

**BYLAWS
OF THE
UTGCCHOA, INC.**

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Dewey B. Day IV
Cagle Carpenter
Hazlewood
8401 N. MoPac Expy., Ste.
100
Austin, Texas 78759**

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BYLAWS OF UTGCCHOA, INC.

Pursuant to the authority contained in the Development Area Declaration of Covenants, Conditions and Restrictions [Golf Course Residential] for Steiner Ranch (defined hereinafter) and the Texas Business Organizations Code, the Board of Directors of the U T G C C H O A , Inc. has the authority to make, establish and promulgate, and in its discretion to amend from time to time, the Bylaws of the UTGCCHOA.

NOW THEREFORE, Bylaws have been adopted by an affirmative vote of at least a majority of the directors of the Board, and shall hereafter constitute the Bylaws of the Association.

ARTICLE I. **NAME, PRINCIPAL OFFICE AND PROPERTY**

The name of the corporation is UTGCCHOA, Inc., hereinafter referred to as the "Association." The principal office of the Association shall be located in Travis County, Texas, or a county adjacent to Travis County, Texas, as may be designated by the Board of Directors of the Association from time to time.

The property affected by these Bylaws is the property described in the Declaration, and any other property which is subsequently annexed and made subject to the authority of the Association.

ARTICLE II. **DEFINITIONS**

Unless the context otherwise specifies or requires, the following words and phrases when used in these Bylaws shall have the meanings hereinafter specified:

Section 2.1. Articles. "Articles" shall mean the Articles of Incorporation of UTGCCHOA, Inc., which have been filed in the office of the Secretary of the State of Texas, as the same may from time to time be amended.

Section 2.2. Assessment. "Assessment" or "Assessments" shall mean assessment(s) levied by the Association under the terms and provisions of the Declaration.

Section 2.3. Association. "Association" shall mean and refer to U T G C C H O A , Inc., its successors, replacements and assigns.

Section 2.4. Association Property. "Association Property" shall mean all real or personal property now or hereafter owned by the Association, including without limitation, all easement estates, licenses, leasehold estates and other interests of any kind in and to real or personal property which are now are hereafter owned or held by the Association.

Section 2.5. Association Restrictions. "Association Restrictions" shall mean the Declaration

as the same may be amended from time to time, together with the Articles, Bylaws, and Association Rules from time to time in effect.

Section 2.6. Association Rules. "Association Rules" shall mean the rules and regulations adopted by the Board pursuant to the Declaration, as the same may be amended from time to time.

Section 2.7. Board. "Board" shall mean the Board of Directors of the Association.

Section 2.8. Bylaws. "Bylaws" shall mean the Bylaws of the Association, as amended from time to time.

Section 2.9. Declarant. "Declarant" shall mean TAYLOR MORRISON OF TEXAS, INC., a Texas corporation, and its duly authorized representatives or its successors or assigns; provided that any assignment of the rights of Declarant must be expressly set forth in writing and the mere conveyance of a portion of the Property without written assignment of the rights of Declarant shall not be sufficient to constitute an assignment of the rights of Declarant hereunder.

Section 2.10. Declaration. "Declaration" shall mean the "Steiner Ranch [Golf Course Residential] Development Area Declaration" recorded in document number 2004036584 of the Official Public Records of Travis County, Texas, as the same may be amended from time to time.

Section 2.11. Lot. "Lot" as used herein shall mean Commercial Lots, Residential Lots, and Condominium Units as the context may indicate, as those terms are defined in the Declaration and incorporated herein by reference.

Section 2.12. Majority. "Majority" shall mean those votes, Members, or other group as the context may indicate totaling more than fifty percent (50%) of the total eligible votes.

Section 2.13. Manager. "Manager" shall mean the person, firm, or corporation, if any, employed by the Association pursuant to the Declaration and delegated the duties, powers, or functions of the Association.

Section 2.14. Member. "Member" or "Members" shall mean any person(s), entity or entities holding membership privileges in the Association as provided in the Declaration.

Section 2.15. Member in Good Standing. "Member in Good Standing" shall mean (a) a Member who is not delinquent in the payment of any Assessment against the Member's Property or any interest, late charges, costs or reasonable attorney's fees added to such Assessment under the provisions of the dedicatory instruments (as defined by the Texas Property code) or as provided by law, (b) a Member who is not delinquent on payments made pursuant to a payment plan for Assessments, (c) a Member who does not have any condition on his Property which violates any dedicatory instrument which has progressed to the stage of a written notice of a hearing to be held by the Association or its designated committee, or beyond, and which remains unresolved as of the date of determination of the Member's standing, (d) a Member who has not failed to pay any fine levied against the Member and/or the Member's Property pursuant to the dedicatory instruments, and (e) a Member who has not failed to comply with all terms of a judgment obtained against the Member by the Association, including the payment of all sums due the Association by virtue of such judgment. If one Occupant of a particular residence does not qualify as a Member in Good Standing, then all Occupants of such residence shall not be considered as Members in Good Standing. Additionally, if an Owner of multiple Lots does not qualify as a Member in Good

Standing as to one Lot, then such Owner shall not qualify as a Member in Good Standing as to all Lots owned by the Owner.

Section 2.16. Mortgage. "Mortgage" or "Mortgages" shall mean any mortgage(s) or deed(s) of trust covering any portion of the Property given to secure the payment of a debt.

Section 2.17. Mortgagee. "Mortgagee" or "Mortgagees" shall mean the holder or holders of any lien or liens upon any portion of the Property.

Section 2.18. Occupant. "Occupant" shall mean residents, tenants, lessees, guests, and invitees of any Lot within the Property for any period of time.

Section 2.19. Owner. "Owner" or "Owners" shall mean the person(s), entity or entities, including Declarant, holding a fee simple interest in any Lot, but shall not include the Mortgagee of a Mortgage prior to its acquisition of fee simple interest in such Lot pursuant to foreclosure of the lien of its Mortgage.

Section 2.20. Property. "Property" shall mean and refer to those tracts or parcels of land situated in Travis County, Texas that are more fully described in the Declaration.

ARTICLE III.

ASSOCIATION: MEMBERSHIP, MEETINGS, QUORUM, VOTING, PROXIES

Section 3.1. Membership.

Any person or entity, upon becoming an Owner, shall automatically become a Member of the Association, as more fully set forth in the Declaration and Articles of Incorporation, and specifically incorporated herein by reference.

Section 3.2. Place of Meetings.

Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board.

Section 3.3. Annual Meetings.

Regular and special annual meetings shall be set by the Board.

Section 3.4. Special Meetings.

Special meetings of the Members may be called at any time by the President. In addition, it shall be the duty of the President to call a special meeting of the Members if so directed by resolution of a Majority of a quorum of the Board or upon a petition signed by Members in Good Standing representing at least thirty-three percent (33%) or more of the votes of the Association. The notice of any special meeting shall state the date, time, place, and subject matter of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 3.5. Notice of Meetings.

Written or printed notice stating the place, day, and hour of any meeting of the Members shall be delivered, either personally or by mail, fax or other electronic media, to each Member not less than ten (10) nor more than sixty (60) days before the date of such meeting, by or at the direction of the President, the Secretary, or the officers calling the meeting. Such notice must contain a general description of the topics or issues to be discussed. Notice of any meeting of the Members that is included in a community newsletter that is distributed to all Members pursuant to the time frame set forth herein shall be considered proper notice. If an election or vote of the Members will occur outside of a meeting of the Members (i.e., absentee or electronic ballot), then the Association shall provide notice to each Member no later than the 20th day before the latest date on which a ballot may be submitted to be counted.

Notice to a Member by email or facsimile must be sent to the email address or facsimile number provided to the Association in writing by that Member. If emailed, the notice of meeting shall be deemed to be delivered as of the date and time shown on a confirmation that the email was successfully transmitted. If faxed, the notice of meeting shall be deemed to be delivered as of the date and time shown on a written confirmation that the facsimile was successfully transmitted. For any given meeting, the Board may use any combination of the alternative methods for providing notice to the Members.

For the purpose of determining the Members entitled to notice of a meeting, the membership of the Association shall be determined on the date the notice of meeting is first given.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail first class postage pre-paid addressed to the Member at his or her address as it appears on the records of the Association. One notice, addressed to multiple Members at the same address, shall suffice if more than one (1) Member resides at any address.

Section 3.6. Waiver of Notice.

Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member, either in person or by proxy, shall be deemed waiver by such Member of (i) notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice in writing at the time the meeting is called to order, and (ii) notice of all business transacted thereat unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised in writing before the business is put to a vote. Further, casting a vote by any means authorized in these Bylaws, by a Member on any issue to be voted upon at the meeting shall be deemed a waiver by such Member of notice of the meeting.

Section 3.7. Adjournment of Meetings.

If any meeting of the Members cannot be held because a quorum is not present, either in person or by proxy, the presiding officer or a Majority of the Members who are present at such meeting, in person [or by proxy], may adjourn the meeting to a time not less than ten (10) nor more than sixty (60) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business that might have been transacted at the meeting originally called may be transacted. All votes cast by Members prior to the originally called meeting by proxy, or by any means authorized in these Bylaws, on issues to be considered at the meeting shall be valid and may be counted at the reconvened meeting at which a quorum is present;

provided that a Member who cast a vote on an issue by proxy or by any means authorized in these Bylaws may change that Member's vote at any time prior to the time that a call for a vote on the issue is made at the reconvened meeting at which a quorum is present. A Member may change his vote by attending the reconvened meeting in person, submitting a proxy at the reconvened meeting which either directs or authorizes the proxy holder to vote in a different manner, or changing the Member's vote by any means for voting authorized in these Bylaws. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

Section 3.8. Quorum.

The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, ten percent (10%) of the total eligible votes of the membership shall constitute a quorum for any action, except as otherwise provided in the Articles, the Declaration, or these Bylaws. If, however, such quorum is not present or represented at any meeting, another meeting may be called, subject to the notice requirements herein, provided that the quorum requirement for each subsequent meeting shall be one-half (1/2) of the quorum requirement for the previous meeting. The Association may call as many subsequent meetings as may be required to achieve a quorum. No such subsequent meetings shall be held more than sixty (60) days following the preceding meeting.

Section 3.9. Voting Rights.

The right to cast votes, and the number of votes which may be cast on all other matters to be voted upon by the Members, shall be in accordance with Section 3.04 of the Declaration, and such voting rights are incorporated herein by reference. Except as otherwise provided in the Declaration, action may be taken at any legally convened meeting of the Members upon the affirmative vote of the Members having a Majority of the total votes present at such meeting in person or proxy or by absentee ballot or electronic voting, if such votes are considered present at the meeting as further set forth herein. Cumulative voting shall not be allowed. The person holding legal title to a Lot shall be entitled to cast the vote allocated to such Lot and not the person merely holding beneficial title to the same unless such right is expressly delegated to the beneficial Member thereof in writing. Any provision in the Association's governing documents that would disqualify a Member from voting in an Association election of Board Members or on any matter concerning the rights or responsibilities of the Member is void.

Section 3.10. Majority Vote, Withdrawal of Quorum.

When a quorum is present at any meeting of the Members, the vote of the holders of a Majority of the votes, present in person or represented by proxy, shall decide any question brought before such meeting unless the question is one upon which by express provision of a statute of the State of Texas, the Articles or these Bylaws, a different vote is required, in which case such express provision shall govern and control the deciding of such question. The Members present at a duly organized meeting may continue to transact business until adjournment of said meeting unless enough Members depart that a quorum no longer exists.

Section 3.11. Conduct of Meetings.

The President, or his/her designee, shall preside over all meetings of the Association, and

the Secretary, or his/her designee, shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting and all transactions that occur at the meeting.

Section 3.12. Methods of Voting.

In Person; Proxies; Absentee Ballots; Electronically. The voting rights of a Member may be cast or given: (a) in person or by proxy at a meeting of the Association; (b) by absentee ballot; (c) by electronic ballot; or (d) by any method of representative or delegated voting provided by the Declaration. Any vote cast in an election or vote by a Member of the Association must be in writing and signed by the member. Electronic votes constitute written and signed ballots. In an Association-wide election, written and signed ballots are not required for uncontested races. Votes shall be cast as provided in this section.

(a) **Proxies.** Any Member may give a revocable written proxy in the form as prescribed by the Board from time to time to any person authorizing such person to cast the Member's vote on any matter. A Member's vote by proxy is subject to any limitations of Texas law relating to the use of general proxies and subject to any specific provision to the contrary in the Declaration or these Bylaws. No proxy shall be valid unless signed by the Member for which it is given or his duly authorized attorney-in-fact, dated, and filed with the Secretary of the Association prior to the meeting for which it is to be effective, or by any earlier date or time specified in the notice of meeting. Proxies shall be valid only for the specific meeting for which given and for lawful adjournments of such meeting. In no event shall a proxy be valid more than eleven (11) months after the effective date of the proxy. Every proxy shall be revocable and shall automatically cease upon (i) conveyance by the Member of the Member's interest in the property; (ii) receipt of notice by the Secretary of the death or judicially declared incompetence of a Member; (iii) receipt of written revocation; or, (iv) expiration of eleven (11) months from the date of the proxy. In the case of a Member's execution of more than one proxy, the proxy with the latest date shall be valid. Proxies that are not delivered prior to the date or time of any meeting, if specified in the notice of meeting, shall not be valid.

Notwithstanding anything contained in these Bylaws to the contrary, a proxy may only be issued by a Member to another Member.

(b) **Absentee and Electronic Ballots.** The Board is vested with the authority to determine, in its sole discretion, if Members may vote on any issue to be voted on by the Members under these Bylaws by absentee or electronic ballot. An absentee or electronic ballot: (i) may be counted as a Member present and voting for the purpose of establishing a quorum only for items appearing on the ballot; (ii) may not be counted, even if properly delivered, if the Member attends any meeting to vote in person, so that any vote cast at a meeting by a Member supersedes any vote submitted by absentee or electronic ballot previously submitted for that proposal, and (iii) may not be counted on the final vote of a proposal if the proposal was amended at the meeting to be different from the exact language on the absentee or electronic ballot.

(i) **Absentee Ballots.** No absentee ballot shall be valid unless it is in writing, signed by the Member for which it is given or his duly authorized attorney-in-fact, dated, and filed with the Secretary of the Association prior to the meeting for which it is to be effective, or by any earlier date or time specified in the notice of meeting. Absentee ballots shall be valid only for the specific meeting for which given and for lawful adjournments of such meeting. In no event shall an absentee ballot be valid after the specific meeting or lawful adjournment of such meeting at which such ballot is counted or upon conveyance of the Lot which it was given.

Any solicitation for votes by absentee ballot must include:

a. an absentee ballot that contains each proposed action and provides an opportunity to vote for or against each proposed action;

b. instructions for delivery of the completed absentee ballot, including the delivery location; and

c. *the following language: "By casting your vote via absentee ballot you will forego the opportunity to consider and vote on any action from the floor on these proposals, if a meeting is held. This means that if there are amendments to these proposals your votes will not be counted on the final vote on these measures. If you desire to retain this ability, please attend any meeting in person. You may submit an absentee ballot and later choose to attend any meeting in person, in which case any in-person vote will prevail. "*

(ii) *Electronic Ballots.* "Electronic ballot" means a ballot: (a) given by email, facsimile or posting on a website; (b) for which the identity of Owner submitting the ballot can be confirmed; and (c) for which the Member may receive a receipt of the electronic transmission and receipt of the Member's ballot. If an electronic ballot is posted on a website, a notice of the posting shall be sent to each Owner that contains instructions on obtaining access to the posting on the website.

Section 3.13. Tabulation of and Access to Ballots.

A person who is a candidate in an Association election or who is otherwise the subject of an Association vote, or a person related to that person within the third degree by consanguinity or affinity, may not tabulate or otherwise be given access to the ballots cast in that election or vote except such person may be given access to the ballots cast in the election or vote as part of a recount process. A person tabulating votes in an Association election or vote or who performs a recount pursuant to Section 3.14 may not disclose to any other person how an individual voted. Notwithstanding any provision of these Bylaws to the contrary, only a person who tabulates votes pursuant to this Section or performs a recount pursuant to Section 3.14 shall be given access to any Association ballots.

Section 3.14. Recount of Votes.

Any Member (the "**Recount Requesting Member**") may, not later than the fifteenth (15th) day after the date of any meeting of Members at which the election was held, or the date of the announcement of the results of the election or vote, require a recount of the votes (the "**Recount Request**"). A Recount Request must be submitted in writing either: (i) by any method of mailing for which evidence of mailing is provided by the United States Postal Service or a common carrier, with signature confirmation service to the Association's mailing address as reflected on the latest management certificate; or (ii) in person to the Association's managing agent as reflected on the latest management certificate or to the address to which absentee and proxy ballots are mailed. The Recount Requesting Member shall be required to pay, in advance, expenses associated with the recount as estimated by the Association, pursuant to subsection (a) below.

(a) Cost of Recount. The Association shall estimate the costs for performing the recount by a person qualified to tabulate votes under subsection (b), and no later than the 20th day after the date the Association receives the Recount Request, shall send an

invoice for the estimated costs (the "**Initial Recount Invoice**") to the Recount Requesting Member at the Recount Requesting Member's last known address according to the Association's records. The Recount Requesting Member must pay the Initial Recount Invoice in full to the Association on or before the 30th day after the date the Initial Recount Invoice was delivered to the Recount Requesting Member (the "**Deadline**"). If the Initial Recount Invoice is not paid by the Recount Requesting Member by the Deadline, the Recount Requesting Member's Recount Request shall be considered withdrawn and the Association shall not be required to perform a recount. If the Initial Recount Invoice is paid by the Recount Requesting Member by the Deadline, then on or before the 30th day after the date of receipt of payment of the Invoice, the recount must be completed and the Association must provide each Recount Requesting Member with notice of the results of the recount. If the recount changes the results of the election, the Association shall reimburse the Recount Requesting Member for the cost of the recount not later than the 30th day after the date the results of the recount are provided. If the recount does not change the results of the election, and the estimated costs included on the Initial Recount Invoice are either lesser or greater than the actual costs of the recount, the Association shall send a final invoice (the "**Final Recount Invoice**") to the Recount Requesting Member on or before the 30th business day after the date the results of the recount are provided. If the Final Recount Invoice reflects that additional amounts are owed by the Recount Requesting Member, the Recount Requesting Member shall remit such additional amounts to the Association immediately. Any additional amounts not paid to the Association by the Recount Requesting Member before the 30th business day after the date the Final Recount Invoice is sent may be charged as an Individual Assessment against the Recount Requesting Member. If the costs estimated in the Initial Recount Invoice costs exceed the amount reflected in the Final Recount Invoice, then the Recount Requesting Member shall be entitled to a refund, said refund shall be paid at the time the Final Recount Invoice is delivered pursuant to this Section.

(b) Vote Tabulator. Following receipt of payment of the Initial Recount Invoice, the Association shall retain for the purpose of performing the recount, the services of a person qualified to tabulate votes. The Association shall enter into a contract for the services of a person who: (i) is not a Member of the Association or related to a Member of the Association Board within the third degree by consanguinity or affinity; and (ii) is either a person agreed on by the Association and any person requesting a recount or is a current or former county judge, county elections administrator, justice of the peace or county voter registrar.

(c) Board Action. Any action taken by the Board in the period between the initial election vote tally and the completion of the recount is not affected by any recount.

ARTICLE IV.

BOARD OF DIRECTORS: NUMBER; SELECTION; TERM OF OFFICE

Section 4.1. Governing Body; Composition.

The affairs of the Association shall be managed by a Board of Directors, each of whom shall have one (1) vote. Directors may be elected at or prior to a meeting of the Members, as determined by the Board. Not more than one (1) representative of a corporation or other entity may serve on the Board at any given time. Notwithstanding anything contained herein to the contrary, if the Board is presented with

written documented evidence that a director has been convicted of a felony or crime of moral turpitude within the last 20 years, that director is immediately ineligible to serve on the Board of Directors and is automatically considered removed from the Board, and prohibited from future service on the Board.

All directors must be Members. In the case of a Member that is a corporation or partnership, the person designated in writing by either proxy or a resolution to the Secretary of the Association as the representative of such corporation or partnership shall be eligible to serve as a director.

Section 4.2. Number of Directors.

The number of directors in the Association shall be not less than three (3) nor more than seven (7) at any time. Initially, there shall be five (5) directors. The elected directors must be Members of the Association. After the recording of these Bylaws, the number of directors may be changed within the parameters set forth herein by amendment of the Bylaws. A decrease in the number of directors may not cut short a sitting director's term of office without that director's written consent. An increase in the number of directors shall be effectuated at an annual or special meeting of the Members where the increased positions on the Board shall be filled by a vote of the Members as provided herein for the election of directors, and further provided that the staggering of terms be sustained in a manner set forth by the Board.

Section 4.3. Election of Directors and Term of Office.

Upon the expiration of the initial one (1) year director terms for Board positions 1, 3, and 5, all Board positions will thereafter serve two (2) year terms. Board positions 1, 3, 5 (as described in detail hereinafter) will be elected in odd-numbered years, and Board positions 2 and 4 (as described in detail hereinafter) will be elected in even-numbered years. Each director shall continue to hold office until his/her successor is appointed or elected and qualified.

In an election of directors by Members in which election there are more candidates than vacant positions and where two or more candidates receive the same number (i.e. the most) votes, the winner of the election shall be chosen by lot. The names of the candidates who have received the same number of votes shall be written on separate pieces of paper by the presiding officer of the meeting, the pieces of paper shall be folded by the presiding officer and placed in a container provided by the then-serving Board. The presiding officer shall ask for a volunteer Member from the audience of Members to pick any one piece of paper from the container and the person whose name is picked shall be declared the winner(s) of such election.

Election of directors may be by any absentee ballot, proxy and/or electronic media, by a plurality of the votes entitled to be cast in person or by proxy, or by any combination of the same as determined by the Board.

At least thirty (30) days before the date the Association disseminates absentee ballots or other ballots to Members for the purpose of voting in a Board election, the Association shall provide notice (the "**Solicitation Notice**") of the election to the Members. The Solicitation Notice shall: (a) solicit candidates that are eligible under Section 4.1 and interested in running for a position on the Board; (b) state that an eligible candidate has fifteen (15) days to respond to the Solicitation Notice and request to be placed on the ballot; and (c) must be mailed to each Member, e-mailed to each Member that has registered their e-mail address with the Association, or posted in a conspicuous manner reasonably designed to provide notice to Members.

December 2018 Appointment:

As of the recording of these Bylaws, the Board is comprised of five (5) Directors. The current Directors will serve until the April 2019 election.

2019 Election:

The initial election of Directors shall occur in April 2019. In this initial election, all five (5) director positions on the Board will be open for election. The three candidates that receive the highest number of votes will be assigned Positions 1, 3, and 5 on the Board and will each serve terms of two (2) years. Positions 2 and 4 will be assigned to the other winning candidates and each will serve an initial term of one (1) year. At the expiration of the initial one (1) year terms for positions 2 and 4, these positions will thereafter have two (2) year terms.

Section 4.4. Nomination of Directors.

The Board may establish a Nominating Committee consisting of a chairperson, who shall be a member of the Board, and three (3) or more Members or representatives of Members. The Nominating Committee shall make as many nominations for election to the Board as it receives.

Regardless of whether a Nominating Committee is formed, Members may also nominate themselves by submitting a written nomination to the Board on or before a date to be determined by the Board.

Section 4.5. Removal of Directors and Vacancies.

A vacancy of an at-large director position created prior to the expiration of his/her term, may be filled by the affirmative vote of the Majority of the remaining directors, regardless of whether that Majority is less than a quorum. A director so appointed to fill a vacancy is appointed for the unexpired term of the member's predecessor in office.

If any director misses more than three (3) board meetings within a twelve (12) month period, she/he shall be considered for removal from office. Upon the affirmative vote of the Majority of remaining Directors, the absentee director shall be removed from office. Upon removal of the director, at the next board meeting a successor shall be appointed by the affirmative vote of the Majority of the remaining directors, regardless of whether that Majority is less than a quorum. A director so appointed to fill such a vacancy shall serve for the unexpired term of the member's predecessor in office.

ARTICLE V. **MEETINGS OF DIRECTORS**

Section 5.1. Organizational Meetings.

The first meeting of the Board following each annual meeting of the Members shall be held within sixty (60) days thereafter at such time and place as shall be fixed by the Board.

Section 5.2. Board Meetings.

A Board meeting means a deliberation between a quorum of the voting directors or between a quorum of the voting directors and another person, during which Association business is

considered and the Board takes formal action. A Board meeting does not include the gathering of a quorum of the Board at a social function unrelated to the business of the Association or the attendance by a quorum of the Board at a regional, state, or national convention, ceremonial event, or press conference, if formal action is not taken and any discussion of Association business is incidental to the social function, convention, ceremonial event, or press conference.

Section 5.3. Notice of Board Meetings.

Notice to the Members of the date, hour, place and general subject of regular or special Board meetings, including a general description of any matter to be brought up for deliberation in executive session, shall be:

1. Mailed to each Member not later than the 10th day or earlier than the 60th day before the date of the meeting; or
2. provided at least 72 hours before start of the meeting by:
 - a. posting in conspicuous manner reasonably designed to provide notice to the Members;
 1. in a place located on the Association's common property, or on Member's property with their consent, or other property within the subdivision; or
 - n. on any internet website maintained by the Association or other internet media; and
 - b. sending notice by e-mail to each Member who has registered an email address with the Association.
3. it is the Member's duty to keep an updated e-mail address registered with the Association.

If the Board recesses to continue the following regular business day, the Board is not required to post notice of the continued meeting if the recess is taken in good faith and not to circumvent this provision. If the meeting is continued to the next business day, and the Board again continues the meeting to another day, the Board shall give notice of continuation in at least one of the manners described above, within two (2) hours after adjourning the meeting being continued.

Aside from meeting in person, the Board of Directors may also participate in and hold a regular or special meeting by means of:

1. conference telephone or similar communication equipment by which all persons participating in the meeting can hear each other; or
2. another suitable electronic communications system, including video conferencing technology or the Internet, only if:
 - a. each Director entitled to participate in the meeting consents to the meeting being held by means of that system;
 - b. the system provides access to the meeting in a manner or using a method by which each Director participating in the meeting can communicate concurrently with each other Director;

- c. all Directors may hear and be heard by every other Director;
- d. except for any portion of the meeting conducted in executive session, all Members in attendance at the meeting may hear all Directors and Members are allowed to listen using any electronic or telephonic communication method used or expected to be used by a Director to participate; and
- e. the notice of the meeting includes instructions for Members to access any communication method required to be accessible under subsection iv above.

Participation in a meeting by conference telephone or similar communication or video conferencing technology or the Internet shall constitute presence in person at such meeting except where a Director participates in the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

The Board may take action outside of a meeting, including voting by electronic or telephonic means, without prior notice to the Members, if each Director is given a reasonable opportunity to express the Director's opinion to all other Directors and to vote. Any action taken without notice to the Members must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting, and documented in the minutes of the next regular or special Board meeting.

The Board may not, without prior notice to Members, consider or vote on any of the following issues:

1. Fines;
2. Damage assessments;
3. Initiation of foreclosure actions;
4. Initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety;
5. Increases in assessments;
6. Levying of special assessments;
7. Appeals from a denial of architectural approval;
8. A suspension of a right of a particular Member before the Member has an opportunity to attend a Board meeting to present the Member's position, including any defense, on the issue.
9. Lending or borrowing money;
10. The adoption or amendment of a dedicatory instrument;

11. The approval of an annual budget or the approval of an amendment of an annual budget that increases the budget by more than 10 percent;
12. The sale or purchase of real property;
13. The filling of a vacancy on the Board;
14. The construction of capital improvements other than the repair, replacement, or enhancement of existing capital improvements; or
15. The election of an officer.

Section 5.4. Special Meetings.

Special meetings of the Board shall be held when called by written notice issued at the request of the President of the Board or by written resolution of a Majority of a quorum of the Board. Notice shall be given to the Members as set out in hereinabove.

Section 5.5. Waiver of Notice.

The transaction of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting in writing before or at its commencement about the lack of adequate notice.

Section 5.6. Quorum of Board of Directors.

At all meetings of the Board, a Majority of the directors shall constitute a quorum for the transaction of business, and the votes of a Majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board. If any meeting of the Board cannot be held because a quorum is not present, a Majority of the directors who are present at such meeting may adjourn the meeting subject to the notice requirements set forth herein. At the reconvened meeting, if a quorum is present, any business that might have been transacted at the meeting originally called may be transacted without further notice.

Section 5.7. Compensation.

No director shall receive any compensation from the Association for acting as such; provided, however, that a director may be reimbursed for expenses incurred on behalf of the Association upon approval of a Majority of the other directors. Provided however, the Board can adopt a policy setting a value under which anything received is not considered compensation.

Section 5.8. Conduct of Meetings.

The President, or his/her designee, shall preside over all meetings of the Board, and the Secretary, or his/her designee, shall keep a minute book of meetings of the Board, recording therein all resolutions adopted by the Board and all transactions and proceedings occurring at such meetings.

Section 5.9. Open Meetings.

Regular and special Board meetings must be open to the Members, subject to the right of the Board to adjourn a Board meeting and reconvene in closed executive session. Regarding all open meetings, Members other than directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director. In such case, the President may limit the time any Member may speak.

Section 5.10. Executive Session.

The Board may close a portion of its meetings for the purpose of discussing actions involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, confidential communications with the Association's attorney, matters involving the invasion of privacy of individual Members, or matters that are to remain confidential by request of the affected parties and agreement of the Board. Following an executive session, any decision made in the executive session must be summarized orally and placed in the minutes, in general terms, without breaching the privacy of individual Members, 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.

ARTICLE VI.
POWERS OF THE BOARD

Section 6.1. Powers.

The Board shall be responsible for the affairs of the Association and shall have all of the powers necessary for the administration of the Association's affairs.

The Board may delegate to one (1) or more of its directors the authority to act on behalf of the Board on all matters relating to the duties of the managing agent or manager, if any, that might arise between meetings of the Board.

In addition to the authority created in these Bylaws, Texas law or by any resolution of the Association that may hereafter be adopted, the Board shall have the power to establish policies relating to, and for performing or causing to be performed, the following, in way of explanation, but not limitation:

- (a) preparing and adopting of annual budgets;
- (b) making assessments, establishing the means and methods of collecting such assessments, and establishing the payment schedule for special assessments;
- (c) collecting the assessments, depositing the proceeds thereof in a bank depository that it shall approve, and using the proceeds to operate the Association; provided, any

reserve funds may be deposited, in the directors' best business judgment, in depositories other than banks;

(d) providing for the operation, care, upkeep and maintenance of all Development Common Areas (as that term is defined in the Declaration), including entering into a contract to provide for such operation, care, upkeep and maintenance;

(e) making or contracting for the making of repairs, additions, and improvements to or alterations of the Development Common Areas in accordance with the other provisions of the Declaration and these Bylaws after damage or destruction by fire or other casualty;

(f) designating, hiring, and dismissing the personnel necessary for the operation of the Association and the maintenance, operation, repair, and replacement of its Property and the Development Common Areas and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(g) making and amending rules and regulations and promulgating, implementing and collecting fines for violations and/or collecting fees related to enforcement of the rules and regulations, the Declaration, and all dedicatory instruments (as that term is defined in the Texas Property Code) for the Association;

(h) opening of bank accounts on behalf of the Association and designating the signatories required;

(i) enforcing by legal means the provisions of the Declaration, including the provisions concerning architectural control, these Bylaws, and the rules and regulations adopted by the Association and bringing any proceedings that may be instituted on behalf of or against the Owners concerning the Association;

(j) obtaining and carrying insurance against casualties and liabilities with policy limits, coverage and deductibles as deemed reasonable by the Board and paying the premium cost thereof;

(k) paying the cost of all services rendered to the Association or its Members and not chargeable directly to specific Owners;

(l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred;

(m) maintaining a membership register reflecting, in alphabetical order, the names, property addresses and mailing addresses of all Members;

(n) making available upon request to any prospective purchaser, any Owner, any purchase money Mortgagee, and the holders, insurers, and guarantors of a purchase money Mortgage on any property, for any proper purpose during normal business hours by advance appointment, copies of the Declaration, the Articles of Incorporation, the Bylaws, rules governing such property and all other books, records, and financial statements of the Association for a reasonable charge; and making copies thereof available for a reasonable charge;

(o) permitting utility suppliers to use portions of the Development Common Areas reasonably necessary to the ongoing development or operation of the Property;

(p) compromise, participate in mediation, submit to arbitration, release with or without consideration, extend time for payment, and otherwise adjust any claims in favor of or against the Association; and

(q) commence or defend any litigation in the Association's name with respect to the Association or any Association property.

Section 6.2. Management.

The Board may employ for the Association a professional management agent or agents at a compensation established by the Board to perform such duties and services as the Board shall authorize.

Section 6.3. Accounts and Reports.

The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

(a) Accrual or cash accounting, as defined by generally accepted accounting principles, shall be employed.

(b) Accounting and controls should conform to generally accepted accounting principles.

(c) No remuneration without full disclosure and prior agreement of the Board, or as contained in a written management contract, shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise. Provided however, the Board can adopt a policy setting a value under which anything received is not considered remuneration.

(d) Any financial or other interest that any director, or the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board.

(e) Commencing at the end of the month in which the first Lot is sold and closed, financial reports may be prepared for the Association monthly containing:

(i) an income statement reflecting all income and expense activity for the preceding period on an accrual or cash basis;

(ii) a statement reflecting all cash receipts and disbursements for the preceding period;

- (iii) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;
- (iv) a balance sheet as of the last day of the preceding period; and
- (v) a delinquency report listing all Owners who are delinquent in paying any Assessments at the time of the report and describing the status of any action to collect such assessments that remain delinquent.

(g) An annual report consisting of at least the following shall be made available at the annual meeting of Members to all Members within one hundred twenty (120) days after the close of the fiscal year: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year. The annual report referred to above may be prepared on an audited or reviewed basis, as determined by the Board, by an independent public accountant.

Section 6.4. Borrowing.

The Board shall have the power to borrow money for the purpose of maintenance, repair or restoration of the Development Common Areas or for any other proper purpose without the approval of the Members of the Association. The Board, on behalf of the Association, may pledge the Association's Assessments and assign the Association's lien rights as collateral for any loan obtained by the Board on behalf of the Association.

Section 6.5. Rights of the Association.

With respect to the Development Common Areas and in accordance with the Articles of Incorporation and the Declaration, the Board shall have the right to contract with any person or entity for the performance of various duties and functions. Without limiting the foregoing, this right shall entitle the Board to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or other neighborhood owner or resident associations, both within and without the Property. Such agreements shall require the consent of a Majority of the total number of non-interested directors of the Board.

Section 6.6 Enforcement.

After notice and an opportunity to be heard, if same is required by law, the Board shall have the power to impose reasonable fines, and to suspend an Owner's right to use the Development Common Areas for violation of any duty imposed under the Declaration, these Bylaws, or any rules and regulations duly adopted by the Board; provided, however, nothing herein shall authorize the Association or the Board to limit Owner's ingress and egress to or from said Owner's Lot. In addition, the Board shall be entitled to suspend any services provided by the Association to a Lot in the event that the Owners of such Lot is more than thirty (30) days delinquent in paying any Assessment due to the Association. In the event that an Occupant or Owner violates the Declaration, Bylaws, or a rule or regulation and a fine is imposed, the fine shall first be assessed against the Occupant and/or Owner; provided, however, if the fine is not paid by the Occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Association. The failure of the Board to enforce any provision of the Declaration, Bylaws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so at any time thereafter and shall not be grounds for any party to claim that any of these provisions have been

abandoned or waived.

As provided in the Declaration, each Owner is obligated to pay to the Association certain charges and Assessments, including such charges and Assessments as may be included, from time to time, by amendment to the Declaration. All costs, expenses, and fees charged to, or paid by, the Association in collecting, or attempting to collect, such charges and Assessments, as well as interest as specified in the Declaration, shall be assessed against the Owner and the Lot, and shall become part of the Assessments due on the Lot. Likewise, all costs, expenses, and fees incurred by the Association in rectifying, or attempting to rectify, a violation of the Declaration, rules and regulations, or Board policies, shall be assessed against the Owner and the Lot, and shall become part of the Assessments due on the Lot. Such costs, expenses, and fees include, but are not limited to:

- (a) actual expenses, including attorney fees and court costs;
- (b) a Late Processing Fee may be set annually by the Board, which may be assessed for any account that has an unpaid balance on or after thirty (30) days after due date, as an inducement to pay on time and to offset administrative costs and expenses incurred in the collection process;
- (c) a Dishonored-Check Processing Fee, set by the Board, which may be assessed for any payment check dishonored by the bank, to offset the additional processing cost incurred;
- (d) a Partial Payment Processing Fee, set by the Board, which may be assessed if any payment for less than the full amount due at the time payment is made, to offset the additional processing costs incurred;
- (e) an Administrative Fee which may be assessed for the transfer of ownership of any Lot, including by foreclosure, to offset the administrative costs and expenses associated with (1) quoting, verbally or in writing, the status of the Assessments and other charges due on the Lot, (2) tracking, researching, and determining or attempting to determine ownership, (3) updating the books and records of the Association to reflect the transfer, and (4) preparing and mailing introductory information regarding the Subdivision, the Association, and/or the covenants, conditions, restrictions, rules, and regulations applicable to the new Owner;
- (f) a Refinance Fee which may be assessed for the refinance of any Lot, to offset the administrative costs and expenses associated with quoting the status of the Assessments and other charges due on the Lot and updating the books and records of the Association;
- (g) a reasonable fee to assemble, copy, deliver and update a Resale Certificate; and
- (h) a reasonable fee for gate house passes.

Any such Assessment or charge that is not paid when due shall be delinquent. All payments shall be applied pursuant to the collection policy adopted by the Board.

Notwithstanding anything to the contrary herein contained, the Association, acting through the Board, may elect to enforce any provision of the Declaration, these Bylaws, or the rules and regulations of the Association by self help or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or Occupant responsible for the violation of which abatement is sought shall pay all costs, fines, costs to repair, including reasonable attorneys' fees actually incurred.

ARTICLE VII. **OFFICERS AND THEIR DUTIES**

Section 7.1. Enumeration of Offices.

The officers of the Association shall be a President, who shall at all times be a member of the Board, a Vice-President, a Secretary, and a Treasurer, and such other officers as the Board may from time to time create by resolution, with such officers to have the authority and perform the duties prescribed from time to time by the Board. Any two (2) offices may be held by the same person, except the offices of President and Secretary.

Section 7.2. Election of Officers.

The election of officers shall take place at the first meeting of the Board following each annual meeting of the Members.

Section 7.3. Term.

The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he resigns sooner, or shall be removed, or otherwise disqualified to serve.

Section 7.4. 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.

Section 7.5. Resignation and Removal.

Any officer may be removed from office, but not as a director of the Board, with or without cause by a Majority vote of the Board whenever in its judgment the best interests of the Association will be served thereby. Any officer may resign at any time by 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, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. For the purposes of this section, written resignation to the Board may be accomplished by facsimile, electronic transmission, certified mail, or receipted hand delivery.

Section 7.6. Vacancies.

A vacancy in any office may be filled through appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer replaced.

Section 7.7. Powers and Duties.

The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time specifically be conferred or imposed by the Board. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

Section 7.8. Agreements, Contracts, Deeds, Leases, Checks, Etc.

All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two (2) officers or such other person or persons as may be designated by resolution of the Board.

ARTICLE VIII.

OTHER COMMITTEES OF THE BOARD OF DIRECTORS

The Board is hereby authorized to establish committees to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a Majority of the directors present at a meeting at which a quorum is present. Each committee established by the Board shall operate in accordance with the terms of the resolution of the Board designating the committee and in accordance with such rules as are adopted by the Board. All committees of the Board shall be vested with advisory powers only and are not authorized to act on behalf of the Board.

ARTICLE IX.

BOOKS AND RECORDS

The inspection, production, and copying of the records of the Association, shall be made pursuant to the Records Inspection, Copying and Retention Policy adopted by the Board.

Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical property owned or controlled by the Association. The right of inspection by a director includes the right to make a copy of relevant documents at the expense of the Association.

ARTICLE X.

CORPORATE SEAL

The Association may, but shall have no obligation to, have a seal in a form adopted by the Board.

ARTICLE XI.
AMENDMENT

Section 11.1. Amendment.

These Bylaws may be amended only by the affirmative vote or written consent, or any combination thereof, of a Majority of the Board. Notwithstanding the above, the percentage of votes or other approval necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

Section 11.2. Conflict.

In the case of any conflict between the Articles and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XII.
INDEMNIFICATION OF DIRECTORS AND OFFICERS

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE ASSOCIATION SHALL AND DOES HEREBY AGREE TO INDEMNIFY, PROTECT, HOLD HARMLESS AND DEFEND ITS OFFICERS, DIRECTORS, AND COMMITTEE MEMBERS, HEREINAFTER REFERRED TO AS "INDEMNITEES" FROM AND AGAINST ALL CLAIMS, DEMANDS, DAMAGES, INJURIES, LOSSES, LIENS, CAUSES OF ACTION, SUITS, JUDGMENTS, PENALTIES, LIABILITIES, DEBTS, COSTS AND EXPENSES, INCLUDING COURT COSTS AND ATTORNEYS' FEES (COLLECTIVELY, "LIABILITIES"), OF ANY NATURE, KIND OR DESCRIPTION, WHETHER ARISING OUT OF CONTRACT, TORT, STRICT LIABILITY, MISREPRESENTATION, VIOLATION OF APPLICABLE LAW AND/OR ANY CAUSE WHATSOEVER (INCLUDING WITHOUT LIMITATION, CLAIMS FOR INJURIES TO OR DEATH OF ANY PERSON, OR DAMAGES TO OR LOSS OF ANY PROPERTY) OF ANY PERSON OR ENTITY DIRECTLY OR INDIRECTLY ARISING OUT OF, CAUSED BY, IN CONNECTION WITH, OR RESULTING FROM ANY ACT OR OMISSION OF ANY OF THE INDEMNITEES; PROVIDED, HOWEVER, THAT THE ASSOCIATION SHALL NOT INDEMNIFY THE INDEMNITEES FOR ANY LIABILITIES ARISING AS A RESULT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF INDEMNITEES. THE OBLIGATIONS OF THE ASSOCIATION UNDER THIS SECTION SHALL APPLY TO LIABILITIES EVEN IF SUCH LIABILITIES ARE CAUSED IN WHOLE OR IN PART BY THE SOLE, JOINT OR CONCURRENT NEGLIGENCE, FAULT OR STRICT LIABILITY OF ANY INDEMNITEE AND WHETHER OR NOT SUCH SOLE OR CONCURRENT NEGLIGENCE, FAULT OR STRICT LIABILITY WAS ACTIVE OR PASSIVE.

THE INDEMNITEES SHALL PROMPTLY ADVISE THE ASSOCIATION IN WRITING OF ANY ACTION, ADMINISTRATIVE OR LEGAL PROCEEDING OR INVESTIGATION AS TO WHICH INDEMNIFICATION MAY APPLY, AND ASSOCIATION, AT ASSOCIATION'S EXPENSE, SHALL ASSUME ON BEHALF OF INDEMNITEES AND CONDUCT WITH DUE DILIGENCE AND IN GOOD FAITH THE DEFENSE THEREOF WITH COMPETENT TRIAL COUNSEL, PROVIDED, HOWEVER, THAT INDEMNITEES SHALL HAVE THE RIGHT, AT THEIR OWN

OPTION, TO BE REPRESENTED THEREIN BY ADVISORY COUNSEL OF THEIR OWN SELECTION AND AT THEIR OWN EXPENSE.

IN THE EVENT OF THE FAILURE BY ASSOCIATION TO FULLY PERFORM ITS OBLIGATIONS IN ACCORDANCE WITH THIS SECTION, INDEMNITEES, AT THEIR OPTION, AND WITHOUT RELIEVING THE ASSOCIATION OF ITS OBLIGATIONS HEREUNDER, MAY SO PERFORM, BUT ALL COSTS AND EXPENSES SO INCURRED BY INDEMNITEES IN THAT EVENT SHALL BE REIMBURSED BY THE ASSOCIATION TO INDEMNITEES, TOGETHER WITH INTEREST, ON THE SAME FROM THE DATE ANY SUCH EXPENSE WAS PAID BY INDEMNITEES UNTIL REIMBURSED BY THE ASSOCIATION, AT THE HIGHEST LAWFUL RATE OF INTEREST ALLOWED UNDER APPLICABLE USURY LAWS OF THE STATE OF TEXAS (OR IF NO MAXIMUM RATE IS APPLICABLE, AT THE RATE OF EIGHTEEN PERCENT (18%) PER ANNUM). THE INDEMNIFICATION SHALL NOT BE LIMITED TO DAMAGES, COMPENSATION OR BENEFITS PAYABLE UNDER INSURANCE POLICIES. IT IS AGREED WITH RESPECT TO ANY LEGAL LIMITATIONS NOW OR HEREAFTER IN EFFECT AND AFFECTING THE VALIDITY OR ENFORCEABILITY OF THE INDEMNIFICATION OBLIGATIONS UNDER THIS SECTION, SUCH LEGAL LIMITATIONS ARE MADE A PART OF INDEMNIFICATION OBLIGATIONS AND SHALL OPERATE TO AMEND THE INDEMNIFICATION OBLIGATIONS TO THE MINIMUM EXTENT NECESSARY TO BRING THE PROVISIONS INTO CONFORMITY WITH THE REQUIREMENTS OF SUCH LIMITATIONS, AND AS SO MODIFIED, THE INDEMNIFICATION OBLIGATIONS SHALL CONTINUE IN FULL FORCE AND EFFECT.

ARTICLE XIII.
MISCELLANEOUS

Section 13.1. Fiscal Year.

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year.

Section 13.2. Parliamentary Rules.

Except as may be modified by Board resolution, Robert's Rules of Order (current edition) may, but is not required to, govern the conduct of Association proceedings when not in conflict with Texas law, the Articles of Incorporation, the Declaration, or these Bylaws.

Section 13.3. Notices.

Unless otherwise provided in these Bylaws, all notices, demands, bills, statements, or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first-class postage pre-paid:

(a) if to a Member at the address that the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Lot of such

Member; or

(b) if to the Association, to the Board, or to the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

Section 13.4. Business Judgment Rule.

Any act or thing done by any director, officer, or committee member taken in furtherance of the purposes of the Association, and accomplished in conformity with the procedures set forth in the Declaration, Articles of Incorporation, the laws of the State of Texas, and/or these Bylaws, shall be reviewed under the standard of the Business Judgment Rule as established by the common law of Texas, and such act or thing done shall not be a breach of duty on the part of the director, officer, or committee member if they have been done within the exercise of their discretion and judgment.

The Business Judgment Rule means that a court shall not substitute its judgment for that of the director, officer or committee member. A court shall not re-examine the quality of the decisions made by the director, officer, or committee member by determining the reasonableness of the decision as long as the decision was made in good faith in what the director, officer, or committee member believed to be the best interest of the corporation.

Section 13.5. Owner Conflict.

If an Owner is involved in litigation with the Association as to a conflict of interpretation of the Declaration, the Articles of Incorporation for the Association, rules and regulations promulgated by the Association, duly adopted Board policies, or these Bylaws, and/or the amount of delinquent Assessments, that Owner may not participate in any Association meeting or activity subject to any applicable parameters set forth in Section 209.0059 of the Texas Property Code, or its successor statute. Additionally, after notice and an opportunity to be heard if required by law, an Owner's right to vote and use of facilities may be withheld to the extent allowed by law.

Section 13.6. Jurisdiction and Venue.

The provisions in these Bylaws shall be governed by and enforced in accordance with the laws of the State of Texas. Venue shall be in Travis County, Texas.

Section 13.7 Security.

NEITHER THE ASSOCIATION, ITS DIRECTORS, OFFICERS, MANAGERS, AGENTS, OR EMPLOYEES SHALL IN ANY WAY BE CONSIDERED AN INSURER OR GUARANTOR OF SECURITY WITHIN THE PROPERTY. NEITHER SHALL THE ASSOCIATION, ITS DIRECTORS, OFFICERS, MANAGERS, AGENTS, OR EMPLOYEES BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL OWNERS AND OCCUPANTS OF ANY LOT, AS APPLICABLE, ACKNOWLEDGE THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS, OFFICERS, MANAGERS, AGENTS, OR EMPLOYEES DOES NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP OR OTHERWISE, NOR THAT FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM

IS DESIGNED OR INTENDED. EACH OWNER AND OCCUPANT OF ANY LOT, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT THE ASSOCIATION, ITS DIRECTORS, OFFICERS, MANAGERS, AGENTS, OR EMPLOYEES ARE NOT INSURERS AND THAT EACH OWNER AND OCCUPANT OF ANY DWELLING, OR OWNER OR USER OF AN IMPROVEMENT, ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO DWELLINGS AND IMPROVEMENTS AND TO THE CONTENTS OF DWELLINGS AND IMPROVEMENTS AND FURTHER ACKNOWLEDGES THAT THE ASSOCIATION, ITS DIRECTORS, OFFICERS, MANAGERS, AGENTS, OR EMPLOYEES HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER OR OCCUPANT RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTY.

Section 13.8. Occupants Bound.

All provisions of the dedicatory instruments (as that term is defined in the Texas Property Code) applicable to the Property and Owners, shall also apply to all Occupants of any Lot or dwelling. Every Owner shall cause all Occupants to comply with the foregoing, and every Owner shall be responsible for all violations, losses, or damages caused by an Occupant, notwithstanding the fact that such Occupant is jointly and severally liable and may be sanctioned for any violation. In addition to all other remedies available to the Association in the event of a violation by an Occupant, the Association may require that the Occupant be removed from and not be allowed to return to the Development and/or that any lease, agreement or permission given allowing the Occupant to be present be terminated.

Section 13.9. View Impairment.

The Association does not guarantee or represent that any view over and across the Lots, Development Common Area, reserves or open space within the Development will be preserved without impairment. The Association shall have no obligation to relocate, prune, or thin trees or shrubs on the Development Common Area. The Association shall have the right to add trees and other landscaping to the Development Common Area. There shall be no express or implied easements for view purposes or for the passage of light and air.

[SIGNATURE PAGES FOLLOW]

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the Secretary of UTGCCHOA, Inc., a Texas nonprofit corporation;

That the foregoing Bylaws constitute the Bylaws of said Association, as adopted by at least a majority of the directors at a meeting of the Board of Directors where at least a majority of the directors at a meeting of the Board of Directors where a quorum was present held on 18th day of December, 2018.

IN WITNESS HEREOF, I have hereunto subscribed my name on this the 20th day of December, 2018.

By: Amanda Teudecki

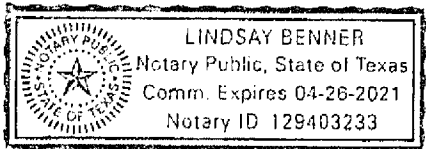
Printed Name: Amanda Teudecki

Its: Secretary

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

BEFORE ME, on this day personally appeared Amanda Teudecki, Secretary of UTGCCHOA, Inc., a Texas nonprofit corporation, known by me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same for the purposes herein expressed, in the capacity herein stated, and as the act and deed of said corporation.

Given under my hand and seal of office, this 20th day of December, 2018.



Lindsay Benner
Notary Public, State of Texas



FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

Dana DeBeauvoir

DANA DEBEAUVOIR, COUNTY CLERK
TRAVIS COUNTY, TEXAS

December 20 2018 02:55 PM

FEE: \$ 138.00 **2018196072**