

MEADOW OAKS TOWNHOUSE ASSOCIATION, INC.  
THIRD AMENDED BYLAWS OF THE HOMEOWNER'S ASSOCIATION

ARTICLE I. PURPOSE

Section 1.01 The Meadow Oaks Townhouse Association, Inc., (hereinafter referred to as the "Association") is organized and shall be operated exclusively as a homeowner's association within the meaning of Section 528 of the Internal Revenue Code of 1986, as amended, or the corresponding provision or provisions of any subsequent United States Internal Revenue law or laws.

Section 1.02 The primary purposes of the Association are: to promote the community welfare of the members and their families, better communication, and neighborhood unity to make the Association a better place in which to live and enjoy life, for the benefit of members and their families; to foster, and maintain promote better community and civic spirit, goodwill, acquaintanceship, and friendship among the members of the Association; to protect and promote the best interests of the residents of the area; to provide funds for expenses related to the maintenance and beautification of the common areas within the Association; to govern, operate, and maintain the Common Area; to preserve property values and overall appearance by maintaining a development consistent with existing deed restrictions and architectural guidelines through provision of architectural control and compliance with the covenants and restrictions set forth in the Declaration of Covenants, Conditions and Restrictions For Meadow Oaks Addition Installment Number 7, In the City of Grand Prairie, Dallas County, Texas, dated the 25th day of August, 1976, executed by Ondarza Development Corporation, and recorded in Volume 76165, Page 0236 of the Real Property Records of Dallas County, Texas, as amended and/or restated from

time to time; and to exercise any or all powers of non-profit associations and homeowners' associations pursuant to the laws of the State of Texas.

Section 1.03 Meadow Oaks Townhouse Association, Inc. is a not-for-profit association for the accomplishment of the foregoing objectives and other objectives that may appear conducive to, or expedient for, the interest and benefit of the members of Meadow Oaks Townhouse Association, Inc.

## ARTICLE II. DEFINITIONS AND INTERPRETATION

Section 2.01 When used in these By-laws, unless the context otherwise specifies or requires, the following words and phrases shall have the meanings hereinafter specified:

- (a) "Articles" means the Articles of Incorporation of Meadow Oaks Townhouse Association, Inc., which were filed on October 13, 1982, in the office of the Secretary of State of the State of Texas, as the same may from time to time be amended.
- (b) "Assessment" means any assessments levied by the Association under the terms and provisions of the Declaration.
- (c) "Association property" all real or personal property now or hereafter owned by the Association, including, but not limited to, all easement estates, licenses, leasehold estates, and other interests of any kind in and to real or personal property which are now or hereafter owned or held by the Association.
- (d) "Association Restrictions" means the Declaration as the same may be amended from time to time, together with the Articles, By-laws, Committee Rules, and Association Rules from time to time in effect.

(e) "Association Rules" means the rules and regulations adopted by the Board pursuant to the Declaration, as the same may be amended from time to time and by the By-laws as adopted by the Board and as from time to time amended.

(f) "Board" means the Board of Directors of the Association.

(g) "By-laws" means these By-laws as adopted by the Board and as from time to time amended.

(h) "Common Areas" means those areas of the Property owned by the Association and which are designated for the use and enjoyment of all members of the Association, including but not limited to, courtyards, grounds, lawns, entrances, exits, public driveways, swimming pools, patios, sidewalks and walkways, streets, pavements, trees, landscaping, sprinkler systems, pipes, wires, conduits, and other public utility lines situated thereon, save and except for the Lots upon which there is or may be constructed a unit to be conveyed in fee simple to the Owner.

(i) "Declarant" means Ondarza Development Corporation and its successors and assignees.

(j) "Declaration" means the Declaration of Covenants, Conditions and Restrictions filed in the office of the County Clerk of Dallas County, Texas, including any amendments thereto as may be made from time to time in accordance with terms of the governing statutes.

(k) "Fiscal year" of the Association means the period each year commencing on January 1 and ending on December 31, with the exception of the first fiscal year, which shall begin on the date of incorporation.

(l) "Lot" or "Lots" means any parcel(s) of land within the Property, on which there is built or shall be built a townhome unit, together with all improvements located thereon, and which has

or shall be conveyed by lot number or metes and bounds description to an Owner for use in the construction of a residential unit.

(m) "Member" means any person(s), entity, or entities holding membership privileges in the Association as provided in the Declaration.

(n) "Mortgage" means any mortgages or deeds of trust covering any portion of the Property given to secure the payment of a debt.

(o) "Mortgagee" means the holder or holders of any lien or liens upon any portion of the Property.

(p) "Owner" means the record holder, whether one or more persons or entities, including Declarant, of the fee simple title to any Lot, but shall not include the Mortgagee of a Mortgage.

(q) "Property" means all of the real property known as Meadow Oaks Townhouse Association, Inc., located in Dallas County, Texas, including the land; all improvements and structures on the land; and all easements, rights, and appurtenances to the land, more particularly described in the plat of the property filed in the Dallas County Deed Records and in the Declaration.

(r) "Unit" means the townhome residential structure and includes the real property on which the structure is situated.

(s) Other terms used in these Bylaws shall have the meaning given them in the Declaration, which is incorporated by reference herein, as if set forth verbatim, and made a part of these Bylaws.

### ARTICLE III. APPLICABILITY OF BYLAWS

Section 3.01 The provisions of these bylaws constitute the Bylaws of the nonprofit corporation known as "Meadow Oaks Townhouse Association, Inc.," referred to as the "Association."

Section 3.02 The provisions of these Bylaws are applicable to the Property, Lots, Owners, and Members, defined hereinabove and take effect as of November 23, 2024, except as otherwise provided herein.

Section 3.03 All present or future Owners, present or future tenants, their employees, agents, servants, representatives' guests, invitees, or other persons who use the facilities of the Property in any manner, are subject to the regulations set forth in these Bylaws and to any rules or other regulations that the Board may establish from time to time. The acquisition or rental of any Units of the Property, or the act of occupancy of any of the Units of the Property, will signify that these Bylaws are accepted and ratified and will be complied with by the purchaser, tenant, or occupant.

#### ARTICLE IV. OFFICES

Section 4.01 Location. The principal mailing address of the corporation shall be 1800 Eastwood, Grand Prairie, Texas, but a meeting of members and directors may be held at such places within Dallas County, Texas as may be designated by the Board of Directors.

Section 4.02 Registered Agent and Registered Agent's Office: the Association shall have and shall continuously maintain in the State of Texas a registered agent as required by the Texas Non-Profit Corporation Act. The registered agent's office may be, but need not be, the same as the principal office of the corporation, and the address of the registered agent's office may be changed from time to time by the Board of Directors.

#### ARTICLE V. MEMBERSHIP

Section 5.01 The membership of the Association shall consist of all of the Owners of the Units within the Property.

Section 5.02 Every owner of a Lot shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to

assessment. Membership is not intended to and does not include any person or entity that holds an interest merely as security for the performance of an obligation. No Owner shall have more than one (1) membership per Lot.

Section 5.03 There shall only be one (1) class of membership.

## ARTICLE VI. MEETING OF MEMBERS

Section 6.01 Annual Meeting The annual meeting of the members shall be held at the discretion of the Board during the first quarter of each year.

Section 6.02 Special Meetings A special meeting of the members may be called at any time by the President or by the Board of Directors, or upon the written request of members who are entitled to vote one-fourth (1/4) of all the votes of the Membership.

Section 6.03 Notice of Meetings: notice of the meeting shall be given by or at the direction of the Officers by e-mail, at least three (3) days prior to each meeting. This notice shall specify the place, day and hour of the meeting and in the case of a special meeting, the purpose of the meeting.

Section 6.04 Place of Meeting All annual and special meetings of the Members shall be held at the Meadow Oaks Homeowners Association, Inc. Pool house area at 1800 Eastwood Court, Grand Prairie, Dallas County, Texas 75050, or at such other suitable and convenient place as may be permitted by law and from time to time fixed by the Board and designated in the notices of such meetings.

Section 6.05 Quorum

(a) Except as otherwise required or allowed by the terms of the Declaration with regard to amendment of the Declaration, the quorum required for any action authorized to be taken by the Members pursuant to these Bylaws, the Articles of Incorporation, or the Declaration shall be the presence at the meeting of Members, or of proxies, entitled to cast fifty-one percent (51%) of all votes of the Members. Notwithstanding anything else to the contrary in these Bylaws, the Articles, or the Declaration, the Members present at any annual or special meeting for which proper notice has been provided as required by these By-laws shall constitute a quorum for any action.

(b) If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting to another specified time, to be no less than fifteen (15) days later. At such adjourned meeting in which one-half (1/2) of a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as was originally set forth in the notice calling the original meeting.

Section 6.06 Proxies proxies shall be in writing and filed with the Secretary, prior to the meeting that the proxy is to be voted.

Section 6.07 Voting

(a) Form of Proxy or Ballot. The Board may dictate the form for all proxies, ballots, or other voting instruments or vehicles. No form other than the form put forth by the Board will be accepted.

(b) Deadline for Return of Voting Paperwork. The Board may establish a deadline, which may be communicated on the proxy form, absentee ballot, or otherwise communicated to the membership, for return of electronic ballots, absentee ballots, proxies, or other votes.

(c) Proxies are not valid after eleven (11) months after the date of execution, unless otherwise specified in the proxy.

(d) All proxies are revocable. In order to revoke a proxy, the Member who gave the proxy must submit the revocation in writing to the Association Secretary or appear in person at the meeting and state on the record that the proxy is revoked. Every proxy shall cease automatically upon the conveyance of the Member's ownership in the Unit or upon the receipt by the Association Secretary of notice of the death of the Member or judicial declaration of the Member's incompetence when a quorum is present at any meeting, the vote by a simple majority of the members qualified to vote, and present in person or by proxy, shall decide any question properly brought before such meeting unless the question is one upon which by expressed provision of any statute, Articles of Incorporation of the non-profit corporation, these Bylaws or the Declaration of Covenants and Restriction, a different vote is required, in which case, such expressed provision shall govern and control the decision of such question. Members present in person or by written proxy at a duly organized meeting may continue to transact business until adjournment.

Section 6.08 Voting Rights: The right to cast votes, and the number of votes that may be cast, for election of Members to the Board and on all other matters to be voted upon by the Members, shall be calculated as follows:

(a) Each Lot shall have one (1) vote, regardless of the number of record title holders to that Lot.

(b) The holder of more than one (1) vote may both make a motion and second such motion for any purpose.

(c) No member shall be entitled to vote at any meeting of the Association, until such member has presented evidence of ownership of a Lot to the Board of Directors.

(d) The vote of each Member may only be cast by such Member or by written proxy given by such Member, in favor of the Member's spouse or another Member or by such Member's duly authorized representative.

(e) In the event that there are two (2) or more holders of record title to a Lot (referred to as "Joint-Owners"), only one (1) Joint-Owner may cast the vote and such vote shall be on behalf of all of the record titleholders of that Lot. In the event that the Joint-Owners cannot agree on which Joint-Owner shall cast the vote on behalf of all of the Joint-Owners, a unanimous vote of all of the Joint-Owners (appearing either by proxy or in person) is required and shall be counted as a single vote; such a vote properly cast by one of the Joint-Owners shall be binding on any Joint-Owners who were not present, in person or by proxy, or who did not vote at such meeting. If two (2) or more Joint-Owners are present at any meeting of Members, such Joint-Owners must be unanimous in order to cast their votes as Members of the Association.

**Section 6.09** The order of business at all meetings of the Members shall be as follows:

- (a) Roll call
- (b) Proof of notice of meeting or waiver of notice
- (c) Reading of minutes of preceding meeting
- (d) Reports of officers
- (e) Reports of committees
- (f) Election of Directors, if applicable
- (g) Unfinished business
- (h) New business

**Section 6.10 Motions**

All motions or matters proposed for consideration by any Member at any annual meeting, special meeting, or other meeting of the Association shall be considered and voted upon by Members, after such motion or other matter proposed for consideration has been seconded by any other Member of the Association.

Section 6.11 Adjourned Meetings if any meeting of the Members cannot be organized because a quorum has not attended, the Members who are present, either in person or by proxy, may adjourn the meeting until the required quorum is attained, as provided in Section 6.05.

## ARTICLE VII. BOARD OF DIRECTORS

Section 7.01 Number The Board of Directors shall manage the business and affairs of the Association, who may exercise all such powers of the Association and do all such lawful acts and things as are not prohibited by statute, the Articles of Incorporation, these Bylaws, or the Declaration of Covenants and Restrictions, directed or required to be exercised or done by the members.

Section 7.02 Term of Office The initial Board of Directors designated in the Articles of Incorporation shall consist of up to a maximum of five (5) Directors, all of whom are members of the Association and residents of the State of Texas. At the first annual meeting of the members, the members shall elect up to a maximum of five (5) Directors, all of whom shall be members of the Association. The Directors shall be elected at the annual meeting of the members, except as hereinafter provided, and the person receiving the most votes, shall hold office for a term of one (1) year. Thereafter, Directors shall be elected and shall qualify to hold office for a term of one (1) year or until a successor is elected.

### Section 7.03 Removal and Vacancies

Any Director may be removed either for or without cause at any special meeting of the members of the Association by the affirmative vote of at least two-thirds (2/3) of those present and authorized to vote, if notice of the intention to act upon such matter shall be given in the notice calling such meeting. All Board Members shall have the right to vote until and unless they are

removed from the Board. If any vacancy occurs in the Board of Directors, caused by death, resignation, retirement, disqualification or removal from office of any Director or otherwise, a successor or successors may be chosen by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board of Directors, and each successor Director so chosen shall be elected for the unexpired term of his predecessor in office. The appointment of a board member in violation of this section is void.

Section 7.04 The meeting of the Directors shall be held without further notice immediately following the annual meeting of the members of the Association, and at the same place, unless by unanimous consent of the Directors then elected and serving such time or place shall be changed.

Section 7.05 The regular meeting of the Board of Directors may be held without notice at such time and place as shall from time to time be determined by the Board.

Section 7.06 Special meetings of the Board of Directors may be called by the President or any two (2) members of the Board of Directors, on three (3) days' notice to each Director either personally or by email or by telephone; special meetings shall be called by the President or Secretary in like manner and on all like notice on the written request of two (2) Directors. Except as may be otherwise expressly provided by statute, the Articles of Incorporation, these Bylaws, or the Declaration of Covenants and Restrictions, neither the business to be transacted at, nor the purpose of, any special meeting need be specified in a notice or waiver of notice.

Section 7.07 At all meetings of the Board of Directors the presence in person of a majority of the Directors shall be necessary and sufficient to constitute a quorum for the transaction of business and the act of a majority of the Directors, when present in person or by proxy at any meeting at which there is a quorum, shall be the act of the Board of Directors, except as may be

otherwise specifically provided by statute, the Articles of Incorporation, these Bylaws, or the Declaration of Covenants and Restrictions. If a quorum shall not be present at any meeting of Directors, the Directors present thereafter may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

#### Section 7.08 Compensation

No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

#### Section 7.09 Action Taken Without A Meeting

The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

#### Section 7.10 Powers and Duties

The Board shall have the powers and duties necessary for the operation and maintenance of the Association Property and the administration of the other responsibilities and affairs of the Association, including, but not limited to, the powers and duties set forth in the Declaration, and as provided by statute. Subject to the provisions of the preceding sentence, the Board may do all such acts and things that are not by these Bylaws or by the Declaration reserved to the exclusive power to act by the Members.

#### Section 7.11 Duties

It shall be the duty of the Board of Directors to carry out the terms and conditions of the Declarations and Covenants of the Association and the purposes of the corporation as stated in the

Articles of Incorporation and to perform and cause to be performed and to carry out these provisions.

#### Section 7.12 Additional Powers and Duties

The Board shall have the following additional powers and duties:

- (a) To administer and enforce the covenants, conditions, restrictions, uses, limitations, obligations, and other provisions of the Declaration.
- (b) To establish and enforce rules, conditions, restrictions, limitations, and other provisions necessary for the orderly operation, use and maintenance of the Association Property.
- (c) To adopt and publish the Association Rules, including regulations governing the use of the Association Property and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof. A copy of such rules shall be delivered or mailed to each Member promptly upon the adoption thereof.
- (d) To keep in good order, condition, and repair the Association Property.
- (e) To fix, levy, and collect the Assessments, abeyance fees, other fees, and fines to be paid by each Owner in accordance with the terms of the Declaration as amended from time to time; and by majority vote of the Board to decrease or increase such fees and Assessments, subject to the provisions of the Declaration; to levy and collect special Assessments in order to meet increased operating expenses and costs for which a special Assessment is authorized under the Declaration. All Assessments shall be in itemized statement form and shall set forth in detail the various expenses for which the Assessments are being made.

(f) To collect delinquent fees, fines, or assessments by suit, lien foreclosure, or otherwise, and to enjoin or seek damages from an Owner for violation of the Declaration or the Association Rules.

(g) To protect and defend the Association Property from loss and damage by suit or otherwise.

(h) To borrow funds in order to pay for any required expenditure or outlay; to execute all such instruments evidencing such indebtedness; and to mortgage, pledge, or hypothecate any or all Association Property as security for money borrowed or debts incurred in connection with the affairs of the Association.

(i) To establish a bank account for the common treasury for all separate funds which are required or may be deemed advisable by the Board.

(j) To maintain complete 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 Members and any Mortgagee. The Association shall cause to be prepared and delivered annually to each Member, a statement showing all receipts, expenses, or disbursements since the last such statement. Such financial statements shall be available to any Mortgagee, on request, within ninety (90) days following the fiscal year end of the Association. Any Member may require that the Association cause to be prepared and delivered, at such Member's expense, an audited financial statement of the Association. In addition, each Member shall have the right to inspect the books and records of the Association during normal business hours.

(k) In general, to carry on the administration of the Association and to further the communal use and enjoyment of the Association Property.

#### Section 7.13 Committees

The Board may establish one or more advisory committees and committees for the purpose of administering or managing the Association Property, or routine or special projects of the Association. The Board may appoint the members of such committees by procedures to be established by the Board. Members and those residing on the Property shall be eligible to serve on such advisory committees.

#### Section 7.14 Nomination

Nomination for election to the Board shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a chairman, who shall be a member of the Board and two (2) members of the Association. The Nominating Committee shall be appointed by the Board prior to or during each annual meeting of the Members. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members.

#### Section 7.15 Election

Election to the Board shall be by secret written ballot, unless otherwise agreed upon by a majority vote of the Members at the meeting at which the election is held. At such election, the Members or their proxies may cast, with respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

#### Section 7.16 Contracts with Board Members

The Association may enter into an enforceable contract with a current Association Board member, a person related to a current Association Board member within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code, a company in which a current Board member has a financial interest in at least fifty-one (51%) percent of profits, or a company in which a person related to a current Board member within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code, has a financial interest in at least fifty-one (51%) percent of profits only if the following conditions are satisfied:

- (1) the Board member, relative, or company bids on the proposed contract and the Association has received at least two other bids for the contract from persons not associated with the Board member, relative, or company, if reasonably available in the community;
- (2) the Board member:
  - (a) is not given access to the other bids;
  - (b) does not participate in any Board discussion regarding the contract; and
  - (c) does not vote on the award of the contract;
- (3) the material facts regarding the relationship or interest with respect to the proposed contract are disclosed to or known by the Association Board and the Board, in good faith and with ordinary care, authorizes the contract by an affirmative vote of the majority of the Board members who do not have an interest governed by this subsection; and

(4) the Board certifies that the other requirements of this subsection have been satisfied by a resolution approved by an affirmative vote of the majority of the Board members who do not have an interest governed by this subsection.

## VIII. MEETINGS OF DIRECTORS

### Section 8.01 Regular Meetings

Regular meetings of the Board shall be held annually or at such other frequency as determined by the Board, at such place and time as may be fixed from time to time by resolution of the Board, but such place of meeting must be within Dallas County, Texas. Notice of regular meetings of the Board shall be given to each Director, either personally, or by telephone or facsimile transmission or by other electronic transmission (by way of example only, such as by e-mail) at least three (3) days prior to such meeting, or by deposit of notice in the U.S. Mail, postage prepaid, at least seven (7) days prior to such meeting.

### Section 8.02 Special Meetings

Special meetings of the Board may be called by the President of the Association or by any two (2) Directors. The President or Secretary shall give written notice to each Director of the time, place, and purpose of the meeting, either personally, by telephone, or by facsimile transmission or by other electronic transmission (by way of example only, such as by e-mail) at least three (3) days prior to the day named for such meeting, or by deposit of notice in the U.S. Mail, postage prepaid, at least seven (7) days prior to the day named for such meeting.

### 8.03 Teleconferences

The Board may participate in and hold a meeting by means of conference telephone or internet, ZOOM, or similar communication system by which all persons participating in the meeting can hear one another. Participation in such a meeting shall constitute presence in person, except where a person 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. Special notice of any action by telephone meeting shall be posted on any sign or marquee, and on any website maintained by the Association as soon as practicable after such action. Any such notice on a website shall disclose how each Director voted on any such action.

### Section 8.04 Waiver of Notice

Before or at any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

### Section 8.05 Quorum

At all meetings of the Board, a majority of Directors shall constitute a quorum for the transaction of business, and the act of the majority of the Directors present at the meeting at which a quorum is present shall be the act of the Board. If, at any meeting of the Board, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time.

## ARTICLE IX. OFFICERS

### Section 9.01 Designation

The officers of the Association shall be a President, who shall at all times be a member of the Board, a Secretary, and a Treasurer, as well as such other officers as the Board may from time to time create by resolution.

#### 9.02 Election of Officers

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

#### 9.03 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 earlier, or is removed, or is otherwise disqualified to serve.

#### 9.04 Special Appointments

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

The Board shall appoint an Architectural Control Committee, as provided in the Declaration, to carry forth the purposes set forth in the Declaration unless the Board is unable to fill the Committee. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purpose.

#### Section 9.05 Resignation and Removal

Upon an affirmative vote of the majority of the members of the Board, any officer may be removed, with or without cause, and his successor may be elected at any regular meeting of the Board or at any special meeting of the Board called for such purposes.

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, acceptance of such resignation shall not be necessary to make it effective.

#### 9.06 Vacancies

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

#### 9.07 Multiple Offices

The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of any special offices created pursuant to Section 9.04.

#### Section 9.08 The duties of the officers are as follows:

(a) President. The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Board of Directors; shall see that those orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, and other written instruments, and shall co-sign all checks and promissory notes of the Association. The President shall have the power to appoint committees from among the Members to assist in the administration of the affairs of the Association, and the duty to see that the orders and resolutions of the Board are carried out. The President, or his designated alternate, shall represent the Association at all meetings of the Association.

(b) Secretary. The Secretary shall attend all sessions of the Board of Directors and all meetings of the members and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for any committees when required. S/he shall give, or cause to be given, notice of all meetings of the members and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision he/she shall be.

(c) Treasurer.

The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign all checks and promissory notes of the Association; keep proper books of account; prepare a statement of income and expense and balance sheet to be presented to the membership at its annual meeting and deliver a copy of each to the members. The Treasurer must provide a detailed General Ledger or bank statements in .pdf format to any member within 10 days at the member's request. The Treasurer must ensure that all federal income tax is paid in a timely manner and that the annual 1120-H tax return is filed accurately and timely.

(d) Assistant Officers. The Board may appoint such assistant secretaries and treasurers as the Board deems to be in the best interest of the Association to carry out the routine and day-to-day operations of the Association, as authorized by the Board.

## ARTICLE X. OBLIGATIONS OF THE OWNERS

### 10.01 Fees and Assessments

All Owners shall be obligated to pay an Assessments, and other fees and fines imposed by the Association in accordance with the Declaration. A Member shall be deemed to be in good

standing and entitled to vote at any annual or special meeting of Members, within the meaning of these By-laws, only if he is current in payment of the Assessments, and other fees and fines levied against him and the Lot owned by him in accordance with the Declaration.

As provided in the Declaration, each Member is obligated to pay to the Association Assessments which are secured by a continuing lien upon the property against which the Assessments are made. No Owner may waive or otherwise escape liability for the Assessments provided for herein by nonuse of the Association Property or abandonment of his Lot(s). Notwithstanding any provision herein to the contrary, the Association may only levy Assessments to defray costs which are incurred in furtherance of the sole purpose of the Association as set forth in the Declaration and/or costs which are incurred in connection with the exercise of powers incident to such purpose as set forth in the Declaration

#### 10.02 Use of the Common Areas

Each Member may use the Common Areas in accordance with the purpose for which it is intended, subject to reasonable regulations regarding use, as adopted by the Board. The Board shall have the right to suspend a Member's right to use the Association Property (i) in the event such Member is delinquent in the payment of any Assessments, as provided in the Declaration, and (ii) for a reasonable period, at the Board's discretion, in response to any infraction of the Association Rules.

#### Section 10.03 General

Each Owner shall comply strictly with the provisions of the Declaration and shall cause all his tenants, guests, and visitors using any part of the Property to comply with the provisions of the Declaration and any regulations regarding use of the Association Property, as set out by the Association.

#### Section 10.04 E-mail Addresses

An Owner is required to keep a current e-mail address on file with the Association if the Owner desires to receive e-mail communications from the Association. Failure to supply an e-mail address to the Association or to update the address in the manner required by these Bylaws may result in the Owner not receiving Association emails. The Association has no duty to request an updated address from an Owner, in response to returned e-mail or otherwise. The Association may require Owners who have e-mail addresses to sign up for a group e-mail, e-mail list serve or other such e-mail subscription service in order to receive Association emails. An Owner is required to notify the Association in writing when the Owner's e-mail address changes. Such notice must be delivered to the Association's Secretary by mail, or e-mail. in the alternative, and at the Association's discretion (if available), an Owner may update his/her email address through the Association's Secretary. Any notice of e-mail change provided to the Association must be for the sole purpose of requesting an update to the Owner's e-mail address. In other words, merely sending an e-mail from a new e-mail address, or including the new e-mail address in a communication sent for any other purpose other than providing notice of the new email address, does not constitute a request to change the Owner's e-mail in the Association's records.

### ARTICLE XI. RECORD PRODUCTION

#### Section 11.01 Effective Date

Notwithstanding any language to the contrary and regardless of the date of adoption of these Bylaws, the effective date is November 23, 2024.

#### Section 11.02 Conflict With Other Provisions

If there are any conflicts between the provisions of this Article and any provision in any other governing document, the provisions of this Article will control.

#### Section 11.03 Request for Records

The Association shall make the books and records of the Association, including financial records, open to and reasonably available for examination by an Owner, or a person designated in a writing signed by the Owner as the Owner's agent, attorney, or certified public accountant, in accordance with this section. An Owner is entitled to obtain from the Association copies of information contained in the books and records.

#### Section 11.04 Attorney's Files and Records

Except as provided by this subsection, an attorney's files and records relating to the property Owners' Association, excluding invoices requested by an Owner or the Owner's authorized representative under Section 209.008(d), Texas Property Code, are not records of the Association and are not subject to inspection by the Owner or his/her authorized representative or production in a legal proceeding. If a document in an attorney's files and records relating to the Association would be responsive to a legally authorized request to inspect or copy Association documents, the document shall be produced by using the copy from the attorney's files and records if the Association has not maintained a separate copy of the document. This subsection does not require production of a document that constitutes attorney work product or that is privileged as an attorney-client communication.

#### Section 11.05 Timeline For Record Production

An Owner or the Owner's authorized representative described by Subsection 11.03 must submit a written request for access or information under Subsection 11.03 by certified mail, with

sufficient detail describing the property Owners' Association's books and records requested, to the mailing address of the Association or authorized representative. As reflected by the current management certificate filed under Section 209.004 (S.B. 3800). The request must contain an election either to inspect the books and records before obtaining copies or to have the Association forward copies of the requested books and records and:

- (a) If inspection requested. If an inspection is requested, the Association, on or before the tenth (10th) business day after the date the Association receives the request, shall send written notice of dates during normal business hours that the Owner may inspect the requested books and records to the extent those books and records are in the possession, custody, or control of the Association and the inspection shall take place at a mutually agreed on time during normal business hours; and the requesting party shall identify the books and records for the Association to produce for inspection by the requesting party; or
- (b) If copies requested. If copies of identified books and records are requested, the Association shall, to the extent those books and records are in the possession, custody, or control of the Association, produce the requested books and records for the requesting party on or before the tenth (10th) business day after the date the Association receives the request, except as otherwise provided by this section and the requesting party shall identify the books and records for the Association to copy and forward to the requesting party.
- (c) Extension of timeline. If the property Owners' Association is unable to produce the books or records requested under Subsection (e) on or before the tenth (10th) business day after the date the Association receives the request, the Association must provide to the requestor written notice that:

- (1) informs the requestor that the Association is unable to produce the information on or before the tenth (10th) business day after the date the Association received the request; and
- (2) states a date by which the information will be sent or made available for inspection to the requesting party that is not later than the fifteenth (15th) business day after the date notice under this subsection is given.

#### Section 11.06 Format

The Association may produce books and records requested under this section in hard copy, electronic, or other format reasonably available to the Association.

#### Section 11.07 Charges

In accordance with State law, the Association may charge for time spent compiling and producing all records, and may charge for copy costs if copies are requested. These charges will be the maximum amount then allowed by law under the Texas Administrative Code. The Association may require advance payment of actual or estimated costs. As of September 27, 2024, the maximum allowable charges for common items are:

- (a) Paper copies -10¢ per page
- (b) CD - \$1 per disc
- (c) DVD -\$3 per disc
- (d) Labor charge for requests of more than 50 pages - \$15 per hour
- (e) Overhead charge for requests of more than 50 pages - 20% of the labor charge
- (f) Labor and overhead may be charged for request for fewer than 50 pages if the records are kept in a remote location and must be retrieved.

### Section 11.08 Liability for Costs

The Owner is responsible for costs related to the compilation, production, and reproduction of the requested information in the amounts prescribed by the policy adopted under this subsection. The Association may require advance payment of the estimated cost of compilation, production, and reproduction of the requested information. If the estimated costs are lesser or greater than the actual costs, the association shall submit a final invoice to the Owner on or before the thirtieth (30<sup>th</sup>) business day after the date the information is delivered. If the final invoice includes additional amounts due from the Owner, the additional amounts, if not reimbursed to the Association before the thirtieth (30<sup>th</sup>) business day after the date the invoice is sent to the Owner, may be added to the Owner's account as an assessment. If the estimated costs exceeded the final invoice amount, the Owner is entitled to a refund, and the refund shall be issued to the owner not later than the thirtieth (30<sup>th</sup>) business day after the date the invoice is sent to the owner.

### Section 11.09 Estimation of Costs

The Association shall estimate costs under this Article using amounts prescribed by the policy adopted under this Subsection 11.07.

### Section 11.10 Private Information Exempted From Production

Except as provided by Subsection 11.11 and to the extent the information is provided in the meeting minutes, the Association is not required to release or allow inspection of any books or records that identify the dedicatory instrument violation history of an individual Owner of an association, an Owner's personal financial information, including records of payment or nonpayment of amounts due the association, an Owner's contact information, other than the Owner's address, or information related to an employee of the Association, including personnel

files. Information may be released in an aggregate or summary manner that would not identify an individual property Owner.

#### Section 11.11 Existing Records Only

The duty to provide documents on request applies only to existing books and records. The Association has no obligation to create a new document, prepare a summary of information, or compile and report data.

#### Section 11.12 Release of Records

The books and records described by Subsection 11.10 shall be released or made available for inspection if:

- (a) the express written approval of the Owner whose records are the subject of the request for inspection is provided to the Association by delivering such document to the Secretary or President of the Association; or
- (b) a court orders the release of the books and records or orders that the books and records be made available for inspection.

#### Section 11.13 Retention of Records Requirements

This document retention policy includes, at a minimum, the following requirements:

- (a) Approval Process: the Board of Directors or a designated committee must approve disposal of records.
- (b) Method of Disposal: documents should be shredded and electronic files should be permanently deleted to ensure complete destruction.

(c) Documentation: the Board of Directors shall maintain a disposal log that includes the type of record, date of disposal, and the individual responsible for the disposal.

## ARTICLE XII. RECORD RETENTION

### Section 12.01 Effective Date

Notwithstanding any language to the contrary and regardless of the date of adoption of these Bylaws, the effective date of this Article XII is November 23, 2024.

### Section 12.02 Conflict With Other Provisions

If there are any conflicts between the provisions of this Article and any provision in any other governing document, the provisions of this Article will control.

### Section 12.03 Record Retention

The Association will keep the following records for at least the minimum time periods shown below:

- (a) Contracts with terms of at least one year - 4 years after expiration of contract
- (b) Account records of current owners - 5 years
- (c) Minutes of Owner meetings and Board meetings - 7 years
- (d) Tax returns and audits - 7 years
- (e) Financial books and records (other than account records of current Owners) - 7 years
- (f) Governing documents including Articles of Incorporation, Bylaws, Declaration, rules and all amendments - permanently.

### 12.04 Other Records

Records not listed above may be maintained or discarded in the Association's sole discretion.

## ARTICLE XIII. NOTICES

Section 13.01 Whenever under the provisions of any statute, the Articles of Incorporation, these Bylaws, or the Declarations and Covenants and Restrictions, notice is required to be given to any Director or member, and no provision is made as to how such notice shall be given; it shall not be construed to require personal notice, but any such notice may be given in writing, by mail, postage prepaid, addressed to such Director or member at such address as appears on the records of the Association. Any notice required or permitted to be given by mail shall be deemed to be given at the time when the same shall be deposited in the United States Mail.

Section 13.02 Whenever any notice is required to be given to any member or Director of the Association under the provisions of any statute, the Articles of Incorporation, these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated in such notice, shall be deemed equivalent to the giving of such notice.

## ARTICLE XIV. PAYMENT PLANS

### Section 14.01 Effective Date

Notwithstanding any language to the contrary and regardless of the date of adoption of these Bylaws, the effective date of this Article XIV is November 23, 2024.

#### 14.02 Eligibility for Payment Plan

An Owner is eligible for a Standard Payment Plan only if:

- (a) The Owner has not defaulted under a prior payment plan with the Association in the preceding 24-month period;

(b) The Owner requests a payment plan no later than thirty (30) days after the Association sends notice to the Owner via certified mail, return receipt requested under Texas Property Code §209.0064 notifying the Owner of the amount due, providing thirty (30) days for payment, and describing the options for curing the delinquency. The Owner is responsible for confirming that the Association has received the Owner's request for a payment plan within the 30-day period. It is recommended that requests be in writing; and

(c) The Association receives the executed Standard Payment Plan and the first payment within fifteen (15) days of the Standard Payment Plan being sent via email, mail, or hand-delivered to the Owner.

An Owner who is NOT eligible for a Standard Payment Plan may still request that the Association's Board grant the owner an alternate payment plan. Any such request must be directed to the person or entity currently handling the collection of the debt (the property manager or the Association's attorney). The decision to grant or deny an alternate payment plan, and the terms and conditions for any such plan, will be at the sole discretion of the Board.

#### Section 14.03 Standard Payment Plan

The terms and conditions for a Standard Payment Plan are as follows:

(a) Term. Standard Payment Plans are for a term of nine (9) months (subject to the Board's discretion under Section 13.06, except that the term may not be less than three (3) months nor more than eighteen (18) months from the date of the Owner's request for a payment plan, pursuant to Texas Property Code §209.0062.

(b) Payments. Payments will be made at least monthly and in approximately equal amounts, or, alternatively, the initial payment may be larger with smaller subsequent payments. A

small initial payment with a large balloon payment at the end of the term is **NOT** allowed. Payments must be received by the Association at the designated address by the required payment dates, and may not be rejected, returned or denied by the Owner's bank for any reason. The Association may require ACH payments under any plan. Provided the Owner is not in default under the payment plan, payments will be applied to the amounts owed in the following order: (i) firstly to delinquent assessments; (ii) secondly to current assessments; (iii) thirdly to attorney's fees; (iv) fourthly to fines; and (v) lastly, any other amounts owed.

(c) Assessments and Other Amounts Coming Due. The Owner must stay current on all additional assessments and other charges posted to the Owner's account during the term of the payment plan, which amounts may be, but are not required to be, included in calculating the payments due under the plan.

(d) Additional Charges. The Owner is responsible for reasonable charges related to negotiating, preparing, and administering the payment plan, and for interest at the rate of ten percent (10%) per annum, all of which shall be included in calculating the total amount due under the payment plan and the amount of the related payments. The Owner will not be charged late fees or other charges related to the delinquency during the time the Owner is complying with all terms of a payment plan.

(e) Contact Information. The owner must provide relevant contact information and keep the same up-to-date.

(f) Additional Conditions. The Owner will comply with such additional conditions under the plan as are contained in the payment plan agreement.

(g) Default. The Owner will be in default under the payment plan if the Owner fails to comply with any requirements of these Bylaws or the payment plan agreement.

#### Section 14.04 Account Sent for Collection

An Owner does not have the right to a Standard Payment Plan after the 30-day period referred to in Section 14.02(b). Once the Owner's account is sent to an attorney or agent for collection, the delinquent Owner must communicate with that attorney or agent to arrange for payment of the debt. The decision to grant or deny the Owner an alternate payment plan, and the terms and conditions of any such plan, is solely at the discretion of the Board.

#### Section 14.05 Default

If the Owner defaults under any payment plan, the Association may proceed with any collection activity authorized under the Declaration or State Law without further notice. If the Association elects to provide notice of default, the Owner will be responsible for all fees and costs associated with the drafting and sending of such notice. All late fees and other charges that otherwise would have been posted to the Owner's account may also be assessed to the Owner's account in the event of a default.

#### Section 14.06 Priority of Payments

(a) Except as provided by Subsection (b), a payment received by the Association from the

Owner shall be applied to the Owner's debt in the following order of priority:

(1) any delinquent assessment;

(2) any current assessment;

(3) any attorney's fees or third-party collection costs incurred by the association associated solely with assessments or any other charge that could provide the basis for foreclosure;

- (4) any attorney's fees incurred by the association that are not subject to Subdivision (3);
- (5) any fines assessed by the association; and
- (6) any other amount owed to the association.

If, at the time the Association receives a payment from an Owner, when the Owner is in default under a payment plan entered into with the association:

- (1) the association is not required to apply the payment in the order of priority specified by Subsection (a); and
- (2) in applying the payment, a fine assessed by the Association shall not be given priority over any other amount owed to the Association.

#### Section 14.07 Legal Compliance

This Article XIV is intended to comply with the relevant requirements established under Texas property Code §209. In case of ambiguity, uncertainty, or conflict, this Article XIII shall be interpreted in a manner consistent with all such legal requirements.

#### ARTICLE XV. AMENDMENTS TO BYLAWS

Section 15.01 These Bylaws may be amended, at a regular or special meeting of Members, by a vote of all the Members of the Association, provided that such amendment has been approved by Members of the Association entitled to cast at least fifty-one percent (51 %) of the total number of votes of the Association.

Section 15.02 In the event of any conflict between the Articles and these Bylaws, the Articles shall control. In the event of any conflict between the Declaration and these Bylaws, the Declaration shall control.

#### ARTICLE XVI. MORTGAGES

Section 16.01 An Owner who Mortgages his Lot shall notify the Association through the President or Secretary, giving the name and address of his Mortgagee. The Association shall maintain such information in a book entitled "Mortgagees\_of Lots."

#### Section 16.02 Notice of Unpaid Assessments

The Association shall, at the request of a Mortgagee of a Lot, report any unpaid Assessments due from the Owner of such Lot.

#### ARTICLE XVII. SHORT TERM LEASES

Section 17.01 No Owner shall lease out his Property for a period shorter than six months.

#### ARTICLE XVIII. ACTIONS WITHOUT MEETINGS

##### 18.01 Consent to Action

Any action required or permitted to be taken at any meeting of Members or Directors may be taken without a meeting, without prior notice, and without a vote, if consent to such action is put forth in writing and signed by a sufficient number of Members or Directors as would be necessary to take that action at a meeting at which all persons entitled to vote on the action were present and had voted.

##### Section 18.02 Notice of Action

Prompt notice of the taking of any action by any Members or Directors without a meeting by less than unanimous written consent shall be given to those Members or Directors who did not consent in writing to the action. Every written consent signed by less than all the Members or Directors entitled to vote with respect to the action that is the subject of the consent shall bear the date of signature to each person who signs the consent. No written consent signed by less than all the Members or Directors entitled to vote with respect to the action that is the subject of the consent shall be effective to take such action unless, within sixty (60) days after the date of the earliest dated consent delivered to the Association in the manner required by law, a consent signed by not less than the minimum number of Members or Directors that would be necessary to take the action that is the subject of the consent are delivered to the Association by delivery to its registered office, registered agent, or principal place of business, or by delivery to an officer or agent of the Association having custody of the books in which proceedings of the meetings of Members are recorded. Delivery of such notice shall be by personal delivery, facsimile transmission, or certified or registered mail, return receipt requested. Delivery to the Association's principal place of business shall be addressed to the President or the principal executive officer of the Association. A telegram, telex, cablegram, or similar transmission by a Member or Director, or a photographic, photostatic, facsimile, or similar reproduction of a writing signed by a Member or Director shall be regarded as signed by the Member or Director for the purposes of this Section 18.02.

## ARTICLE XIX. NON-PROFIT ASSOCIATION

### 19.01 Non-Profit Purpose

The Association is not organized for profit. No Owner, Member, Director, or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds

or assets of the Association be paid as a salary or compensation to or inure to the benefit of any Director, provided, however that: (i) reasonable compensation may be paid to any Member while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and (ii) any Director may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association, subject to prior approval of the Board.

#### 17.02 Filing of Papers

The Board shall cause to be filed with all applicable government agencies, such certificates, reports, and other paperwork as necessary to assure that the Association, to the greatest extent possible, retains its tax-exempt status as a Texas non-profit corporation operating exclusively as a homeowners association within the meaning of Section 528 of the Internal Revenue Code of 1986, as amended, or the corresponding provision(s) of any subsequent United States Internal Revenue law(s).

## ARTICLE XX. INDEMNIFICATION

#### Section 20.01 Definitions

For the purposes of this Article:

(a) "Indemnitee" means (i) any present or former director, advisory director or officer of the Association; (ii) any person who, while serving in any of the capacities referred to in clause (i) 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 (iii) any person

nominated or designated by (or pursuant to authority granted by) the Board or any committee thereof to serve in any of the capacities referred to in clauses (i) and (ii) hereof.

(b) "Official Capacity" means (i) when used with respect to a Director, the office of the Director, and (ii) 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 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 other enterprise.

(c) "Proceeding" means any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative 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.

## Section 20.02 Indemnification

(a) The Association shall indemnify every Indemnitee against all judgments, penalties (including excise and similar taxes), fines, amounts paid in settlement, and reasonable expenses actually incurred by the Indemnitee in connection with any Proceeding in which he was, is, or is threatened to be named a defendant or respondent, or in which he was or is a witness without being named a defendant or a respondent, by reason, in whole or in part, of his serving or having served, or having been nominated or designated to serve, in any of the capacities referred to in Section 18.01(a), if it is determined that the Indemnitee, in accordance with Section 18.04. (i) conducted himself in good faith; (ii) reasonably believed, in the case of conduct in his Official Capacity, that

his conduct was in the Association's best interests and, in all other cases, that his conduct was, at the least, not opposed to the Association's best interests; and (iii) in the case of any criminal proceeding, had no reasonable cause to believe that his conduct was illegal. Such indemnification is provided, however, that in the event that an Indemnitee is found liable to the Association or is found liable on the basis that personal benefit was improperly received by the indemnitee, the indemnification (i) is limited to reasonable expenses actually incurred by Indemnitee in connection with the Proceeding and (ii) shall not be made in respect of any Proceeding in which Indemnitee shall have been found liable for willful or intentional misconduct in the performance of his duty to the Association.

(b) Except as provided in the immediately preceding proviso to the first sentence of this Section 18.02, no indemnification shall be made under this Section 18.02 in respect of any Proceeding in which such Indemnitee shall have been (i) found liable on the basis that personal benefit was improperly received by him, whether or not the benefit resulted from an action taken in the Indemnitee's Official Capacity, or (ii) found Liable to the Association.

(c) The termination of any Proceeding by judgment, order, settlement, or conviction, or on a plea of nolo contendere or its equivalent, is not of itself determinative that Indemnitee did not meet the requirements set forth in clauses (i), (ii), or (iii) in the first sentence of this Section 18.02. An indemnitee shall be deemed to have been found liable in respect of any claim, issue, or matter only after the indemnitee shall have been so adjudged by a court of competent jurisdiction after exhaustion of all appeals therefrom. Reasonable expenses shall include, but are not limited to, all court costs and all fees and disbursements of attorneys for the Indemnitee.

### Section 20.03 Successful Defense

If an Indemnitee has been wholly successful, on the merits or otherwise, in defense of a Proceeding in which he is a witness or a named defendant or respondent because he served in any of the capacities referred to in Section 20.01(a), the Association, without limitation of Section 20.02 and in addition to the indemnification provided for in Section 20.02, shall indemnify the indemnitee against reasonable expenses incurred by Indemnitee in connection with such a Proceeding.

#### Section 20.04 Determinations

(a) Any indemnification under Section 18.02 (unless ordered by a court of competent jurisdiction) shall be made by the Association only upon a determination that indemnification of the indemnitee is proper in the circumstances because he has met the applicable standard of conduct.

(b) Any such determination shall be made (i) by the Board by a majority vote of a quorum consisting of Directors who, at the time of such vote, are not named as defendants or respondents in the Proceeding; (ii) if such a quorum cannot be obtained, then by a majority vote of all Directors (in which designation Directors who are named defendants or respondents in the Proceedings may participate), such committee to consist solely of two (2) or more Directors who, at the time of the committee vote, are not named defendants or respondents in the Proceeding; (iii) by special legal counsel chosen by the Board or a committee thereof by vote as set forth in clauses (i) or (ii) of this Section 20.04, or, if the requisite quorum of Directors cannot be obtained and such committee cannot be established, by a majority vote of all Directors (including any Directors who are named defendants or respondents in the Proceeding); or (iv) by the Members in a vote that excludes the Directors who are named defendants or respondents in the Proceeding.

(c) Determination of "reasonable expenses" shall be made in the same manner as the determination of indemnification, except that if the determination that indemnification is permissible is made by special legal counsel, the determination of "reasonable expenses" must be made in the manner specified in clause (iii) of the preceding paragraph for the selection of special legal counsel.

(d) In the event that the indemnitee has met the applicable standard of conduct as to some matters but not as to others, amounts to be indemnified may be reasonably prorated.

#### Section 20.05 Payment of Expenses

Any reasonable expenses (including court costs and attorney's fees) incurred by an indemnitee who was or is a witness, or who is or is threatened to be named a defendant or respondent in a Proceeding, shall be paid by the Association at reasonable intervals prior to the final disposition of such Proceeding, without making any of the determinations specified in Section 20.04, after receipt by the Association of (i) a written affirmation by such indemnitee that he believes in good faith that he has met the standard of conduct necessary for indemnification by the Association under this Article XX and (ii) a written undertaking by or on behalf of such Indemnitee to repay the amount paid or reimbursed by the Association if Indemnitee is ultimately determined by the Association to not be entitled to indemnification, as authorized in this Article XX. Such written undertaking shall be an unlimited obligation of the Indemnitee, but need not be secured and it may be accepted without reference to any financial ability to repay such sums. Notwithstanding any other provision of this Article XX, the Association may pay or reimburse expenses incurred by an indemnitee in connection with his appearance as a witness or other participation in a Proceeding in which he is not named a defendant or respondent in the Proceeding.

#### 20.06 Other Indemnification and Insurance

The indemnification provided in this Article XX shall (i) not be exclusive of, or preclude, any other rights to which those seeking indemnification may at any time be entitled under the Articles, any applicable law, agreement or vote of Members or disinterested Directors, or otherwise, or under any policy or policies of insurance purchased and maintained by the Association on indemnitee's behalf, both as to action in his Official Capacity and as to action in any other capacity, (ii) 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 (iii) inure to the benefit of the heirs, successors, and assigns of such indemnitee.

#### Section 20.07 Notice

Any indemnification of an Indemnitee or any payment of expenses to an indemnitee in accordance with this Article XX shall be reported in writing to the Members, with or before the notice or waiver of notice of the next meeting of the Members, or with or before the next submission to the Members of a consent to action without a meeting. Any such notice shall occur within the twelve (12) month period immediately following the date of indemnification or advance.

#### Section 20.08 Invalidity

The indemnification provided by this Article XX shall be subject to all valid and applicable laws, including, but not limited to, Article 2.02-1 of the Texas Business Association Act, and, in the event this Article XX or any of the provisions herein, or the indemnification contemplated hereby, are found to be inconsistent with or contrary to any such laws, the applicable laws shall be deemed to control and this Article XVIII shall be regarded as modified accordingly, and, as so modified, to continue in full force and effect.

### Section 20.09 Continuing Offer, Reliance, etc.

(a) The provisions of this Article XVIII (i) are for the benefit of, and may be enforced by, each indemnitee of the Association the same as if set forth in their entirety in a written instrument duly executed and delivered by the Association and such indemnitee, and (ii) constitute a continuing offer to all present and future indemnitees.

(b) By the adoption of these By-laws, the Association (i) acknowledges and agrees that each indemnitee of the Association has relied upon and will continue to rely upon the provisions of this Article XX in becoming, and serving in any of the capacities referred to in Section 9.08 herein, (ii) waives reliance upon, and all notices of acceptance of, such provisions by such indemnitees, and (iii) acknowledges and agrees that no present or future indemnitee shall be prejudiced in his right to enforce the provisions of this Article XV in accordance with their terms by any act or failure to act on the part of the Association.

### 20.10 Effect of Amendment

No amendment, modification, or repeal of this Article XX 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 Article XX 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.

## ARTICLE XXI. VIOLATIONS AND ENFORCEMENT

### Section 21.01 Suspension of Privileges; Fines

(a) In the event of a violation of the Declaration, Bylaws, Association Rules, or any other governing document the Board, acting on behalf of the Association, in addition to any other remedies provided by the Declaration, Bylaws, or Association Rules and remedies available pursuant to State statute or other law, may:

- (1) suspend or condition the right of an Owner and any tenants, occupants, or guests to use the Common Areas and facilities situated on Association Property;
- (2) record a notice of non-compliance encumbering an Owner's unit;
- (3) levy a damage assessment against the unit for damages caused by an Owner's actions in violation of the Declaration, Bylaws, Association Rules or other governing documents;
- (4) levy collection or deed restriction enforcement costs against an Owner;
- (5) assess a fine, late fee, and collection and enforcement costs against an Owner and unit for the violation by Owner, his/her tenants, occupants, or guests in an amount to be determined by the Board; and
- (6) after notice, enter an Owner's property, including unit, for the purposes of curing or causing to be cured a violation of a governing document, or otherwise cure a violation or cause it to be cured on behalf of an Owner, and charge all costs of such cure to the Owner's account; provided, however, that no notice shall be required in the event of an emergency.

(b) Any amounts charged to an Owner under these procedures may be collected in the same manner as assessments under the Declaration. Owners are responsible for all violations of their occupants, tenants, guests, agents and invitees. The Association may foreclose the lien in any manner authorized by the Declaration or by State law, and shall expressly have a power of sale and right to appoint a Trustee to carry out such sale.

(c) It is the Owner's responsibility to notify the Association, in writing, when a violation has been cured so as to stop any fines from being assessed. Fines may continue to be assessed until the Association receives such notice from the Owner.

#### Section 21.02 Attorneys' Fees

The Association may assess reasonable attorneys' fees to an Owner's account for nonpayment of amounts due or other violations of the Declaration, Bylaws, or Association Rules.

#### Section 21.03 Non-Waiver

The failure of the Association to enforce any provisions of the Declaration, Bylaws, or Association Rules shall not constitute a waiver of the right to enforce the same thereafter. All remedies in the Declaration, Bylaws and Association Rules are cumulative and not exclusive.

#### Section 21.04 Payments

The Association, in its discretion and without notice to the Owner, may apply amounts received from the Owner to non-assessment items or other amounts due and owing the Association, regardless of the Owner's notations on checks or otherwise. The Association may at any time without notice require payments to be made in cash or certified funds.

#### Section 21.05 Enforcement Action at Board's Discretion

The decision to pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. The Board may determine that in any particular case: (i) the Association's position is not strong enough to justify taking any or further action; (ii) the covenant or rule being enforced is, or is likely to be construed as, inconsistent with applicable law; (iii) although a technical violation may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to

justify expending the Association's resources; or (iv) it is not in the Association's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

Executed this 23<sup>rd</sup> day of November, 2024.

CERTIFICATION

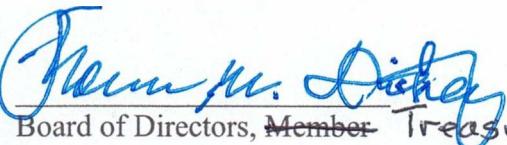
I, the undersigned, do hereby certify:

THAT we are the duly elected and acting Board Members of the Meadow Oaks Townhouse Association, Inc., a Texas non-profit Corporation; and THAT the foregoing Bylaws constitute the Bylaws of said Association. As duly amended and approved at a meeting of the members thereof, held on this 23<sup>rd</sup> day of November, 2024.

IN WITNESS WHEREOF, I have hereunto subscribed my name and the name of said Association this 23<sup>rd</sup> day of November, 2024.

  
\_\_\_\_\_  
Board of Directors President

  
\_\_\_\_\_  
Board of Directors Secretary

  
\_\_\_\_\_  
Board of Directors, Member Treasurer

\_\_\_\_\_  
Board of Directors, Member