.

- e. "Declarant" means Woodland Hills Development, Inc., a Texas corporation, or any assignee, in whole or in part, exclusively or non-exclusively, of the declarant rights belonging to such entity.
- f. "Director" means a director of the Board.
- g. "Documents" mean, singularly or collectively as the case may be, the Declaration, the Plat and Plans, the Certificate, these Bylaws, and the Rules of the Association, as each may be amended from time to time. An appendix, exhibit, schedule, or certification accompanying a Document is a part of that Document.
- h. "Majority" means more than 50 percent of the votes of Directors or Members, as applicable. In a vote of the Directors required by these Bylaws, each Director shall be entitled to one vote. In a vote of the Members required by these Bylaws, each Member shall be entitled to one vote.
- i. "Member" means an Owner of a Unit and includes the Declarant so long as it owns a Unit. Any person that owns a Unit shall be a Member of the Association by virtue of such Unit ownership. Membership will be appurtenant to and will not be separated from ownership of any Unit. When used in these Bylaws, the words "Owner" or "Unit Owner" are synonymous with "Member."
- j. "Officer" means an officer of the Association.
- k. "Regime" means the condominium regime created by the Declaration and known as Old Mill Crossing; the Regime includes the Property, Units, General Common Elements, and Limited Common Elements, all as defined in the Declaration.
- l. "Resident" means an occupant or tenant of a Unit, regardless of whether the person owns the Unit.
- m. "Unit" means a physical portion of the Property designated by the Declaration for separate ownership, the boundaries of which are shown on the Plat and Plans attached to the Declaration, and which is further described in the Declaration.

Section 4. **Compliance.** All Owners within the Regime as well as their tenants, agents, patrons, employees, invitees, guests and any other person who might use the Common Elements shall comply with these Bylaws. The mere acquisition or rental of any of the Units within the Property or the mere act of use or occupancy of a Unit will signify that these Bylaws are accepted and ratified and will be strictly followed.

Section 5. **Nonprofit Purpose.** The Association is not organized for profit.

Section 6. **Compensation.** A Director, Officer, Member, or Resident shall not be entitled to receive any pecuniary profit from the operation of the Association, and no funds or assets of the Association may be paid as a salary or as compensation to, or be distributed to, or inure to the benefit of a Director, Officer, Member, or Resident provided, however:

a. that reasonable compensation may be paid to a Director, Officer, Member, or Resident for services rendered to the Association;

b. that a Director, Officer, Member, or Resident may, from time to time, be reimbursed for his, her, or its actual and reasonable expenses incurred on behalf of the Association in connection with the administration of the affairs of the Association, provided such expense has been approved by the Board; and

c. that this provision does not apply to distributions to Owners of Units permitted or required by the Declaration or TUCA.

Section 7. **General Powers And Duties.** The Association, acting through the Board, shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Regime as may be required or permitted by the Documents and Texas law. The Association may do any and all things that are lawful and which are necessary, proper, or desirable in operating for the best interests of its Members, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Documents and TUCA.

ARTICLE 2 **CORPORATE OFFICE**

Section 1. **Principal Office.** The principal office of the Association shall be at 4411 South IH-35, #100, Georgetown, Texas 78626, unless otherwise determined by the Board.

Section 2. **Other Offices.** The Association may also have offices at such other places within the State of Texas, as the Board may from time to time determine or the business of the Association may require.

ARTICLE 3 **MEMBERS**

Section 1. **Composition of Membership.** All Unit Owners shall be Members of the Association, and as such shall have the responsibility for administering the Common Elements, establishing the means and methods of collecting the Assessments, arranging for the management of the Association, and performing all of the other acts that may be required to be performed by the Association and by the Declaration. Except as to those matters which the Declaration or these Bylaws specifically requires to be performed by the vote of the Unit Owners or by the Mortgages, the administration of the foregoing responsibilities shall be performed by the Board as more particularly set forth in Article 5 hereof. Every record Unit Owner shall automatically become, upon acquisition of title, a "Member" of this Association and be subject to these Bylaws. Membership will cease, without any formal Association action, whenever such Member ceases to own record title to a Unit.

Section 2. **Voting Rights.** Each Member shall have the right to vote in the Association on the basis of one (1) vote for each Unit owned. Where there is more than one record Unit Owner ("Co-Owners"), all of those Co-Owners shall be Members and may attend

any meeting of the Association, but only one vote shall be cast with respect to each Unit. Co-Owners owning the majority interests in a Unit shall from time to time designate in writing one of their number to vote. Fractional votes among the Co-Owners owning a single Unit shall not be allowed. Where no voting Co-Owner is designated or if the designation has been revoked, the vote for the Unit shall be exercised as the Co-Owners owning majority interests in the Unit mutually agree. No votes shall be cast for any Unit if the majority of the Co-Owners present in person or by proxy and representing such Unit cannot agree on said vote. The non-voting Co-Owner or Co-Owners shall be jointly and severally responsible for all of the obligations imposed upon the jointly-owned Unit and shall be entitled to all other benefits of ownership. All corporate Unit Owners must deliver to the Board of Directors a resolution of the board of directors (or similar governing authority) of the corporate Unit Owner executed by an Officer of such corporate Unit Owner designating an agent to vote for such corporate Unit Owner on Association matters. Any other Unit Owner (except for a Unit Owner who is a natural person) must deliver to the Board such documents as the Board may reasonably require to evidence the designation of an agent to vote for such Unit Owner on Association matters.

Section 3. **Votes Required for Passage.** At a meeting at which a quorum is present, the vote of the Members holding a Majority of the votes shall decide any question brought before the meeting, unless the question is one upon which the vote of a greater number is required by law, the Certificate of Formation, the Declaration, or these Bylaws. The Members present or represented at a meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

Section 4. **Ballots/Proxy.** A Member may vote either in person by proxy executed in writing by the Member or its duly authorized attorney-in-fact, electronically or via absentee ballot. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. Each proxy shall be revocable unless expressly made irrevocable on its face and unless otherwise made irrevocable by law; provided, however, notwithstanding the foregoing, every proxy shall be revocable and shall automatically terminate upon conveyance by a Member of its Unit. Each proxy shall be filed with the Secretary prior to or at commencement of the meeting.

Notwithstanding anything herein, no Member shall be entitled to exercise any right as a Member at any time that he is not a Member in good standing. A Member shall not be in "good standing" if such Member is: (a) in violation of any portion of the Declaration, the Bylaws, or any Rule promulgated by the Board; or (b) delinquent in the full, complete and timely payment of any Assessment or other fee, charge, or fine which is levied, payable, or collectible pursuant to the provisions of this Declaration, the Bylaws, or any rule promulgated by the Board.

A Member is at all times (even at times when such Member is not in "good standing") permitted to vote for Board positions and on issues affecting a Member's rights and responsibilities and may not be disqualified for any reason, except as set forth herein. A Member may not be disqualified for a Board election for any reason, except if the Member has been convicted of a felony or crime involving "moral turpitude" or if such Member is not a Member in good standing.

A person who is a candidate in an election or who is otherwise the subject of an Association vote, or a person related to that person within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code, may not tabulate or otherwise be given access to the ballots cast in that election or vote. Those who tabulate votes may not disclose to any other person how an individual voted. Candidates or those otherwise subject to an Association vote may be given access to the ballots cast in the election or vote only as part of a recount process authorized by law.

If within 15 days of an election, any Member requests a recount of an election vote in writing via certified mail, the Association must conduct a recount. A Member requesting a recount is responsible for all associated costs, including the costs of a neutral third party to conduct the recount unless the recount changes the election results. The requesting party and Association should agree on the party to conduct the recount. Unless agreed upon, the party conducting the recount cannot be a Member of the Association, a Board member, or a relative of such person, and must be a county judge, county elections administrator, justice of the peace, or county voter registrar. Recounts must be conducted within 30 days from the date of the request; however, the current Board may act on behalf of the Association during the recount.

Section 5. **No Cumulative Voting.** Cumulative voting shall not be permitted.

Section 6. **Voting Method.** Voting on any question or in any election may be by voice vote or show of hands unless the presiding Officer shall order, or any Member shall demand, that voting be by written ballot. Secret ballots are prohibited. All ballots must be in writing and signed by the Owner casting the vote except in uncontested races. Uncontested Association-wide elections do not require written and signed ballots. If electronic ballots are produced and distributed by the Association to all Members, the electronic ballots shall be allowed and shall be considered valid. As submitted, they are considered to be in writing and signed by the Owner casting the electronic ballot. These electronic ballots are only counted towards quorum and only for items listed on ballots at publication. Any items called for consideration on the floor of the meeting are not valid for the previously submitted electronic and absentee ballots for said meeting.

ARTICLE 4 **MEETINGS OF MEMBERS**

Section 1. **Annual Meetings.** The first annual meeting of the Members, for the purpose of electing Directors and transacting such other business as may properly be brought before the meeting, shall be held within one (1) year from the date of formation of the Association, and subsequent annual meetings of the Members shall be held within ninety (90) days after the end of the fiscal year of the Association at such hour as shall be determined and stated in the notice of said meeting, if such day is not Sunday or a legal holiday in said state. If such day falls on a Sunday or legal holiday in said state; then such annual meeting shall be held on the first business day following which is not a legal holiday in said state.

Section 2. **Meeting Place.** All meetings of the Members shall be held at the principal office of the Association or at such other place, within the State of Texas, as may be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 3. **Failure to Hold Annual Meeting.** Failure to hold the annual meeting at the designated time shall not cause the dissolution of the Association. In the event the Board fails to call the annual meeting at the designated time, any Member may make demand that such meeting be held within a reasonable time. Such demand shall be made in writing by certified mail directed to any Officer of the Association.

Section 4. **Special Meetings.** Special meetings of the Members for any purpose or purposes may be called by the President, the Board, or the holders of not less than one tenth (1/10) of all the votes entitled to vote at the meetings. No business other than that specified in the notice of meeting shall be transacted at a special meeting.

Section 5. **Board Meetings.** All Board meetings must be open to Members with an exception for matters discussed in executive session. All Members must be given notice of elections or voting items not less than 10 days before the vote takes place.

5.1 **Executive Sessions.** The Board may convene in executive session and exclude Members to discuss: (1) personnel matters; (2) attorney-client privileged communications; (3) litigation; (4) private Member information or matters involving a Member's request for confidentiality; (5) contract negotiations; (6) enforcement actions; and (7) matters involving the invasion of privacy of individual Owners.

5.2 **Executive Session Decisions.** Any decisions made in executive session must 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 must include a general explanation of expenditures approved in executive session. Minutes of all Board meetings must be kept in writing and made accessible to Members once approved by the Board.

5.3. **Notices.** Notice of all Board meetings must be mailed to Members at least 10 days in advance of the meeting or posted in a conspicuous place on the Regime at least 72 hours before the meeting. If notice is posted, it must also be sent via email to any Member who has provided its email address to the Association.

5.4. **Alternative Meeting Notices.** Notice is not required if the Board meets by phone, email, or other alternative manner to consider a "routine and administrative matter" or in the case of an emergency.

Section 6. **Notice of Meetings.**

6.1. **Written Notice of Special Meetings.** Written, email, or printed notice stating the place, day, and hour of the meeting and, in case of a special meeting, the

purpose or purposes for which the meeting is called, shall be delivered at least fifteen (15) days, but not more than fifty (50) days, before the date of the meeting, either personally, by email or by mail, by or at the direction of the President, the Secretary, or the Officer or person or persons calling the meeting, to each Member of record entitled to vote at such meeting. If emailed, such notice shall be deemed to be delivered when delivered to the email address as it appears on the membership rolls of the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at its address as it appears on the membership rolls of the Association, with postage thereon prepaid.

6.2. **Waiver.** Notice may be waived in writing signed by the person or persons entitled to such notice. Such waiver may be executed at any time before or after the holding of such meeting. Attendance at a meeting shall constitute a waiver of notice, except where the person attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 7. **Informal Action by Members.** Any action required by law to be taken at a meeting of the Members of the Association, or any action which may be taken at a meeting of the Members, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Members entitled to vote with respect to the subject thereof. Such consent shall have the same force and effect as a unanimous vote of Members and may be stated as such in any certificates or documents filed with the Secretary of State.

Section 8. **Quorum.** The Members holding at least ten (10%) percent of the votes entitled to be cast at a meeting of the Members, represented in person or by proxy, as such votes are allocated pursuant to the provisions of these Bylaws and the Declaration, shall constitute a quorum at a meeting of the Members. If a quorum shall not be present or represented at any meeting of the Members, the Members entitled to vote, represented in person or by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present or represented. At such adjourned meeting at which a quorum is present or represented, any business may be transacted which might have been transacted at the original meeting. Notwithstanding anything in this Section, if the Declaration states a different quorum requirement under specific circumstances, then the requirement stated therein shall apply.

Section 9. **Order of Business.** The order of business at meetings of the Association may be as follows:

- (a) Roll Call
- (b) Approval of Agenda
- (c) Proof of Notice of Meeting or Waiver of Notice
- (d) Reading of Minutes of Preceding Meeting
- (e) Reports of Officers and Board of Directors
- (f) Report of Management Agent
- (g) Report of Committees
- (h) Election of Members of the Board of Directors
- (i) Unfinished Business

- (j) New Business
- (k) Consideration of Adequacy of Reserves
- (l) Adjournment

Section 10. **Conduct of Meeting.** The President or his or her designee shall preside over all meetings of the Members, and the Secretary shall keep the minutes of the meeting and record in a Minute Book of the Association such resolutions that are adopted by the Members as well as a record of all transactions occurring at the meeting. Robert's Rules of Order (latest edition) as modified by the Board shall govern the conduct of all meetings of the Association when not in conflict with the Declaration or these Bylaws.

ARTICLE 5 **DIRECTORS**

Section 1. **Management.** The business and affairs of the Association shall be managed by the Board.

Section 2. **Number of Directors.** The number of Directors shall be three (3). The number of Directors may be increased or decreased, from time to time by amendment of these Bylaws upon a two-thirds (2/3) vote of the Members present, in person or by proxy, at the Annual meeting or at a special meeting called for that purpose; provided, however the number of Directors shall not be decreased to less than three (3). No decrease shall have the effect of shortening the term of any incumbent Director.

Section 3. **Election and Term of Office.** The term of office of each member of the Board shall be two years. Unless removed in accordance with these Bylaws, each Director shall hold office for the term for which he is elected and/or until his or her successor shall have been elected and qualified. The Declaration reserves certain rights to appoint Directors to the Declarant during the Development Period (as such term is defined in the Declaration).

3.1. **Conduct and Ethics Policy.** A Member nominated for election to the Board must sign the Association's "Code of Business Conduct and Ethics Policy" statement agreeing to be bound by its provisions.

3.2. **Nomination Requirement.** A Member nominated for election to the Board must be a Unit Owner or represent the Declarant.

Section 4. **Power and Duties of Directors.** The Board has the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Common Elements, and it may do all such acts and things as are not by law, by these Bylaws, or by the Declaration directed to be exercised and done exclusively by the Members. Without prejudice to such foregoing general powers and duties and such powers and duties as are set forth in the Declaration, the Board is vested with, and responsible for, the following powers and duties:

(a) The power and duty to select appoint and remove all Officers, agents, and employees of the Association; to prescribe such powers and duties for them as may be

consistent with law, the Certificate, the Declaration, and these Bylaws; and to require from them security for faithful service when deemed advisable by the Board;

(b) The power and duty to conduct, manage, and control the affairs and business of the Association and to make and enforce such Rules therefore consistent with the law, with the Certificate, the Declaration, and these Bylaws, as the Board may deem necessary or advisable;

(c) The power and duty to fix and levy from time to time Assessments upon the Members consistent with the Declaration, to determine and fix the due date for the payment of such Assessments, and the date upon which the same shall become delinquent; provided, however, that such Assessments shall be fixed and levied only for the purposes permitted by the Declaration. Subject to any limitations imposed by the Declaration and these Bylaws, the Board of Directors shall have the power and duty to incur any and all such expenditures for any purpose and to provide, or cause to be provided, adequate funds for replacements as it shall deem to be necessary or advisable in the interest of the Association or welfare of its Members. The funds collected by the Board from the Members shall at all times be held in trust for the Members and shall not be commingled with other Assessments collected from the Members. Such Assessments shall be fixed in accordance with the provisions of these Bylaws and the Declaration. Should any Member fail to pay Assessments before delinquency, the Board of in its discretion is authorized to enforce the payment of such delinquent Assessments as provided herein and in the Declaration;

(d) The power and duty to enforce the Declaration and the Documents;

(e) The power and duty to contract for and pay fire, casualty, errors and omissions, blanket liability, malicious mischief, vandalism, and other insurance, insuring the Members, the Association, the Board, and other interested parties in accordance with the provisions of the Declaration, insuring, covering, and protecting against such damages or injuries as the Board deems advisable (which may include without limitation, medical expenses of persons injured on the property). The Board shall review, not less frequently than annually and in advance of expiration dates, all insurance policies and bonds obtained on behalf of the Association by the Board or by agents of the Association;

(f) The power and duty to contract and pay for repairs and maintenance that are the responsibility of the Association under the Declaration and to employ personnel necessary for the operation of the Regime and to keep in good order, condition and repair, all of the Common Elements and all items of personal property used in the enjoyment of the Common Elements, including the power to contract and pay for legal and accounting services, and to contract for and pay for improvements on the Common Elements;

(g) The power, but not the duty, to delegate its powers according to law;

(h) The power and duty to adopt such Rules as the Board may consider necessary for the management of the Regime and as permitted by the Declaration, which Rules shall become effective and binding after (1) they are adopted by a majority of the Board at a duly

called meeting, and (2) they are either mailed, emailed, or otherwise delivered to each Member, and (3) they are posted in a conspicuous place on the Regime or recorded. Such Rules may address, without limitation, use of the Common Elements, signs, parking restrictions, minimum standards of property maintenance, and any other matter within the jurisdiction of the Association as provided in the Declaration; provided, however, that such Rules shall be enforceable only to the extent that they are consistent with the Declaration, the Certificate, and these Bylaws; and the Rules may not be used to amend any of said documents;

(i) The power and duty to keep, or cause to be kept, a complete record of all acts and corporate affairs of the Association and to present a statement thereof to the Members at the annual meeting of the Members and at any other time that such statement is requested by a Member of the Association;

(j) The power, but not the duty, to sell personal property of the Association; provided, however, that the prior vote or written approval of the Members entitled to cast at least a Majority of the votes of the Association must be obtained to sell, during any fiscal year, personal property of the Association;

(k) The irrevocable right of access to each Unit at reasonable hours as may be necessary for the maintenance, repair, or replacement of any improvements to the Common Elements or to prevent damage to the Common Elements;

(l) The irrevocable right of access to each Unit at any hour for the purpose of making emergency repairs necessary to prevent additional damage to the Common Elements;

(m) The power, but not the duty, to borrow funds in order to pay for any expenditure or outlay required pursuant to authority granted by the provisions of the Declaration and these Bylaws, and to execute all such instruments evidencing such indebtedness as the Board may deem necessary. Such indebtedness shall be the several obligations of all of the Unit Owners;

(n) The power and the duty to establish bank accounts or accounts for the common treasury and for all separate funds which are required or may be considered advisable by the Board;

(o) The power and duty to make repairs, additions, alterations, and improvements to the Common Elements consistent with managing the Regime in a manner in keeping with the character and quality of the neighborhood in which it is located and consistent with the best interests of the Unit Owners, the Declaration, and these Bylaws;

(p) To protect and defend the Common Elements from loss and damage by suit or otherwise;

(q) To keep and maintain full and accurate books and records showing all of the receipts, expenses, or disbursements, and to permit examination thereof at any reasonable time by each of the Unit Owners and any Mortgagee of a Unit, and to cause a complete review of

the books and accounts to be made by a competent accountant or management company once each year. The Association shall cause to be prepared and delivered annually to each Unit Owner an annual compilation statement showing all receipts, expenses or disbursements since the last such statement. Such annual compilation statements shall be available to any Mortgagee of a Unit, on request, within ninety (90) days following the fiscal year end of the Association; and

(r) In general, to carry on the administration of this Association and to do all of those things, necessary and reasonable, in order to carry out the communal aspect of the Common Elements and to exercise those powers granted to condominium associations by TUCA.

Section 5. **Manager.** The Board may employ for the Association a professional independent contractor (“Manager”) at a compensation established by the Board, to perform such duties and services as the Board shall authorize. Provided, however, that any management contract entered into with such Manager may not be entered into for a term exceeding three (3) years, and provided further that any such management contract may be terminated by the Association with or without cause upon thirty (30) days’ prior written notice.

Section 6. **Removal.** Any Director may be removed either for cause or without cause at a special meeting of the Members called for that purpose. Removal shall be accomplished by the affirmative vote of eight percent (80%) of the Members entitled to vote for the election of such Director and represented in person or by proxy at such meeting. During the Declarant Control Period, only the Declarant the right to remove and appoint Directors, all in accordance with the Declaration.

Section 7. **Vacancy.** A vacancy on the Board may be filled either (1) by appointment at any meeting of the Board by a Majority of the Directors then in office, though not less than a quorum, or (2) by election at a special meeting of the Members called for that purpose. Each successor Director shall be elected or appointed for the unexpired term of his or her predecessor in office and shall serve until his or her successor shall be elected and shall qualify. Any directorship to be filled by reason of any increase in the number of Directors shall be filled by election at an annual meeting of the Members or at a special meeting of the Members called for that purpose. No action by the Board shall be invalid solely for the reason that there existed one or more vacancies on the Board at such time.

Section 8. **Committees.** The Board may establish committees to assist in the management of the Association. The Board may designate and appoint chairperson Members to these Committees by a resolution adopted by a Majority of the Directors at a meeting at which a quorum is present or by the President if authorized by a resolution of the Board. Membership on such committees may, but need not be, limited to Directors. Committee chairpersons will be appointed annually subsequent to the Annual meeting.

Section 9. **Compensation.** Officers, Directors, and Members shall not be compensated for their service to the Association; however, they may be reimbursed for reasonable out-of-pocket expenses incurred on behalf of the Association by resolution and adopted by the Board and noted in the official meeting minutes.

Section 10. **Location of Meetings.** The Directors of the Association will hold regular or special meetings within the State of Texas at a location selected by the President.

Section 11. **Annual Board of Directors Meeting.** The annual meeting of the Board shall be held without other notice immediately after and at the same place as the annual meeting of the Members.

Section 12. **Other Regular Meetings.** The Board may provide the time and place for the holding of additional regular meetings. Notice of all Board meetings must be mailed to Members 10 days in advance of the meeting or posted in a conspicuous place on the Regime at least 72 hours before the meeting. If notice is posted, it must also be sent via email to any Member who has provided the Member's email address to the Association.

Section 13. **Special Meetings.** Special meetings of the Board may be called by or at the request of the President or any two Directors. Notice of the call of a special meeting shall be in writing and delivered for transmission to each of the Directors not later than during the third day immediately preceding the day for which such meeting is called. If mailed or emailed, such notice shall be deemed to be delivered when deposited in the United States mail or web server addressed to the Director at his or her address as it appears in the records of the Association with postage thereon paid. Neither the business proposed to be transacted nor the purpose of any special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by the Declaration. Notice of all special Board meetings must be mailed to Members 10 days in advance of the meeting or posted in a conspicuous place on the Regime at least 72 hours before the meeting. If notice is posted, it must also be sent via email to any Member who has provided the Member's email address to the Association.

Section 14. **Telephonic Conference.** Subject to the provisions for notice required by these Bylaws and Texas Non-Profit Corporation Law for notice of meetings, Directors may participate in and hold a meeting by means of telephone conference or similar communications equipment by which all persons participating in the meeting can hear each other. Participation in the meeting shall constitute presence in person at the meeting except when a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 15. **Waiver of Notice.** Notice of any special meeting may be waived in writing signed by the person or persons entitled to such notice. Such waiver may be executed at any time before or after the holding of such meeting. Attendance of a Director at a special meeting shall constitute a waiver of notice of such special meeting, except where a Director attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 16. **Quorum.** A Majority of the number of Directors then in office shall constitute a quorum for the transaction of business. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board unless otherwise specifically required by law or these Bylaws. If a quorum is not present at any meeting of

Directors, the Directors present may adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum is present.

Section 17. **Conduct of Meeting.** The President shall preside over all meetings of the Board, and the Secretary shall keep the minutes of the meeting and record in a Minute Book of the Board such resolutions that are adopted by the Board and a record of all transactions occurring at the meeting. Robert's Rules of Order (latest edition) as modified by the Board shall govern the conduct of all meetings of the Association when not in conflict with the Declaration or these Bylaws.

Section 18. **Fidelity Bonds.** The Board shall require adequate fidelity bonds for all Officers, Directors, and employees of the Association handling or responsible for Association funds. The premiums of such bonds shall constitute an expense payable from Assessment revenues.

Section 19. **Standard of Care.** In performing their duties, the Directors are required to exercise certain standards of care and are subject to certain liabilities including, but not limited to, the following provisions of state law; Section 82.103(a) and (f) of TUCA and Texas Business Organizations Code sections 3.102 and 22.221 through 22.230.

ARTICLE 6 **OFFICERS**

Section 1. **Designation of Officers.** The Officers of the Association shall be elected annually by the Board at the first meeting of the Board held after each annual meeting of the Association. The Officers shall be a president, a vice president, a secretary, and a treasurer. Any two or more offices may be held by the same person except that the offices of president and secretary shall not be held by the same person. Each Officer shall hold office until his or her successor has been elected and qualifies, or until the death, resignation, or removal of the Officer.

Section 2. **Appointment of Other Officers and Agents.** The Board may appoint such other Officers and agents as it deems necessary. Such Officers and agents shall be appointed for such term not to exceed one year and shall exercise such powers and perform such duties as may be determined from time to time by the Board.

Section 3. **Removal.** Any Officer or agent elected or appointed by the Board may be removed at any time either for cause or without cause by the affirmative vote of a majority of the whole Board. Such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment shall not of itself create any contract right.

Section 4. **Duties of President.** The president shall be the chief executive officer of the Association. The president shall preside at all meetings of the Members and at all meetings of the Board. The president shall present at each annual meeting of the Members and of the Board a report on the condition of the Association. The president shall cause to be called the

regular and special meetings of the Directors and the Members in accordance with these Bylaws. The president shall appoint and remove, employ, and discharge and fix the compensation of all agents and employees of the Association, subject to the approval of the Board. The president shall sign and make contracts and agreements in the name of the Association. The president shall see that the books, reports, statements, and certificates required by law are properly kept. The president shall enforce these Bylaws and perform all of the duties normally incident to the position and office of the president.

Section 5. **Duties of Vice President.** In the absence of the president or in the event of his or her inability or refusal to act, the vice president shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice president shall also have such powers and perform such other duties as from time to time may be assigned by the Board or the president.

Section 6. **Duties of Secretary.** The secretary shall attend all meetings of the Members and of the Board. The secretary shall keep a true and complete record of the proceedings, including all votes and resolutions presented at these meetings, in a book to be kept for that purpose. The secretary shall be custodian of the records and of the seal, if any, of the Association, and shall affix the same, if the Association has a seal, to documents when the execution of them has been duly authorized. The secretary shall give or cause to be given all notices required by law, the Declaration, or these Bylaws. The secretary shall also perform such other duties as may be prescribed by the Board or the president.

Section 7. **Duties of Treasurer.** The treasurer shall have the care and custody of and be responsible for the funds and properties of the Association and shall deposit such funds in the name of the Association in such depositories as the Board may from time to time designate. The treasurer shall sign, make, and endorse in the name of the Association all checks, drafts, warrants, and orders for the payment of money and shall payout and dispose of same and receipt therefore, under the direction of the president or the Board. The treasurer shall disburse funds as directed by resolution of the Board, provided, however, that a resolution of the Board is not necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board. The treasurer shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. The treasurer shall exhibit at reasonable times and upon reasonable request his or her books and records of account to any Director or Member of the Association. The treasurer shall cause an annual compilation statement of the Association books to be made by a qualified accountant or the management company at the completion of each fiscal year and shall, with the Board, prepare an annual budget and a statement of income and expenditures to be presented to the Members at the annual meeting and delivered to the Members. The treasurer shall also render a statement of the condition of the financial affairs of the Association at each regular meeting of the Board and at such other times as he may be directed by the Board or by the president.

Section 8. **Standard of Care.** In performing their duties, the Officers are required to exercise certain standards of care and are subject to certain liabilities including, but not limited

to, the following provisions of state law; Section 82.103(a) and (f) of TUCA, and Texas Business Organizations Code sections 3.102, 3.105, 22.234, and 22.235.

ARTICLE 7

LIABILITY AND INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. Indemnification.

1.1. Definitions. For purposes of this Section 1:

(a) References to the Association shall include any domestic or foreign predecessor entity of the Association in a merger, consolidation, or other transaction in which the liabilities of the predecessor are transferred to the Association by operation of law and in any other transaction in which the Association assumes the liabilities of the predecessor but does not specifically exclude liabilities that are the subject matter of this Section.

(b) "Indemnitee" means (a) any present or former Director, advisory Director, or Officer of the Association (b) any person who, while serving in any of the capacities referred to in clause (a) hereof served at the Association's request as a Director, Officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, and (c) any person nominated or designated by the Board or any committee thereof to serve in any of the capacities referred to in clauses (a) or (b) hereof.

(c) "Official Capacity" means (a) when used with respect to a Director, the office of Director of the Association, and (b) when used with respect to a person other than a Director, the elective or appointive office of the Association held by such person or the employment or agency relationship undertaken by such person at the request of or on behalf of the Association, but in each case does not include service for any other foreign or domestic corporation or any partnership, joint venture, sole proprietorship, trust, employee benefit plan or any other enterprise.

(d) "Proceeding" means any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, arbitative, or investigative, any appeal in such an action, suit or proceeding, and any inquiry or investigation that could lead to such an action, suit, or proceeding.

1.2. **Indemnification.** The Association shall indemnify an Indemnitee who was, is, or is threatened to be named as a defendant, respondent, or witness in a Proceeding by reason, in whole or in part, of such person serving or having served, or having been nominated or designated to serve, in any of the capacities referred to in Subsection 1.1 (b) above, against any judgments, penalties (including excise and similar taxes), fines, settlements, and reasonable expenses actually incurred by the person in connection with the Proceeding if it is determined, in the manner described in Section 1.3. below, that the person (1) conducted himself in good faith, (2) reasonably believed, in the case of conduct in his or her Official Capacity, that his or her conduct was in the Association's best interests, and in all other cases, that his or her conduct was at least not opposed to the Association's best interests, and (3) in the case of any

criminal Proceeding, had no reasonable cause to believe his or her conduct was unlawful; provided, however, that if the person is found liable to the Association or is found liable on the basis that personal benefit was improperly received by him or her, the indemnification (i) shall be limited to reasonable expenses actually incurred by the person in connection with the Proceedings and (ii) shall not be made in respect of any Proceeding in which the person shall have been found liable for willful or intentional misconduct in the performance of his or her duty to the Association. In all cases, indemnification shall be limited as limited under Texas law. The termination of a Proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent is not of itself determinative that the person did not meet the requirements for indemnification set forth above. A person shall be deemed to have been found liable in respect of any claim, use, or matter only after the person shall have been so adjudged by a court of competent jurisdiction after exhaustion of all appeals therefrom. Notwithstanding any other provision of this Section, the Association shall pay or reimburse expenses incurred by an Indemnitee in connection with his or her appearance as a witness or other participant in a Proceeding at a time when he is not a named defendant or respondent in the Proceeding. Reasonable expenses shall include, without limitation, all court costs and all fees and disbursements of attorneys for the Indemnitee.

1.3. **Determinations.** The determination required in Section 1.2. above that an Indemnitee has satisfied the prescribed conduct and belief standards must be made (1) by a majority vote of a quorum consisting of Directors who at the time of the vote are not named defendants or respondents in the Proceeding, (2) 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, (3) by special legal counsel selected by the Board or a committee of the Board by vote as set forth in clause (1) or (2) of this sentence, or if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all Directors, or (4) by the Members in a vote that excludes the vote of the Directors who are named defendants or respondents in the Proceeding. The determination as to reasonableness of expenses must be made in the same manner as the determination that the person has satisfied the prescribed conduct and belief standards, except that if the determination that the person has satisfied the prescribed conduct and belief standards is made by special legal counsel, the determination as to reasonableness of expenses must be made by the Board or a committee of the Board by vote as set forth in clause (1) or (2) of the immediately preceding sentence or, if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all Directors.

1.4. **Advancement of Expenses.** Reasonable expenses incurred by an Indemnitee who was is or is threatened to be made a named defendant or respondent in a Proceeding shall be paid or reimbursed by the Association, in advance of the final disposition of the Proceeding and without any of the determinations specified in Section 1.3. above, after the Association receives a written affirmation by the Indemnitee of his or her good faith belief that he has met the standard of conduct necessary for indemnification under Section 1.2. above and a written undertaking by or on behalf of such Director to repay the amount paid or reimbursed if it is ultimately determined that he has not met those requirements. The written undertaking described in the immediately preceding sentence to repay the amount paid or reimbursed to him

or her by the Association must be an unlimited general obligation of the Indemnitee but need not be secured, and it may be accepted without reference to financial ability to make repayment.

1.5. **Insurance and Other Indemnification.** The Association shall purchase and maintain insurance or establish and maintain another arrangement on behalf of any Indemnitee against or in respect of any liability asserted against him or her and incurred by him or her, both as to action in his or her Official Capacity and as to action in any other capacity, whether or not the Association would have the power to indemnify him or her against that liability under these Bylaws or by statute. If the insurance or other arrangement is with a person or entity that is not regularly engaged in the business of providing insurance coverage, the insurance or arrangement may provide for payment of a liability with respect to which the Association would not have the power to indemnify the person only if including coverage for the additional liability has been approved by the Members of the Association. Without limiting the power of the Association to purchase, procure, establish, or maintain any kind of insurance or other arrangement, the Association may, for the benefit of Indemnitees, (1) create a trust fund; (2) establish any form of self-insurance; (3) secure its indemnity obligation by grant of a security interest or other lien on the assets of the Association; or (4) establish a letter of credit, guaranty, or surety arrangement. The insurance or other arrangement may be purchased, procured, maintained, or established within the Association or with any insurer or other person deemed appropriate by the Board regardless of whether all or part of the stock or other securities of the insurer or other person are owned in whole or part by the Association. In the absence of fraud, the judgment of the Board as to the terms and conditions of the insurance or other arrangement and the identity of the insurer or other person participating in an arrangement shall be conclusive, and the insurance or arrangement shall not be voidable and shall not subject the Directors approving the insurance or arrangement to liability on any ground, regardless of whether Directors participating in the approval are beneficiaries of the insurance or arrangement.

1.6. **Report to Members.** Any indemnification of or advancement of expenses to an Indemnitee in accordance with this Section or the provisions of any statute shall be reported in writing to the Members with or before the notice or waiver of notice of the next Members' meeting or with or before the next submission to Members of a consent to action without a meeting and, in any case, within the 12-month period immediately following the date of the indemnification or advance.

1.7. **Entitlement.** The indemnification provided by this Section shall (1) not be deemed exclusive of, or to preclude, any other rights to which those seeking indemnification may at any time be entitled under the Association's Certificate, any law, agreement or vote of Members or disinterested Directors, or otherwise; (2) continue as to a person who has ceased to be in the capacity by reason of which he was an Indemnitee with respect to matters arising during the period he was in such capacity; and (3) inure to the benefit of the heirs, executors, and administrators of such a person.

1.8. **Severability.** The provisions of this Section are intended to comply with Texas Business Organizations Code, Chapter 8, and the Texas Non-Profit Corporation Law. To the extent that any provision of this Section authorizes or requires indemnification or the advancement of expenses contrary to such statutes or the Certificate, the

Association's power to indemnify or advance expenses under such provision shall be limited to that permitted by such statutes and the Certificate and any limitation required by such statutes or the Certificate shall not affect the validity of any other provision of this Section.

1.9. **Effect of Amendment.** No amendment, modification, or repeal of this Section or any provision hereof shall in any manner terminate, reduce, or impair the right of any past, present, or future Indemnitees to be indemnified by the Association, nor the obligation of the Association to indemnify any such Indemnitees, under and in accordance with the provisions of this Section as in effect immediately prior to such amendment, modification, or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification, or repeal, regardless of when such claims may arise or be asserted.

1.10. **Statutory Changes.** In the event that the indemnification provided by this Section is more restrictive than the provisions of indemnification allowed by Texas Business Organizations Code, Chapter 8, and the Texas Non-Profit Corporation Law, then those persons seeking indemnification shall be indemnified to the full extent permitted by Texas Business Organizations Code, Chapter 8, and the Texas Non-Profit Corporation Law as it may exist from time to time.

Section 2. **Interested Directors and Officers.**

2.1. If Section 2.2 below is satisfied, no contract or transaction between the Association and any of its Directors or Officers (or any other corporations, partnerships, associations or other organizations in which any of them directly or indirectly have a financial interest) shall be void or voidable solely because of this relationship or because of the presence or participation of such Director or Officer at the meeting of the Board or committee authorizing such contract or transaction or because such person's votes are counted for such purpose.

2.2. Section 2.1. Above will apply only if:

(a) The contract or transaction is fair to the Association as of the time it is authorized or ratified by the Board, a committee of the Board, or the Members; or

(b) The material facts as to the relationship or interest of each such Director or Officer as to the contract or transaction are known or disclosed: (i) to the Members entitled to vote thereon and they nevertheless in good faith authorize or ratify the contract or transaction by a majority vote of the Members present; or (ii) to the Board, and it nevertheless in good faith authorizes or ratifies the contract or transaction by a majority of the disinterested Directors present with each such interested Director to be counted in determining whether a quorum is present but not in calculating the majority necessary to carry the vote.

2.3. The provisions contained in Sections 2.1. and 2.2 above may not be construed to invalidate a contract or transaction which would be valid in the absence of such provisions.

ARTICLE 8
COMMON EXPENSES AND ASSESSMENTS

Section 1. **Determination of Common Expenses and Assessments.**

1.1. **Fiscal Year.** The fiscal year of the Association shall consist of the twelve (12) months beginning January 1 and ending December 31.

1.2. **Preparation and Approval of Budget.** At least thirty (30) days before the end of each fiscal year the Board shall adopt a budget for the Association containing an estimate of the total amount which it considers necessary for the Association to perform its duties as set forth in the Declaration.

1.3. **Accounts.** The Board shall establish one or more accounts into which shall be deposited all monies paid to the Association, and from which disbursement shall be made as provided herein, in the performance of functions by the Association under the Declaration or these Bylaws. Each of the accounts shall be established as separate trust savings or trust checking accounts at a federally insured banking or lending institution. The accounts shall include: (1) a "Working Capital Fund" for current expenses of the Association, and (2) a "Reserve Fund" for replacements and repairs of the Common Elements and other Improvements within the Regime to the extent necessary under the provisions of the Declaration and these Bylaws. The Board shall not co-mingle any amounts deposited into any of the accounts. All amounts deposited into the Working Capital Fund and the Reserve Fund must be used solely for the common benefit of all of the Members for purposes authorized by the Declaration and these Bylaws as they may be amended from time to time. Disbursements from the Reserve Fund shall be made by the Board only for the respective purposes in the Declaration. Disbursements from the Working Capital Fund shall be made by the Board for such purposes as are necessary for the discharge of its responsibilities herein and under the Declaration for the common benefit of all the Members other than those purposes for which disbursements from the Reserve Fund are to be used. No provision in these Bylaws shall be construed in such a way as to permit the Association to use any Assessments to abate any annoyance or nuisance emanating from outside the physical boundaries of the Regime. No provision contained herein shall limit, preclude, or impair the establishment of other funds by the Association earmarked for specified purposes authorized by the Declaration and these Bylaws.

1.4. **Notice of Budget.** The Board shall send to each Member a copy of the budget, in a reasonably itemized form, which sets forth the amount of the expenses payable by the Association for the fiscal year to which the budget applies. The budget shall constitute the basis for determining each Member's Assessments.

1.5. **Payment of Assessments.** The payment and collection of the Assessments made pursuant to the foregoing provisions shall be in accordance with the terms providing for the payment and collection of Assessments in these Bylaws and in the Declaration, including without limitation the right reserved to the Board to recover reasonable attorneys' fees, interests and costs.

1.6. **Effect of Failure to Prepare or Adopt Budget.** The failure or delay of the Board to prepare or adopt the annual budget for any fiscal year shall not constitute a waiver or release in any manner of the Member's obligation to pay its allocable share of the Assessments as herein provided, whenever the same shall be determined. In the absence of any annual budget or adjusted budget, each Member shall continue to pay the Assessment at the then existing rate established for the previous fiscal period until the new annual or adjusted budget shall have been mailed or delivered.

1.7 **Special and Individual Assessments.** The Board also has the power to levy Special Assessments Individual Assessments against Members as set forth in the Declaration.

Section 2. **Collection of Assessment.** The Board may take prompt action to collect any Assessments due from a Member which remains unpaid for more than thirty (30) days from the date due for payment thereof. The Association may not turn over a Member's account to a third party (debt collector) without sending a 30-day notice via certified mail to a delinquent Member which notifies the Member of both the delinquency and the option to enter into a payment plan. The Association may not sell or transfer an interest in the Association's accounts other than as collateral for a loan. An Assessment Lien or other notice of non-payment filed in the public records is a legal document affecting title to the real property; therefore, only a licensed attorney may file these instruments in accordance with the Declaration.

Section 3. **Delinquency and Acceleration.** Any installment of an Assessment provided for in these Bylaws shall become delinquent if not paid on the due date as established by the Board of the Association pursuant to the provisions hereof or pursuant to the Declaration. With respect to each installment of an Assessment not paid within thirty (30) days after its due date, the Board may, at its election, require the delinquent Member to pay a reasonable late charge together with interest at the maximum rate permitted by law on such delinquent sums calculated from the date of delinquency to and including the date full payment is received by the Association. If any installment of an Assessment is not paid within thirty (30) days after its due date, the Board may mail a notice, by certified mail return receipt requested, to the Member and to each Mortgagee of a Unit which has requested a copy of the notice. Such notice shall specify, in addition to any information required to be provided under the Declaration, (1) the fact that the Assessment is delinquent; (2) the action required to cure the default; (3) a date, not less than thirty (30) days from the date the notice is mailed to the Member, by which such default must be cured; and (4) that failure to cure the default on or before the date specified in the notice may result in foreclosure by the Association against the Member's Unit if the delinquent installments of the Assessments of whatever nature, and any charges thereon are not paid in full on or before the date specified in the notice. The Board at its option may declare all of the unpaid balance of the Assessment for the then current fiscal year, attributable to that Member and its Unit(s) to be immediately due and payable without further demand and may enforce the collection of the full Assessment and any other Assessments and all charges thereon in any manner authorized by law, these Bylaws, and the Declaration.

The Association must apply a Member's payment in the following order: (1) delinquent Assessments; (2) current Assessments; (3) attorneys' fees and collection costs associated with

delinquent Assessments; (4) other attorney fees; (5) fines; and (6) any other amounts. If a Member is in default under a payment plan at the time the Owner submits a payment, the Association does not have to follow the priority of payments schedule. Fines can never be given priority over any other amount owed.

Once an Assessment payment plan has been agreed upon, the Member is obligated to make payments as required by the plan. If a Member has defaulted on a previous payment plan within the last two (2) years, the Association is not required to offer another payment plan to the Member.

Section 4. **Fine Policy.** All fines shall be assessed in accordance with the fine policy set forth in the Declaration.

ARTICLE 9 OBLIGATION OF MEMBERS

Section 1: **Repair and Maintain Unit.** In addition to other obligations and duties set out in the Declaration and these Bylaws every Member shall maintain, repair, and replace, at its own cost and expense, all portions of its Unit as set forth in the Declaration and Documents.

Section 2. **Notice of Sale.** Any Member intending to sell its Unit or any interest therein shall give written notice to the Board of such intention, together, with (i) the address or legal description of the Unit being conveyed, (ii) the name and address of the intended purchaser, (iii) the name, address and phone number of the title company or attorney designated to close such transaction, (iv) names and phone numbers of real estate agents, if any, representing seller or purchaser, and (v) scheduled date of closing. The Member shall furnish this information to the Board no less than ten working days before the date of conveyance of the Unit or any interest therein.

Section 3. **Proof of Ownership.** Except for those Members who initially purchase a Unit from Declarant, any person, on becoming an Owner of a Unit, shall furnish to the Board evidence of ownership in the Unit, which copy shall remain in the files of the Association. A Member shall not be deemed to be in "good standing" unless this requirement is first met. This requirement may be satisfied by receipt of a Board-approved form that is completed and acknowledged by a title company or attorney at time of conveyance of the Unit or any interest therein.

Section 4. **Members' Addresses.** The Owner or the several Co-Owners of a Unit shall register and maintain one mailing address to be used by the Association for mailing of monthly statements, notices, demands, and all other communications. The Member shall keep the Association informed of the Member's current mailing address. If a Member fails to maintain a current mailing address with the Association, the address of that Member's Unit shall be deemed to be its mailing address.

Section 5. **Registration of Mortgagees.** An Owner who mortgages its Unit shall furnish the Board with the name and mailing address of its Mortgagee.

Section 6. **Assessments.** All Member shall be obligated to pay Assessments imposed by the Association under the Declaration.

Section 7. **Compliance with Documents.** Each Member shall comply with the provisions and terms of the Documents, and any amendments thereto. Further, each Member shall always endeavor to observe and promote the cooperative purposes for which the Regime was established.

ARTICLE 10 **RULES**

Section 1. **Rules.** The Board shall have the right to establish and amend, from time to time, reasonable Rules for: (i) the administration of the Association and the Documents; (ii) the maintenance, management, operation, use, conservation, and beautification of the Regime; and (iii) the health, comfort, and general welfare of the Residents; provided, however, that such Rules may not be in conflict with law or the Documents. The Board shall, at all times, maintain the then-current and complete Rules in a written form which can be copied and distributed to the Members. Rules need not be recorded in the county real property records. Any such Rules shall be in addition to and not in lieu of or conflict with the Declaration or any of the other Documents.

Section 2. **Adoption and Amendment.** Any Rule may be adopted, amended, or terminated by the Board provided that the Rule and the requisite Board approval are properly recorded as a resolution in the minutes of the meeting of the Board.

Section 3. **Notice and Comment.** The Board shall give written notice to each Member of any amendment, termination, or adoption of a Rule, or shall publish same in a newsletter or similar publication which is circulated to the Members, at least ten days before the Rule's effective date. The Board may, but shall not be required to give similar notice to Residents who are not Members. Any Member or Resident so notified shall have the right to comment orally or in writing to the Board on the proposed action.

Section 4. **Distribution.** Upon request from any Member or Resident, the Board shall provide a current and complete copy of Rules. Additionally, the Board shall, from time to time, distribute copies of the current and complete Rules to the Members and, if the Board so chooses, to Residents.

ARTICLE 11 **NOTICE OF HEARING PROCEDURE**

Section 1. **Suspension of Privileges.** In the event of an alleged violation of the Declaration, these Bylaws, or any other Rules of the Association, and after written notice of such alleged failure is delivered (in the manner prescribed in the Declaration) to the Member or any agent of the Member alleged to be in default, the Board shall have the rights afforded to it in the

Declaration. All responses, hearings, and remedies shall be carried out as set forth in the Declaration and as required by applicable law.

ARTICLE 12 **MISCELLANEOUS**

Section 1. **Contracts.** The Board may authorize any Officer or Officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

Section 2. **Loans.** No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.

Section 3. **Funds.** All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board may select.

Section 4. **Checks.** All checks or demands for money and notes of the Association shall be signed by such Officer or Officers or such other person or persons as the Board may from time to time designate.

Section 5. **Books and Records.** The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board and committees having any authority of the Board and shall keep at the registered or principal office all books and records of the Association for inspection by any Director or his or her agent or attorney for any proper purpose at any reasonable time.

Section 6. **Inspection of Books.** Any person who is a Member, upon written demand stating the purpose thereof, shall have the right to examine, in person or by agent or attorney, at any reasonable time or times, for any proper purpose, the books and records of account, minutes, and records of the Members of the Association. Such person shall have the right to make extracts therefrom. The Member must list the records requested and whether the Member desires to inspect or wants copies. Within 10 business days from receipt of the request, the Association will either (1) provide the copies to the Member, provide inspection dates, or provide written notice that the Association cannot provide the information within 10 days along with a date within an additional 15 days on which the records may either be inspected or by which copies will be sent to the Member. The Member must pay in advance for the costs associated with the inspection or copying of the records. Certain Association information will be kept confidential (such as personnel files, Declarant accounts or other personnel information, except addresses). The Association must adopt, file, and maintain a records retention policy that includes at a minimum the retention of the following records: (1) governing documents—permanently; (2) Owner account information—five (5) years; (3) Board and annual/special meeting minutes—seven (7) years; (4) tax returns/audits—seven (7) years; (5) contracts for one year or more in length—four (4) years after expiration.

Section 7. **Financial Records.**

7.1. **Records.** The Association shall maintain current true and accurate financial records with full and correct entries made with respect to all financial transactions of the Association, including all income and expenditures, in accordance with generally accepted accounting practices.

7.2. **Annual Reports.** Based on these records, the Board shall annually prepare and approve a report of the financial activity of the Association for the preceding year. The report must conform to General Accepted Accounting Principles as promulgated by the American Institute of Certified Public Accountants and must include a statement of support, revenue, and expenses and changes in fund balances, a statement of functional expenses, and balance sheets for all funds.

7.3. **Location of Financial Records and Reports.** All records, books, and annual reports of the financial activity of the Association shall be kept at the registered office or principal office of the Association in this state for at least three (3) years after the closing of each fiscal year and shall be available to all Members and holders of first Mortgages for inspection and copying there during normal business hours. The Association may charge for the reasonable expense of preparing a copy of a record or report.

Section 8. **Notices.** All notices, demands, bills, statements or other communications under these Bylaws shall be in writing and shall be considered to have been duly given if delivered personally or if sent by U. S. first class, prepaid mail unless required to be sent by other methods in the Declaration or these Bylaws.

8.1 **Member.** Notice to a Member shall be sent to the address which the Member has designated in writing and filed with the Secretary, or if no such address is designated, at the address of the Member's Unit.

8.2. **Association.** Notice to the Association, the Board, or the Manager, if any, shall be sent to the principal office of one of them, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

Section 9. **Invalidity.** The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these Bylaws.

Section 10. **Resale Certificates.** Any Officer may prepare or cause to be prepared, certify, and execute resale certificates in accordance with Section 82.157 of TUCA. The Association may charge a reasonable fee for preparing resale certificates. The Association may refuse to furnish resale certificates until the fee is paid. Any unpaid fees may be assessed against the Unit for which the certificate is furnished. Either the purchaser, seller, or their agent or a title company may request a resale certificate. A resale certificate must have been prepared no more than 60 days before the date of delivery. A Member will have to acquire a new certificate if a sale falls through and more than 60 days elapse. If the party requesting the information is a

purchaser or purchaser's agent, the Association may require him or her to provide the Association proof of said agency or otherwise has a right to acquire a Unit in the Regime.

ARTICLE 13
AMENDMENTS

Section 1. **Power to Amend by Members.** These Bylaws may be altered, amended, or repealed at any meeting of the Members at which a quorum is present, by the affirmative vote of two-thirds (2/3) of the Members present at such meeting, provided notice of the proposed alteration, amendment, or repeal is contained in the notice of such meeting. Provided, however, during such period as Declarant owns any Unit, the affirmative vote of the Declarant shall be required to effect any such amendment. Any amendment to these Bylaws which would conflict with the provisions of the Certificate of Formation, the Declaration, or other applicable restrictive covenants shall be ineffective unless and until the appropriate provisions of the Certificate, the Declaration, or other applicable restrictive covenants, whether one or more, as the case may be, are so amended in accordance with their respective amendment procedures. Foreclosure provisions in the governing documents require a vote of two-thirds of all votes during a special meeting that requires the presence of at least 10% of the voting interests or proxies.

ARTICLE 14
CONFLICTS

In the case of a conflict between the Certificate and the Bylaws, the Certificate shall control, and in case of conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE 15
DECLARANT'S RIGHTS RESERVED

Declarant has reserved certain rights in the Declaration pursuant to the rights afforded to declarants of condominium regimes in TUCA. During the period for which these rights are reserved, no action taken by the Members, Directors, Officers, or Association pursuant to these Bylaws may contradict, restrict, or limit Declarant's rights without the express written consent of the Declarant. An amendment to these Bylaws that may be executed by Declarant alone is not required to be signed by an Officer of the Association.

[remainder of this page blank]

CERTIFICATION

I, the undersigned, do hereby certify:


THAT, I am the duly elected Secretary of OLD MILL CROSSING CONDOMINIUM ASSOCIATION, INC., a Texas nonprofit corporation, and

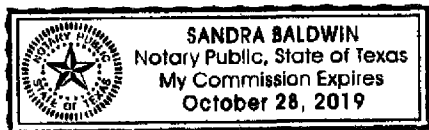
THAT, the foregoing Bylaws constitute the Bylaws of said Association, as duly approved at a meeting on November 4, 2016, by the affirmative vote of a majority of the Members present in which there was a quorum present.


Matti Smith, Secretary

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

This instrument was acknowledged before me on January 3, 201~~6~~⁷, by Matti Smith, Secretary of OLD MILL CROSSING CONDOMINIUM ASSOCIATION, INC., a Texas non-profit corporation, on behalf of said corporation.


Notary Public, State of Texas
My commission expires: Oct. 28, 2019

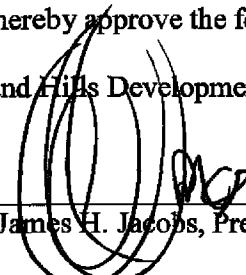


I, the undersigned, do hereby certify:

THAT, I am the authorized representative of the Declarant, Woodland Hills Development, Inc., a Texas corporation, the sole Member of the Association, and


That, I hereby approve the foregoing to be effective as of November 4, 2016.

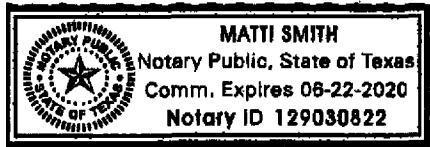
Woodland Hills Development, Inc., a Texas corporation

By:  _____
James H. Jacobs, President

STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

This instrument was acknowledged before me on JANUARY 4, 2017, by James H. Jacobs, President the Declarant, Woodland Hills Development, Inc., a Texas corporation, on behalf of said entity.


Notary Public, State of Texas
My commission expires: 6/22/20



Filed and Recorded
Official Public Records
Bobbie Koepf, County Clerk
Comal County, Texas
01/06/2017 03:33:47 PM
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