BYLAWS
OF
McGREGOR ESTATES HOMEOWNERS ASSOCIATION, INC.
(A Texas Nonprofit Corporation)

ARTICLE 1
INTRODUCTION

1.1 PURPOSE OF BYLAWS. These Bylaws ("Bylaws") provide for the governance of McGREGOR ESTATES HOMEOWNERS ASSOCIATION, INC. ("Association") a Property Owners Association, as that term is defined in Texas Property Code §209.002(7), whose Members consist of the owners of Lots in McGregor Estates Subdivision, located in Bell County, Texas ("Subdivision"), covered by a Dedicatory Instrument entitled Declaration of Covenants, Conditions and Restrictions of McGregor Estates Subdivision, recorded in Instrument No. 2020067622, Official Records, Bell County, Texas ("Declaration").

1.2 DEFINITIONS. Words and phrases defined in the Declaration shall have the same meanings when used in these Bylaws. Unless defined otherwise in the Declaration or in these Bylaws, words and phrases defined in Texas Property Code §209.002 shall have the same meaning when used in these Bylaws. The following words and phrases shall have specified meanings when used in these Bylaws:

a. "Board Meeting" means a deliberation between a quorum of the voting Board, or between a quorum of the voting Board and another person, during which Association business is considered and the Board takes formal action; and 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 of the Board at a regional, state, or national convention or 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 conference.

b. "Board of Directors" or "Board" means the Board of Directors of McGREGOR ESTATES HOMEOWNERS ASSOCIATION, INC., the group of persons vested with the management of the affairs of the Association.

c. "Business Organization Code" means the governing laws of the State of Texas for nonprofit corporations.

d. "Certificate of Formation" means the Certificate of Formation, as may be amended, filed with the Texas Secretary of State in connection with the formation of the Association.

e. "Declarant Control Period" shall mean and refer to the period of time beginning on the effective date of the Declaration and lasting until the Transition Date, as defined in the Declaration, during which the Declarant is entitled to appoint and remove the members of the Board of Directors because it controls the Voting Rights, except with respect to Board members appointed pursuant to Section 5.03(C) of the Declaration.

f. "Dedicatory Instrument" means each governing instrument covering the establishment, maintenance, and operation of the Subdivision. The term includes the Declaration, Certificate of Formation, Bylaws, Fines Schedule, Guidelines for Alternative Payment Plans, Records Production and Copying Policy, and Document Retention Policy.

g. "Development Period" means the period in which Declarant reserves a right to facilitate the development, constructions, and marketing of the Subdivision, and a right to direct the size, shape, and composition of the Subdivision.

h. "Director" means a member of the Board of Directors of the Association.

I. "Governing Documents" means the Dedicatory Instruments.

j. "Majority" means more than fifty percent (50%).

k. "Management Certificate" means the instrument required to be recorded pursuant to Section 209.004 of the Texas Residential Property Owners Protection Act.

l. "Managing Agent" means the Association's designated representative as it appears on the Management Certificate.

m. "Member" means a Member of the Association, each Member being an Owner of a Lot in the Subdivision, unless the context indicates that a Member means a member of the Board of Directors or a member of a committee of the Association.

n. "Officer" means an Officer of the Association. "President," "Vice-President," "Secretary," and "Treasurer" mean, respectively, the President, Vice-President, Secretary, and Treasurer of the Association.

o. "Ordinary care" means the care that an ordinarily prudent person in a similar position would exercise under similar circumstances.

p. "Owner" shall mean and refer to the holder of record, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Subdivision, including contract buyers (a buyer under an executory contract for conveyance), but excluding those having such interest merely as a security for the performance of an obligation (i.e., holders of mortgages and home equity loans).

q. "Texas Residential Owners Protection Act" or "The Act" shall refer to Texas Property Code Chapter 209, as same may be amended or repealed in whole or in part.

Other definitions contained in the Declaration are incorporated herein by reference, as if fully set forth.

1.3 NONPROFIT PURPOSE. The Association is not organized for profit and is governed by Chapter 22 of the Business Organizations Code.

1.4 COMPENSATION. A Director, Officer, or Member shall not be entitled to receive any pecuniary profit for the operation of the Association, and no dividend or assets of the Association shall be distributed to, or inure to the benefit of a Director, Officer, or Member, provided, however:

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

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

1.5 GENERAL POWERS AND DUTIES. The Association, acting through the Directors, shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Subdivision as may be required or permitted by the Governing Documents and state law. The Association may do any and all things that are lawful and which are necessary, proper, or desirable in operating for the best interests of its Members, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Governing Documents.

ARTICLE 2
MEMBERSHIP

2.1 MEMBERSHIP. Every person or entity who is a record Owner of any Lot which is subject to assessments provided in the Declaration shall be a Member of the Association. All present or future Members are subject to the Certificate of Formation, Declaration and these Bylaws, and other Dedicatory Instruments. Membership in the Association will signify that each Lot Owner appoints the Board of Directors of the Association to manage or regulate the Subdivision in accordance with the provisions set forth in the Dedicatory Instruments and that such Dedicatory Instruments are accepted, ratified, and will be strictly followed. Further, Membership in the Association will signify that the Owner has designated the Association as its representative to initiate, defend or intervene in litigation or an administrative proceeding affecting the enforcement of the Declaration or the protection, preservation or operation of the Subdivision. Voting rights of Members shall be pursuant to Section 5.03 of the Declaration.

ARTICLE 3
GOVERNING BODY

3.1 BOARD OF DIRECTORS. The Board of Directors shall govern the Association, each of whom shall have one (1) vote. The Board shall consist of three (3) Directors. Directors shall be elected at the first annual meeting. A Director takes office upon the adjournment of the meeting or balloting at which he is elected or appointed and, absent, death, ineligibility, resignation, or removal, will hold office until his successor is elected or appointed. The number of Directors may be changed by amendment of these Bylaws, but shall not be less than three (3); however, a decrease in the number of Directors may not shorten the term of an incumbent Director. Notwithstanding anything contained in these Bylaws, during the Declarant Control Period, the Declarant is entitled to appoint and remove the members of the Board of Directors except with respect to Board members appointed pursuant to Section 5.03(C) of the Declaration.

3.2 QUALIFICATION AND TERM. After the Declarant Control Period expires, all Directors must be Members of the Association. At the first annual meeting after the expiration of the

Declarant Control Period, the Members shall elect one (1) Director to a three (3) year term, one (1) Director to a two (2) year term, and one (1) Director to a one (1) year term. At each annual meeting thereafter, the Members shall elect a single Director to fill the then-expiring term of a Director, which new Director may be the same Director whose term is expiring.

3.2.1 Co-Owners. Co-Owners of a single Lot may not serve on the Board at the same time. Co-Owners of more than one Lot may serve on the Board at the same time, provided the number of Co-Owners serving at one time does not exceed the number of Lots they co-own. Notwithstanding the foregoing, an Owner may not serve on the Board if the Owner cohabits at the same primary residence with a Director; provided, this sentence does not apply during the Declarant Control Period.

3.3 ELECTION. Directors shall be elected by the Members by written ballot. The election of Directors shall be conducted at the annual meeting of the Association, at any special meeting called for that purpose, or by mail, facsimile transmission, or a combination of mail and facsimile transmission. Any Board Member whose term has expired must be elected by the Members in accordance with the voting rights of the Members set forth in the Declaration.

3.4 VACANCIES. A Board Member may be appointed by a majority of the remaining Board Members only to fill a vacancy caused by resignation, death, or disability. Each Director so elected shall serve out the remaining term of his predecessor. This section does not apply to the appointment of a Board Member during the Declarant Control Period.

3.5 REMOVAL OF DIRECTORS. Following the Declarant Control Period or with respect to Board members appointed pursuant to Section 5.03(C) of the Declaration, at any Annual or special meeting of the Association, anyone or more of the Directors may be removed with or without cause by Members representing a majority of the votes present in person or by proxy at such meeting, and a successor shall then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting. However, if the Board is presented with written, documentary evidence from a database or other record maintained by a governmental law enforcement authority that a Board Member had been convicted of a crime of moral turpitude, the Member is immediately ineligible to serve on the Board, and is automatically considered removed from the Board, and is prohibited from future service on the Board. During the Declarant Control Period, the Declarant may remove a Director with or without cause at its sole discretion, except with respect to Board members appointed pursuant to Section 5.03(C) of the Declaration.

3.6 MEETINGS OF THE BOARD.

3.6.1 Organizational Meeting of the Board. After the Certificate of Formation is filed, the Board of Directors named in the Certificate of Formation shall hold an organizational meeting of the Board, at the call of a majority of the Directors to adopt these Bylaws and elect officers and for other purposes determined by the Board at the meeting. The Directors calling the meeting shall send notice of the time and place of the meeting to each Director named in the Certificate of Formation not later than the third day before the date of the meeting. Within ten (10) days after each annual meeting, the Directors shall convene an organizational meeting for the purpose of electing Officers. The time and place of such meeting shall be fixed by the Board and announced to the Directors.

3.6.2 Open Meetings of the Board. Regular and special board meetings must be open to Owners, subject to the right of the Board to adjourn a board meeting and reconvene in a closed

executive session to consider 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 Owners, 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 Owners, violating any privilege, or disclosing information that was to remain confidential at the request of the affected parties. The oral summary must include a general explanation of expenditures approved in an executive session. This section applies to a meeting of the Association Board during the Declarant Control Period only if the meeting is conducted for the purpose of adopting or amending the Dedicatory Instruments of the Association, increasing the amount of Regular Assessments of the Association or adopting or increasing a Special Assessment; electing non-developer Board members of the Association or establishing a process by which those members are elected; or changing the voting rights of Members of the Association.

3.7 NOTICE OF BOARD MEETINGS.

3.7.1 To Board Members. Subject to the Act and other provisions of the Association's Dedicatory Instruments, regular meetings of the Board shall be held on the first Tuesday of each month at 7:00 p.m. at the address of the Association's Managing Agent as designated on the most recent Management Certificate. Notice of special meetings shall be provided to each Director at least seventy-two (72) hours before the start of the meeting. Attendance of a Director at a meeting constitutes a waiver of notice, unless the Director attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

3.7.2 To Members. Members shall be given notice of the date, hour, place, and general subject of a regular or special Board meeting, including a general description of any matter to be brought up for deliberation in an executive session. The notice shall be mailed to each Member not later than the tenth (10^{th}) day or earlier than the sixtieth (60^{th}) day before the date of the meeting; or provided at least one hundred forty-four (144) hours before the start of a regular meeting or seventy-two (72) hours before the start of a special meeting by posting the notice in a conspicuous manner reasonably designed to provide notice to Members in a place located in the Common Area or, with the property Owner's consent, on other conspicuously located privately owned property within the Subdivision; or on any Internet website maintained by the Association or other Internet media; and sending the notice by email to each Owner who has registered an email address with the Association. It is an Owner's duty to keep an updated email address registered with the Association.

3.8 SPECIAL MEETINGS OF THE BOARD. Special meetings of the Board may be called by the President or, if he or she is absent or refuses to act, by any two (2) Directors. At least three (3) days' notice shall be given to each Director, personally or by telephone or written communication, which notice shall state the place, time, and purpose of such meeting.

3.9 CONDUCT OF MEETINGS. The President shall preside over all meetings of the Board and the Secretary shall keep, or cause to be kept, a record of all resolutions adopted by the Board and a record of all transactions and proceedings occurring at such meetings. When not in conflict with law or the Governing Documents, the then current edition of Robert's Rules of Order shall govern the conduct of the meetings of the Board.

3.10 QUORUM. At all meetings of the Board, a Majority of Directors shall constitute a quorum for the transaction of Business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board. If less than a quorum is present at any meeting of the Board, the majority of those present may adjourn the meeting from time to time. At any such reconvened meeting at which a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice. A Director present by proxy at a meeting may not be counted toward a quorum.

3.11 PROXY. A Director may vote in person or by proxy executed in writing by the Director. A proxy expires three (3) months after the date the proxy is executed.

3.12 PLACE OF MEETINGS. Except for a meeting held by electronic or telephonic means, a Board meeting must be held in a county in which all or part of the property in the Subdivision is located or in a county adjacent to that county.

3.13 METHOD OF MEETING. The Board may meet by any method of communication, including electronic and telephonic, without prior notice to Owners, if each Director may hear and be heard by every other Director, or the Board may take action by unanimous written consent to consider routine and administrative matters or a reasonably unforeseen emergency or urgent necessity that requires immediate Board action. A remote electronic communications system, including videoconferencing technology or the Internet, may be used only if each person entitled to participate in the meeting consents to the meeting being held by means of that system, and the system provides access to the meeting in a manner or using a method by which each person participating in the meeting can communicate concurrently with each other participant. Any action taken without notice to Owners 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 Owners under consider or vote on fines, damage assessments, initiation of foreclosure actions, initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety, increase in Regular Assessments, levying of Special Assessments, appeals from a denial of architectural control approval, or a suspension of a right of a particular Owner before the Owner has an opportunity to attend a Board meeting to present the Owner's position, including any defense, on the issue.

3.14 MINUTES. The Board shall keep a record of each regular or special Board meeting in the form of written minutes of the meeting. The Board shall make meeting records, including approved minutes, available to a Member for inspection and copying on the Member's written request to the Association's Managing Agent at the address appearing on the most recently filed Management Certificate or, if there is not a Managing Agent, to the Board.

3.15 RECESS. If the Board recesses a regular or special Board meeting 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 the requisites of this Article. If a regular or special Board meeting is continued to the following regular business day, and on that following day the Board continues the meeting to another day, the Board shall give notice of the continuation in at least one manner prescribed by the Act and these Bylaws within two (2) hours after adjourning the meeting being continued.

3.16 ACTION WITHOUT A MEETING. Any action required or permitted to be taken by the Board at a meeting may be taken without a meeting, if all of the Directors individually or collectively

consent in writing to such action. The written consent shall be filed with the minutes of the Board. Action by written consent shall have the same force and effect as a unanimous vote.

3.17 LIABILITIES AND STANDARD OF CARE. A Director shall discharge the Director's duties, including duties as a committee member, in good faith, with ordinary care, and in a manner the Director reasonably believes to be in the best interest of the Association. A Director is not liable to the Association, a Member, or another person for an action taken or not taken as a Director if the Director acted in compliance with this section. A person seeking to establish liability of a Director must prove that the Director did not act in good faith, with ordinary care, in a manner the Director reasonably believed to be in the best interest of the Association. A Director is not considered to have the duties of a trustee of a trust with respect to the Association or with respect to property held or administered by the Association. A Director shall not be liable under this section if, in the exercise of ordinary care, the Director acted in good faith and in reliance on the written opinion of an attorney for the Association.

3.18 INTERESTED DIRECTORS. A contract or transaction between the Association and one or more Directors, Officers, or Members which have a financial interest otherwise valid and enforceable contract or transaction is valid and enforceable, and is not void or voidable, notwithstanding any relationship or interest, if the material facts as to the relationship or interest and as to the contract or transaction are disclosed to or known by the Association's Board of Directors, a committee of the Board of Directors, or the Members, and the Board, the committee, or the Members in good faith and with ordinary care authorize the contract or transaction by the affirmative vote of the majority of the disinterested Directors, committee members or Members, regardless of whether the disinterested Directors, committee members or Members constitute a quorum of the Members entitled to vote on the authorization of the contract or transaction, and the contract or transaction is specifically approved in good faith and with ordinary care by a vote of the Members, or the contract or transaction is fair to the Association when the contract or transaction is authorized, approved, or ratified by the Board of Directors, a committee of the Board of Directors, or the Members. Common or interested Directors or Members of the Association may be included in determining the presence of a quorum at a meeting of the Board, a committee of the Board, or Members that authorize the contract or transaction. The person who has the relationship or interest may be present at or participate in and, if the person is a Director, Member, or committee member, may vote at a meeting of the Board of Directors, of the Members, or of a committee of the Board that authorized the contract or transaction; or sign, in the person's capacity as a Director, Member, or committee member, a written consent of the Directors, Members, or committee members to authorize the contract or transaction.

3.19 POWERS AND DUTIES. The Board shall have all the powers and duties necessary for the administration of the Association and for the operation and maintenance of the Subdivision. The Board may do all such acts and things except those which, by law or the Governing Documents are reserved to the Members and may not be delegated to the Board. The act of a majority of the Directors present in person or by proxy at a meeting at which a quorum is present is the act of the Board of Directors. Without prejudice to the general and specific powers and duties set forth in laws or the Governing Documents, or such powers and duties as may hereafter be imposed on the Board by resolution of the Association, the powers and duties of the Board shall include, but shall not be limited to, the following:

a. Rules and Regulations. The Board, by resolution may from time to time adopt and publish Rules and Regulations governing use of the Common Area and the personal conduct of the Members, and their guests, and may suspend the right to

use of the Common Area, after notice and hearing, pursuant to Sections 209.006 and 209.007 of the Act and Section 3.22 of these Bylaws.

b. Guests. The Board may limit the number of guests of Owners with respect to the use of the Common Areas.

c. Delinquent Accounts. The Board may establish, levy, and collect reasonable late charges for Members' delinquent accounts. The Board may also establish a rate of interest to be charged on Members' delinquent accounts, provided the rate of interest does not exceed eighteen percent (18%) or the maximum rate permitted by state law, whichever is the lesser.

d. Fidelity Bonds. The Board shall require that all Officers, agents, and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds may be an expense of the Association.

e. Employees. The Board may employ independent contractors or employees as deemed necessary, and may prescribe their duties.

f. Appointment of Committees. The Board, by resolution, may from time to time designate standing or *ad hoc* committees to advise or assist the Board with its responsibilities. The resolution shall establish the purposes and powers of each committee created, provide for the appointment of its members, as well as chairman, and shall provide for reports, termination, and other administrative matters deemed appropriate by the Board. Committees may be appointed from among the Members or professionals in the area of expertise for which the committee is formed.

g. Fines. In accordance with Sections 209.006 and 209.007 of the Act, and in addition to, or in lieu of, other remedies as provided by law, the Board may levy fines for each day or occurrence that a violation of the Dedicatory Instruments persists after notice and hearing, provided the amount of the fine does not exceed the amount necessary to ensure compliance with the Dedicatory Instruments.

h. Contracts for Services. The Board may enter into contracts for services on behalf of the Association, and, when appropriate, shall solicit competitive bids based on a standard statement of work prepared or approved by the Board.

I. Professional Association Management Services. The Board may employ a Managing Agent for the Association, at a compensation established by the Board, to perform duties and services authorized by the Board. The Board shall execute and file Management Certificates in accordance with Section 209.004 of the Act.

3.20 FINANCIAL RECORDS AND ANNUAL REPORTS. The Board shall maintain current and accurate financial records with complete entries as to each financial transaction of the Association, including income and expenditures, in accordance with generally accepted accounting principles. The Board shall annually prepare or approve a financial report for the Association for the preceding year. The report must conform to accounting standards as adopted by the American Institute of Certified Public Accountants and must include: a statement of

support, revenue and expenses, a statement of changes in fund balances, a statement of functional expenses, and a balance sheet for each fund.

3.21 DISSENT TO ACTION. A Director who is present at a meeting of the Board of Directors at which action is taken on an Association matter is presumed to have assented to the action unless the Director's dissent has been entered in the minutes of the meeting, the Director has filed a written dissent to the action with the person acting as the secretary of the meeting before the meeting is adjourned, or the Director has sent a written dissent by registered mail to the Secretary of the Association immediately after the meeting has been adjourned. The right to dissent under this section does not apply to a Director who voted in favor of the action.

3.22 ENFORCEMENT.

a. Notice. Before the Board may (i) suspend an Owner's right to use a Common Area, (ii) file a suit against an Owner other than a suit to collect any Assessment, (iii) foreclose the Association's lien, (iv) charge an Owner for property damage, (v) levy a fine for a violation of the Dedicatory Instruments, or (vi) report any delinquency of an Owner to a credit reporting service, the Association or its agent must give written notice to the Owner as required or permitted by law. The notice must describe the violation or property damage that is the basis for the suspension action, charge, or fine and state any amount due the Association from the Owner. The notice must also (i) inform the Owner that if the violation is curable and does not pose a threat to public health or safety, which means it could not materially affect the health or safety of an ordinary resident, the Owner is entitled to a reasonable period to cure the violation and avoid the fine or suspension unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six months; (ii) indicate that the Owner may request a hearing in accordance with Texas Property Code Section 209.007 on or before the thirtieth day after the date the notice was mailed to the Owner, (iii) state that the Owner may have special rights if the Owner is serving on active military duty, and (iv) state the date by which the Owner must cure a curable violation that does not pose a threat to public health and safety.

b. Hearing. If the Owner is entitled to an opportunity to cure the violation, the Owner has the right to submit a written request for a hearing to discuss and verify facts and resolve the matter in issue before the Board. The Association must hold a hearing under this section not later than the thirtieth day after the date the Board receives the Owner's request for a hearing and must notify the Owner of the date, time, and place of the hearing not later than the tenth day before the date of the hearing. The Board or the Owner may request a postponement, and, if requested, a postponement will be granted for a period of not more than ten days. Additional postponements may be granted by agreement of the parties. The Owner or the Association may make an audio recording of the meeting. The hearing will be held in executive session affording the alleged violator a reasonable opportunity to be heard. Before any sanction hereunder becomes effective, proof of proper notice will be placed in the minutes of the meeting. Such proof will be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered the notice. The notice requirement will be satisfied if the alleged violator appears at the meeting. The minutes of the meeting will contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board may, but will not be obligated to,

suspend any proposed sanction if the violation is cured within a fifteen day period. Such suspension will not constitute a waiver of the right to sanction violations of the same or other provisions and rules by any person.

c. Appeal. Following hearing before the Board, the violator will have the right to appeal the decision to the Board. To perfect this right, a written notice of appeal must be received by the managing agent, if any, president, or secretary within fifteen days after the hearing date.

d. Changes in Law. The Board may change the enforcement procedures set out in this section to comply with changes in law.

3.23 LARGE CONTRACTS. In the event that the Association intends to enter a contract to expend an amount equal to or in excess of $50,000.00, the Board shall solicit bids for such contracted item and review all bids in a meeting prior to selecting the winning bid.

ARTICLE 4
OFFICERS

4.1 DESIGNATION. The principal Officers of the Association shall be the President, the Vice-President, the Secretary, and the Treasurer. The Board may appoint such other Officers and Assistant Officers as it deems necessary. The President and Vice-President shall be Directors. Other Officers may, but need not, be Directors. Any two offices may be held by the same person, except the offices of President and Secretary. If an Officer is absent or unable to act, the Board may appoint a Director to perform the duties of that Officer and to act in place of that Officer, on an interim basis.

4.2 ELECTION OF OFFICERS. The Officers shall be elected no less than annually by the Directors at the organizational meeting of the Board and shall hold office at the pleasure of the Board. Except for resignation or removal, Officers shall hold office until their respective successors have been designated by the Board.

4.3 REMOVAL AND RESIGNATION OF OFFICERS. A majority of Directors may remove any Officer, with or without cause, at any regular meeting of the Board or at any special meeting of the Board called for that purpose. A successor may be elected at any regular or special meeting of the Board called for that purpose. An Officer may resign at any time by giving written notice of resignation to the Board. Unless the notice of resignation states otherwise, it is effective when received by the Board and does not require acceptance by the Board. The resignation or removal of an Officer who is also a Director does not constitute resignation or removal from the Board.

4.4 STANDARD OF CARE. An Officer is not liable to the Association or any other person for an action taken or omission made by the Officer in the person's capacity as an Officer unless the Officer's conduct was not exercised in good faith with ordinary care and in a manner the Officer reasonably believes to be in the best interest of the Association. This section shall not affect the liability of the Association for an act or omission of the Officer.

4.5 DESCRIPTION OF PRINCIPAL OFFICES.

4.5.1 President. As the chief executive Officer of the Association, the President shall be a Director and shall: (i) preside at all meetings of the Association and of the Board; (ii) have all the general powers and duties which are usually vested in the office of President of a corporation

organized under the laws of the State of Texas; (iii) have general supervision, direction, and control of the business of the Association, subject to the control of the Board; and (iv) see that all orders and resolutions of the Board are carried into effect. The President shall not vote except to break a tie.

4.5.2 Vice-President. The Vice-President shall be a Director and, in the absence of the President or in the event of the President's inability or refusal to act, shall perform the duties of the President. The Vice-President shall perform such duties as are assigned by the President and Board.

4.5.3 Secretary. The Secretary shall: (i) be responsible for taking minutes at all meetings; (ii) maintain a record of the names and addresses of the Members for the mailing of notices; (iii) prepare and give all notices in accordance with the Texas Business Organizations Code and the Governing Documents; (iv) act as the custodian of records of the Association; (v) review all mail on behalf of the Association; and (vi) in general, perform all duties incident to the office of Secretary.

4.5.4 Treasurer. The Treasurer shall: (i) be responsible for Association funds; (ii) keep full and accurate financial records and books of account showing all receipts and disbursements; (iii) prepare all required financial data and tax returns; (iv) deposit all monies or other valuable effects in the name of the Association in such depositories as may from time to time be designated by the Board; (v) prepare the annual and supplemental budgets of the Association; (vi) review the accounts of the Managing Agent on a monthly basis in the event such Managing Agent is responsible for collecting and disbursing Association funds; and (vii) perform all the duties incident to the office of Treasurer.

4.6 AUTHORIZED AGENTS. Except when the Governing Documents require execution of certain instruments by certain individuals, the Board may authorize any person to execute instruments on behalf of the Association, by written resolution. In the absence of Board designation, the President and the Vice-President shall be the only persons authorized to execute instruments on behalf of the Association.

ARTICLE 5
MEETINGS OF THE ASSOCIATION

5.1 ANNUAL MEETING. Annual meetings of the Association shall be held at 2:00 p.m. on the third Sunday in October each year, or within thirty (30) days thereafter, weather permitting. At the annual meeting the Members shall elect Directors in accordance with these Bylaws. The Members may also transact such other business of the Association as may properly come before them. Notwithstanding any other provision in these Bylaws, the Board shall call an Annual Meeting of the Members of the Association.

5.2 MANDATORY ELECTION REQUIRED AFTER FAILURE TO CALL ANNUAL MEETING. If the Board does not call an Annual Meeting of the Members of the Association, an Owner may demand that a meeting of the Association be called not later than the thirtieth (30th) day after the date of the Owner's demand. The Owner's demand must be made in writing and sent by certified mail, return receipt requested, to the registered agent of the Association and to the Association at the address for the Association according to the most recently filed Management Certificate. A copy of the notice must be sent to each Owner who is a Member of the Association. If the Board does not call a meeting of the Members of the Association on or before the thirtieth (30th) day after the date of a demand, three or more Owners may form an election committee. The election

committee shall file written notice of the committee's formation with the county clerk of each county in which the Subdivision is located. A notice filed by an election committee must contain: (i) a statement that an election committee has been formed to call a meeting of Owners who are Members of the Association for the sole purpose of electing Board Members; (ii) the name and residential address of each committee member; and (iii) the name of the Subdivision over which the Association has jurisdiction under the Dedicatory Instruments. Each committee member must sign and acknowledge the notice before a notary or other official authorized to take acknowledgments. The county clerk shall enter on the notice the date the notice is filed and record the notice in the county's real property records. Only one committee in the Subdivision may operate under this section at one time. If more than one committee in a Subdivision files a notice, the first committee that files a notice, after having complied with all other requirements of this section, is the committee with the power to act under this section. A committee that does not hold or conduct a successful election within four (4) months after the date the notice is filed with the county clerk is dissolved by operation of law. An election held or conducted by a dissolved committee is ineffective for any purpose under this section. The election committee may call meetings of the Owners who are Members of the Association for the sole purpose of electing Board Members. Notice, quorum, and voting provisions contained in these Bylaws apply to any meeting called by the election committee.

5.3 SPECIAL MEETINGS. It shall be the duty of the President to call a special meeting of the Association if directed to do so by majority of the Board or by a petition signed by Members representing at least ten percent (10%) of the eligible votes in the Association. Such meeting shall be held within thirty (30) days after the Board resolution or receipt of the petition. The notice of any special meeting shall state the time, place, and purpose of such meeting. No business, except the purpose stated in the notice of the meeting, shall be transacted at a special meeting.

5.4 PLACE OF MEETINGS. Meetings of the Association shall be held at the place as is designated by the Board in the notice of the meeting.

5.5 NOTICE OF MEETINGS. Not later than the tenth (10^{th}) day or earlier than the sixtieth (60^{th}) day before the date of an election or vote, the Association shall give written notice of the election or vote to each Owner in the Association, for purposes of an Association-wide election or vote or to vote for the elections of members of the Board.

5.6 ELIGIBILITY. All Members of the Association may receive notice of meetings of the Association, vote at meetings of the Association, or be elected to serve as a Director.

5.7 RECORD DATES.

5.7.1 Determining Notice Eligibility. The Board shall fix a date as the record date for determining the Members entitled to notice of a meeting of the Association. The record date may not be more than sixty (60) days before the date of a meeting of the Association at which Members will vote.

5.7.2 Determining Voting Eligibility. The Board shall fix a date as the record date for determining the Members entitled to vote at a meeting of the Association. The record date may not be more than sixty (60) days before the date of a meeting of the Association at which Members will vote.

5.7.3 Determining Rights Eligibility. The Board shall fix a date as the record date for determining the Members entitled to exercise any rights other than those described in the preceding two paragraphs. The record date may not be more than sixty (60) days before the date of the action for which eligibility is required, such as a nomination to the Board.

5.7.4 Adjournments. A determination of Members entitled to notice of or to vote at a meeting of the Association is effective for any adjournment of the meeting unless the Board fixes a new date for determining the right to notice or the right to vote. The Board must fix a new date for determining the right to notice or the right to vote if the meeting is adjourned to a date more than ninety (90) days after the record date for determining Members entitled to notice of the original meeting.

5.8 VOTING MEMBERS LIST. The Board shall prepare and make available a list of the Association's voting Members in accordance with Business Organizations Code Section 22.158. After setting a record date for the notice of a meeting, the Association shall prepare an alphabetical list of the names of all its voting Members. The list must identify the Members who are entitled to notice, the address of each voting Member and the number of votes each voting Member is entitled to cast at the meeting. Not later than the second (2nd) business day after the date notice is given of a meeting for which a list was prepared in accordance with this section, and continuing through the meeting, the list of voting Members must be available at the office of the Association's Managing Agent, according to the most recent Management Certificate recorded, as identified in the notice of the meeting, for inspection by Members entitled to vote at the meeting for the purpose of communications with other Members concerning the meeting. A voting Member or voting Member's agent or attorney is entitled on written demand to inspect any, at the Member's expense and subject to Section 209.005 of the Act, copy the list at a reasonable time during the period the list is available for inspection. The Association shall make the list of voting Members available at the meeting. A voting Member or voting Member's agent or attorney is entitled to inspect the list at any time during the meeting or an adjournment of the meeting.

5.9 QUORUM. At any meeting of the Association, the presence in person or by proxy of Members entitled to cast at least ten percent (10%) of the votes that may be cast for election of the Board shall constitute a quorum. Members present at a meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal, during the course of the meeting, of Members constituting a quorum.

5.10 LACK OF QUORUM. If a quorum shall not be present or represented at any meeting, the Members entitled to vote shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present and represented.

5.11 VOTES. Members of the Association shall have one vote for each Lot owned in the Subdivision. The vote of Members representing at least a majority of the votes cast at any meeting at which a quorum is present shall be binding upon all Members for all purposes, except when a higher percentage is required by the Declaration or these Bylaws. There shall be no cumulative voting. The voting rights of an Owner may be cast or given in person or by proxy at a meeting of the Association; by absentee ballot in accordance with this section; or by electronic ballot in accordance with these Bylaws.

5.12 PROXIES. Unless otherwise provided by the proxy, a proxy is revocable and expires eleven (11) months after the date of its execution. A proxy may not be irrevocable for longer than eleven (11) months.

5.13 BALLOTS. Any vote cast in an election or vote by a Member of the Association must be in writing and signed by the Member. In an Association-wide election, written and signed ballots are not required for uncontested races. Electronic votes cast as provided below constitute written and signed ballots. An absentee or electronic ballot may be counted as an Owner present and

voting for the purpose of establishing a quorum only for items appearing on the ballot, and may not be counted for the purpose of establishing a quorum only for items appearing on a ballot even if properly delivered, if the owner attends any meeting to vote in person. Any vote cast at a meeting by an Owner supersedes any vote submitted by absentee or electronic ballot previously submitted for that proposal, and may not be counted on the final absentee or electronic ballot. A solicitation for votes by absentee ballot must include: an absentee ballot that contains each proposed action and provides an opportunity to vote for or against each proposed action; instructions for delivery of the completed absentee ballot, including the delivery location; and the following language: "By casting your vote via absentee ballot you will forgo 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." For the purposes of this section, "electronic ballot" means a ballot, given by email, facsimile, or posting on an Internet website for which the identity of the Owner submitting the ballot can be confirmed and for which the property owner may receive a receipt of the electronic transmission and receipt of the Owner's ballot. If an electronic ballot is posted on the Association's Internet website, a notice of the posting shall be sent to each Owner that contains instructions on obtaining access to the posting on the website.

5.13.1 Co-Owned Lots. If a Lot is owned by more than one Member and only one Member is present at a meeting of the Association, that person may cast the vote allocated to that Lot. If more than one of the multiple Owners is present, the vote allocated to that Lot may be cast only in accordance with the Owners' unanimous agreement. Multiple Owners are in unanimous agreement if one of the multiple owners casts the vote allocated to the Lot and none of the other Owners makes prompt protest to the person presiding over the meeting.

5.13.2 Corporation-Owned Lots. If a Lot is owned by a corporation, the vote appurtenant to that Lot may be cast by an officer of the corporation in the absence of express notice of the designation of a specific person by the Board of Directors or bylaws of the owning corporation. The vote of a partnership may be cast by any general partner of the owning partnership in the absence of express notice of the designation of a specific person by the owning partnership. The person presiding over a meeting or vote may require reasonable evidence that a person voting on behalf of a corporation or partnership is qualified to vote.

5.14 TABULATION AND ACCESS TO BALLOTS. A person who is a candidate in the Association's Board election or who is otherwise the subject of an Association vote, or a person related to that person within the third degree by consanguinity of affinity, as determined under Chapter 573 of the Texas Government Code, may not tabulate or otherwise be given access to the ballots cast in that election or vote except as provided by this section. A person other than a person described above may tabulate votes in an Association election or vote, but may not disclose to any other person how an individual voted. Notwithstanding any other provision of this chapter or any other law, a person other than a person who tabulates votes may be given access to the ballots cast in the election or vote only as part of a recount process authorized by law.

5.15 RECOUNT OF VOTES. Any Owner may, not later than the fifteenth (15th) day after the date of the meeting at which the election was held, require a recount of the votes. A demand for a recount must be submitted in writing by certified mail, return receipt requested, or by delivery by the United States Postal Service with signature confirmation services to the Association's mailing address or in person as reflected on the latest Management Certificate, or to the address to which absentee and proxy ballots are mailed. The Association shall, at the expense of the

Owner requesting the recount, retain for the purpose of performing the recount, the services of a person qualified to tabulate votes under this section. The Association shall enter into a contract for the services of a person who is not a Member of the Association or related to a Member of the Association Board within the third degree by consanguinity or affinity, as determined under Chapter 573 of the Texas Government Code, who is a current or former county judge, county elections administrator, justice of the peace, county voter registrar, or a person agreed on by the Association and the persons requesting the recount. Any recount under this section must be performed on or before the thirtieth (30'h) day after the date of receipt of a request. If the recount changes the results of the election, the Association shall reimburse the requesting Owner for the cost of the recount. The Association shall provide the results of the recount to each Owner who requested the recount. 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.

5.16 CONDUCT OF MEETINGS. Unless the notice of meeting state otherwise, the order of business at annual meetings of the Association shall be as follows:

a. Determine votes present by roll call or check-in procedure
b. Announcement of a quorum
c. Proof of notice of meeting
d. Reading and approval of minutes of preceding meeting
e. Reports
f. Election of Directors
g. Unfinished or old business
h. New business
i. Adjournment

5.17 ADJOURNMENT OF MEETING. At any meeting of the Association, a majority of the Members present at that meeting, either in person or by proxy, may adjourn the meeting to another time.

ARTICLE 6
COMMITTEES

6.1 NOMINATING COMMITTEE. After the expiration of the Declarant Control Period, nominations for the election of the Board of Directors may be made by a Nominating Committee. The Nominating Committee shall make as many nominations to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Nominations may also be made from the floor at the annual meeting.

6.2 OTHER COMMITTEES. The Board of Directors may appoint other committees as the Board deems appropriate to carry out its purposes.

ARTICLE 7
RULES AND REGULATIONS

7.1 RULES. The Board shall have the right to establish and amend, from time to time, reasonable Rules and Regulations for: (i) the administration of the Association and the Governing Documents; (ii) the maintenance, management, operation, use, conservation, and beautification of the Subdivision: and (iii) the health, comfort, and general welfare of the residents; provided, however, that such Rules may not be in conflict with law or the Governing Documents. The Board

shall, at all times, maintain the then current and complete Rules in a written form which can be copied and distributed to the Members, and shall be recorded in the Official Records of Bell County, Texas.

7.2 ADOPTION AND AMENDMENT. Any Rule may be adopted, amended, or terminated by the Board, provided that the Rule and the requisite Board approval are properly recorded as a resolution in the minutes of the meeting of the Board.

7.3 NOTICE AND COMMENT. The Board shall give written notice to an Owner of each Lot of any amendment, termination, or adoption of a Rule, or shall publish same in a newsletter or similar publication which is circulated to the Members, at least ten (10) days before the Rule's effective date. Any Member so notified shall have the right to comment orally or in writing to the Board on the proposed action.

7.4 DISTRIBUTION. Upon written request from any Member or resident, the Board shall provide a current and complete copy of the Rules.

ARTICLE 8
OBLIGATIONS OF THE OWNERS

8.1 PROOF OF OWNERSHIP. Any person, on becoming a Member of the Association, shall furnish to the Board evidence of ownership in the Lot, which copy shall remain in the files of the Association. A Member shall not be deemed to be in good standing nor be entitled to vote at any annual or special meeting of the Association unless this requirement is first met.

8.2 OWNERS' ADDRESSES. The Owner or the several Co-Owners of a Lot shall register and maintain one mailing address to be used by the Association for mailing of statements, notices, and all other communications. The Owner shall keep the Association informed of the Member's current mailing address. If an Owner fails to maintain a current mailing address with the Association, the address of that Owner's Lot shall be deemed to be his mailing address. An Owner who mortgages his or her Lot shall furnish the Board with the name and mailing address of the mortgagee.

8.3 ASSESSMENTS. All Owners shall be obligated to pay Maintenance Charges and other assessments imposed by the Association to meet the Common Expenses as defined in the Declaration.

8.4 COMPLIANCE WITH DOCUMENTS. Each Owner shall comply with the provisions and terms of the Governing Documents, and any amendments thereto. Further, each Owner shall always endeavor to observe and promote the cooperative purposes for which the Association was established.

ARTICLE 9
ASSOCIATION RECORDS

9.1 RECORDS POLICIES. In accordance with Section 209.005 of the Act, the Board has adopted a Records Production and Copying Policy and a Document Retention Policy, each of which is recorded in the Official Public Records of Bell County. The Records Production and Copying Policy describes the procedures for the Association to make the books and records of the Association, including financial records, open to and reasonably available for examination by an Owner and prescribes the costs the Association will charge for the compilation, production,

and reproduction of information requested thereunder. The Document Retention Policy describes the documents and records which will be retained by the Association and the length of time for which such documents and records will be retained.

ARTICLE 10
NOTICES

10.1 CO-OWNERS. If a Lot is owned by more than one person, notice to one Co-Owner shall be deemed notice to all Co-Owners.

10.2 DELIVERY OF NOTICES. Any written notice required or permitted by these Bylaws may be given personally, by mail, or by facsimile transmission. If mailed, the notice is deemed delivered when deposited in the U.S. Mail addressed to the Member at the address shown on the Association's records. If transmitted by facsimile, the notice is deemed delivered on successful transmission of the facsimile.

10.3 WAIVER OF NOTICE. Whenever any notice is required to be given to an Owner, Member, or Director, a written waiver of the notice, signed by the person entitled to such notice, whether before or after the time stated in the notice, shall be equivalent to the giving of such notice. Attendance by a Member or Director at any meeting of the Association or Board, respectively, shall constitute a waiver of notice by such Member or Director of the time, place, and purpose of such meeting. If all Members or Directors are present at any meeting of the Association or Board, respectively, no notice shall be required and any business may be transacted at such meeting.

ARTICLE 11
AMENDMENTS TO BYLAWS

11.1 AMENDMENT. These Bylaws may be amended at any time with the approval of a majority of the Directors. The Association shall provide each Member with a detailed description of any such amendment.

ARTICLE 12
GENERAL PROVISIONS

12.1 CONFLICTING PROVISIONS. If any provision of these Bylaws conflicts with any provision of the laws of the State of Texas, such conflicting Bylaws provision shall be null and void, but all other provisions of these Bylaws shall remain in full force and effect. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

12.2 SEVERABILITY. Invalidation of any provision of these Bylaws, by judgment or court order, shall in no wise affect any other provision which shall remain in full force and effect. The effect of a general statement shall not be limited by the enumerations of specific matters similar to the general.

12.3 FISCAL YEAR. The fiscal year of the Association shall be the calendar year.

12.4 WAIVER. No restriction, condition, obligation, or covenant in the Declaration or these Bylaws shall be deemed to have been abrogated or waived by reason of failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

The undersigned, pursuant to a resolution of all of the Members of the Board of Directors approving these Bylaws, has executed these Bylaws effective the 26th day of October, 2021.

Doug French

STATE OF TEXAS

COUNTY OF BRAZOS

This instrument was acknowledged before me on the 26 day of October 2021, by Doug French, Director of McGregor Estates Homeowners Association, Inc., a Texas non-profit corporation, on behalf of said corporation, and in the capacity herein stated.

NOTARY PUBLIC STATE OF TEXAS
KATHRYN BERILLA
My Notary ID # 129326638
Expires February 27, 2025

Notary Public, State of Texas

AUTHORIZING RESOLUTION
VIA UNANIMOUS CONSENT OF THE BOARD OF DIRECTORS OF
McGREGOR ESTATES HOMEOWNERS ASSOCIATION, INC.

WHEREAS, McGregor Estates Homeowners Association, Inc., a Texas nonprofit corporation (the "Association"), is charged with administering and enforcing that certain Declaration of Covenants, Conditions and Restrictions of McGregor Estates Subdivision, dated October 23, 2020, recorded at Instrument No. 2020067622, Official Records, Bell County, Texas ("Declaration").

WHEREAS, Section 5.04(A) of the Declaration, authorizes the Association to amend and re-enact such Bylaws, not in conflict with the Declaration, as it deems proper to address any and all aspects of its functions;

NOW, THEREFORE, the undersigned, being all of the members of the Board of Directors of the Association do hereby adopt, ratify and approve the following resolutions and each and every action effected thereby:

BE IT RESOLVED, that it is desirable for the Association to adopt such Bylaws, the form of which is attached hereto as Exhibit A, for the purpose of complying with legislative requirements; and

BE IT FURTHER RESOLVED, that Doug French, in his capacity as a member of the Board of Directors, is hereby authorized, acting alone, to execute and deliver, on behalf of the Association, the Bylaws and every agreement, document, schedule, certificate, contract, mortgage, conveyance or other legal instrument as may be required in connection therewith and to effect the purposes thereof; and

BE IT FURTHER RESOLVED, that all of the lawful acts and transactions of the directors taken on behalf of the Association in its operations, which have been taken or made prior to the effective date of this Unanimous Consent with respect to the Bylaws are hereby ratified, confirmed and approved as the acts and deeds of the Association; and

BE IT FURTHER RESOLVED, that to the extent these resolutions shall be inconsistent with any provisions of the governing documents of the Association, these resolutions shall govern, and such governing documents shall be deemed amended by these resolutions, and such previous resolutions shall be deemed superseded by these resolutions; and

BE IT FURTHER RESOLVED, that all third persons and entities who are provided with a copy of this instrument shall be allowed to rely upon the resolutions set forth herein until and unless they are provided written notice that such resolutions are no longer in effect.

The resolutions contained herein and the actions contemplated hereby are taken by unanimous written consent of the Board of Directors of the Association pursuant to Section 6.201 of the Texas Business Organizations Code.

Signatures appear on following pages

IN WITNESS WHEREOF, the undersigned have executed this Unanimous Consent to be effective as of the 26 day of October, 2021.

DIRECTORS:

Doug French

Randy French

Jessi Kelly

EXHIBIT A

Bylaws of McGregor Estates Homeowners Association, Inc.

[attached]

BYLAWS
OF
McGREGOR ESTATES HOMEOWNERS ASSOCIATION, INC.
(A Texas Nonprofit Corporation)

ARTICLE 1
INTRODUCTION

1.1 PURPOSE OF BYLAWS. These Bylaws ("Bylaws") provide for the governance of McGREGOR ESTATES HOMEOWNERS ASSOCIATION, INC. ("Association") a Property Owners Association, as that term is defined in Texas Property Code §209.002(7), whose Members consist of the owners of Lots in McGregor Estates Subdivision, located in Bell County, Texas ("Subdivision"), covered by a Dedicatory Instrument entitled Declaration of Covenants, Conditions and Restrictions of McGregor Estates Subdivision, recorded in Instrument No. 2020067622, Official Records, Bell County, Texas ("Declaration").

1.2 DEFINITIONS. Words and phrases defined in the Declaration shall have the same meanings when used in these Bylaws. Unless defined otherwise in the Declaration or in these Bylaws, words and phrases defined in Texas Property Code §209.002 shall have the same meaning when used in these Bylaws. The following words and phrases shall have specified meanings when used in these Bylaws:

a. "Board Meeting" means a deliberation between a quorum of the voting Board, or between a quorum of the voting Board and another person, during which Association business is considered and the Board takes formal action; and 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 of the Board at a regional, state, or national convention or 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 conference.

b. "Board of Directors" or "Board" means the Board of Directors of McGREGOR ESTATES HOMEOWNERS ASSOCIATION, INC., the group of persons vested with the management of the affairs of the Association.

c. "Business Organization Code" means the governing laws of the State of Texas for nonprofit corporations.

d. "Certificate of Formation" means the Certificate of Formation, as may be amended, filed with the Texas Secretary of State in connection with the formation of the Association.

e. "Declarant Control Period" shall mean and refer to the period of time beginning on the effective date of the Declaration and lasting until the Transition Date, as defined in the Declaration, during which the Declarant is entitled to appoint and remove the members of the Board of Directors because it controls the Voting Rights, except with respect to Board members appointed pursuant to Section 5.03(C) of the Declaration.

f. "Dedicatory Instrument" means each governing instrument covering the establishment, maintenance, and operation of the Subdivision. The term includes the Declaration, Certificate of Formation, Bylaws, Fines Schedule, Guidelines for Alternative Payment Plans, Records Production and Copying Policy, and Document Retention Policy.

g. "Development Period" means the period in which Declarant reserves a right to facilitate the development, constructions, and marketing of the Subdivision, and a right to direct the size, shape, and composition of the Subdivision.

h. "Director" means a member of the Board of Directors of the Association.

I. "Governing Documents" means the Dedicatory Instruments.

j. "Majority" means more than fifty percent (50%).

k. "Management Certificate" means the instrument required to be recorded pursuant to Section 209.004 of the Texas Residential Property Owners Protection Act.

l. "Managing Agent" means the Association's designated representative as it appears on the Management Certificate.

m. "Member" means a Member of the Association, each Member being an Owner of a Lot in the Subdivision, unless the context indicates that a Member means a member of the Board of Directors or a member of a committee of the Association.

n. "Officer" means an Officer of the Association. "President," "Vice-President," "Secretary," and "Treasurer" mean, respectively, the President, Vice-President, Secretary, and Treasurer of the Association.

o. "Ordinary care" means the care that an ordinarily prudent person in a similar position would exercise under similar circumstances.

p. "Owner" shall mean and refer to the holder of record, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Subdivision, including contract buyers (a buyer under an executory contract for conveyance), but excluding those having such interest merely as a security for the performance of an obligation (i.e., holders of mortgages and home equity loans).

q. "Texas Residential Owners Protection Act" or "The Act" shall refer to Texas Property Code Chapter 209, as same may be amended or repealed in whole or in part.

Other definitions contained in the Declaration are incorporated herein by reference, as if fully set forth.

1.3 NONPROFIT PURPOSE. The Association is not organized for profit and is governed by Chapter 22 of the Business Organizations Code.

1.4 COMPENSATION. A Director, Officer, or Member shall not be entitled to receive any pecuniary profit for the operation of the Association, and no dividend or assets of the Association shall be distributed to, or inure to the benefit of a Director, Officer, or Member, provided, however:

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

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

1.5 GENERAL POWERS AND DUTIES. The Association, acting through the Directors, shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Subdivision as may be required or permitted by the Governing Documents and state law. The Association may do any and all things that are lawful and which are necessary, proper, or desirable in operating for the best interests of its Members, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Governing Documents.

ARTICLE 2
MEMBERSHIP

2.1 MEMBERSHIP. Every person or entity who is a record Owner of any Lot which is subject to assessments provided in the Declaration shall be a Member of the Association. All present or future Members are subject to the Certificate of Formation, Declaration and these Bylaws, and other Dedicatory Instruments. Membership in the Association will signify that each Lot Owner appoints the Board of Directors of the Association to manage or regulate the Subdivision in accordance with the provisions set forth in the Dedicatory Instruments and that such Dedicatory Instruments are accepted, ratified, and will be strictly followed. Further, Membership in the Association will signify that the Owner has designated the Association as its representative to initiate, defend or intervene in litigation or an administrative proceeding affecting the enforcement of the Declaration or the protection, preservation or operation of the Subdivision. Voting rights of Members shall be pursuant to Section 5.03 of the Declaration.

ARTICLE 3
GOVERNING BODY

3.1 BOARD OF DIRECTORS. The Board of Directors shall govern the Association, each of whom shall have one (1) vote. The Board shall consist of three (3) Directors. Directors shall be elected at the first annual meeting. A Director takes office upon the adjournment of the meeting or balloting at which he is elected or appointed and, absent, death, ineligibility, resignation, or removal, will hold office until his successor is elected or appointed. The number of Directors may be changed by amendment of these Bylaws, but shall not be less than three (3); however, a decrease in the number of Directors may not shorten the term of an incumbent Director. Notwithstanding anything contained in these Bylaws, during the Declarant Control Period, the Declarant is entitled to appoint and remove the members of the Board of Directors except with respect to Board members appointed pursuant to Section 5.03(C) of the Declaration.

3.2 QUALIFICATION AND TERM. After the Declarant Control Period expires, all Directors must be Members of the Association. At the first annual meeting after the expiration of the

Declarant Control Period, the Members shall elect one (1) Director to a three (3) year term, one (1) Director to a two (2) year term, and one (1) Director to a one (1) year term. At each annual meeting thereafter, the Members shall elect a single Director to fill the then-expiring term of a Director, which new Director may be the same Director whose term is expiring.

3.2.1 Co-Owners. Co-Owners of a single Lot may not serve on the Board at the same time. Co-Owners of more than one Lot may serve on the Board at the same time, provided the number of Co-Owners serving at one time does not exceed the number of Lots they co-own. Notwithstanding the foregoing, an Owner may not serve on the Board if the Owner cohabits at the same primary residence with a Director; provided, this sentence does not apply during the Declarant Control Period.

3.3 ELECTION. Directors shall be elected by the Members by written ballot. The election of Directors shall be conducted at the annual meeting of the Association, at any special meeting called for that purpose, or by mail, facsimile transmission, or a combination of mail and facsimile transmission. Any Board Member whose term has expired must be elected by the Members in accordance with the voting rights of the Members set forth in the Declaration.

3.4 VACANCIES. A Board Member may be appointed by a majority of the remaining Board Members only to fill a vacancy caused by resignation, death, or disability. Each Director so elected shall serve out the remaining term of his predecessor. This section does not apply to the appointment of a Board Member during the Declarant Control Period.

3.5 REMOVAL OF DIRECTORS. Following the Declarant Control Period or with respect to Board members appointed pursuant to Section 5.03(C) of the Declaration, at any Annual or special meeting of the Association, anyone or more of the Directors may be removed with or without cause by Members representing a majority of the votes present in person or by proxy at such meeting, and a successor shall then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting. However, if the Board is presented with written, documentary evidence from a database or other record maintained by a governmental law enforcement authority that a Board Member had been convicted of a crime of moral turpitude, the Member is immediately ineligible to serve on the Board, and is automatically considered removed from the Board, and is prohibited from future service on the Board. During the Declarant Control Period, the Declarant may remove a Director with or without cause at its sole discretion, except with respect to Board members appointed pursuant to Section 5.03(C) of the Declaration.

3.6 MEETINGS OF THE BOARD.

3.6.1 Organizational Meeting of the Board. After the Certificate of Formation is filed, the Board of Directors named in the Certificate of Formation shall hold an organizational meeting of the Board, at the call of a majority of the Directors to adopt these Bylaws and elect officers and for other purposes determined by the Board at the meeting. The Directors calling the meeting shall send notice of the time and place of the meeting to each Director named in the Certificate of Formation not later than the third day before the date of the meeting. Within ten (10) days after each annual meeting, the Directors shall convene an organizational meeting for the purpose of electing Officers. The time and place of such meeting shall be fixed by the Board and announced to the Directors.

3.6.2 Open Meetings of the Board. Regular and special board meetings must be open to Owners, subject to the right of the Board to adjourn a board meeting and reconvene in a closed

executive session to consider 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 Owners, 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 Owners, violating any privilege, or disclosing information that was to remain confidential at the request of the affected parties. The oral summary must include a general explanation of expenditures approved in an executive session. This section applies to a meeting of the Association Board during the Declarant Control Period only if the meeting is conducted for the purpose of adopting or amending the Dedicatory Instruments of the Association, increasing the amount of Regular Assessments of the Association or adopting or increasing a Special Assessment; electing non-developer Board members of the Association or establishing a process by which those members are elected; or changing the voting rights of Members of the Association.

3.7 NOTICE OF BOARD MEETINGS.

3.7.1 To Board Members. Subject to the Act and other provisions of the Association's Dedicatory Instruments, regular meetings of the Board shall be held on the first Tuesday of each month at 7:00 p.m. at the address of the Association's Managing Agent as designated on the most recent Management Certificate. Notice of special meetings shall be provided to each Director at least seventy-two (72) hours before the start of the meeting. Attendance of a Director at a meeting constitutes a waiver of notice, unless the Director attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

3.7.2 To Members. Members shall be given notice of the date, hour, place, and general subject of a regular or special Board meeting, including a general description of any matter to be brought up for deliberation in an executive session. The notice shall be mailed to each Member not later than the tenth (10^{th}) day or earlier than the sixtieth (60^{th}) day before the date of the meeting; or provided at least one hundred forty-four (144) hours before the start of a regular meeting or seventy-two (72) hours before the start of a special meeting by posting the notice in a conspicuous manner reasonably designed to provide notice to Members in a place located in the Common Area or, with the property Owner's consent, on other conspicuously located privately owned property within the Subdivision; or on any Internet website maintained by the Association or other Internet media; and sending the notice by email to each Owner who has registered an email address with the Association. It is an Owner's duty to keep an updated email address registered with the Association.

3.8 SPECIAL MEETINGS OF THE BOARD. Special meetings of the Board may be called by the President or, if he or she is absent or refuses to act, by any two (2) Directors. At least three (3) days' notice shall be given to each Director, personally or by telephone or written communication, which notice shall state the place, time, and purpose of such meeting.

3.9 CONDUCT OF MEETINGS. The President shall preside over all meetings of the Board and the Secretary shall keep, or cause to be kept, a record of all resolutions adopted by the Board and a record of all transactions and proceedings occurring at such meetings. When not in conflict with law or the Governing Documents, the then current edition of Robert's Rules of Order shall govern the conduct of the meetings of the Board.

3.10 QUORUM. At all meetings of the Board, a Majority of Directors shall constitute a quorum for the transaction of Business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board. If less than a quorum is present at any meeting of the Board, the majority of those present may adjourn the meeting from time to time. At any such reconvened meeting at which a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice. A Director present by proxy at a meeting may not be counted toward a quorum.

3.11 PROXY. A Director may vote in person or by proxy executed in writing by the Director. A proxy expires three (3) months after the date the proxy is executed.

3.12 PLACE OF MEETINGS. Except for a meeting held by electronic or telephonic means, a Board meeting must be held in a county in which all or part of the property in the Subdivision is located or in a county adjacent to that county.

3.13 METHOD OF MEETING. The Board may meet by any method of communication, including electronic and telephonic, without prior notice to Owners, if each Director may hear and be heard by every other Director, or the Board may take action by unanimous written consent to consider routine and administrative matters or a reasonably unforeseen emergency or urgent necessity that requires immediate Board action. A remote electronic communications system, including videoconferencing technology or the Internet, may be used only if each person entitled to participate in the meeting consents to the meeting being held by means of that system, and the system provides access to the meeting in a manner or using a method by which each person participating in the meeting can communicate concurrently with each other participant. Any action taken without notice to Owners 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 Owners under consider or vote on fines, damage assessments, initiation of foreclosure actions, initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety, increase in Regular Assessments, levying of Special Assessments, appeals from a denial of architectural control approval, or a suspension of a right of a particular Owner before the Owner has an opportunity to attend a Board meeting to present the Owner's position, including any defense, on the issue.

3.14 MINUTES. The Board shall keep a record of each regular or special Board meeting in the form of written minutes of the meeting. The Board shall make meeting records, including approved minutes, available to a Member for inspection and copying on the Member's written request to the Association's Managing Agent at the address appearing on the most recently filed Management Certificate or, if there is not a Managing Agent, to the Board.

3.15 RECESS. If the Board recesses a regular or special Board meeting 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 the requisites of this Article. If a regular or special Board meeting is continued to the following regular business day, and on that following day the Board continues the meeting to another day, the Board shall give notice of the continuation in at least one manner prescribed by the Act and these Bylaws within two (2) hours after adjourning the meeting being continued.

3.16 ACTION WITHOUT A MEETING. Any action required or permitted to be taken by the Board at a meeting may be taken without a meeting, if all of the Directors individually or collectively

consent in writing to such action. The written consent shall be filed with the minutes of the Board. Action by written consent shall have the same force and effect as a unanimous vote.

3.17 LIABILITIES AND STANDARD OF CARE. A Director shall discharge the Director's duties, including duties as a committee member, in good faith, with ordinary care, and in a manner the Director reasonably believes to be in the best interest of the Association. A Director is not liable to the Association, a Member, or another person for an action taken or not taken as a Director if the Director acted in compliance with this section. A person seeking to establish liability of a Director must prove that the Director did not act in good faith, with ordinary care, in a manner the Director reasonably believed to be in the best interest of the Association. A Director is not considered to have the duties of a trustee of a trust with respect to the Association or with respect to property held or administered by the Association. A Director shall not be liable under this section if, in the exercise of ordinary care, the Director acted in good faith and in reliance on the written opinion of an attorney for the Association.

3.18 INTERESTED DIRECTORS. A contract or transaction between the Association and one or more Directors, Officers, or Members which have a financial interest otherwise valid and enforceable contract or transaction is valid and enforceable, and is not void or voidable, notwithstanding any relationship or interest, if the material facts as to the relationship or interest and as to the contract or transaction are disclosed to or known by the Association's Board of Directors, a committee of the Board of Directors, or the Members, and the Board, the committee, or the Members in good faith and with ordinary care authorize the contract or transaction by the affirmative vote of the majority of the disinterested Directors, committee members or Members, regardless of whether the disinterested Directors, committee members or Members constitute a quorum of the Members entitled to vote on the authorization of the contract or transaction, and the contract or transaction is specifically approved in good faith and with ordinary care by a vote of the Members, or the contract or transaction is fair to the Association when the contract or transaction is authorized, approved, or ratified by the Board of Directors, a committee of the Board of Directors, or the Members. Common or interested Directors or Members of the Association may be included in determining the presence of a quorum at a meeting of the Board, a committee of the Board, or Members that authorize the contract or transaction. The person who has the relationship or interest may be present at or participate in and, if the person is a Director, Member, or committee member, may vote at a meeting of the Board of Directors, of the Members, or of a committee of the Board that authorized the contract or transaction; or sign, in the person's capacity as a Director, Member, or committee member, a written consent of the Directors, Members, or committee members to authorize the contract or transaction.

3.19 POWERS AND DUTIES. The Board shall have all the powers and duties necessary for the administration of the Association and for the operation and maintenance of the Subdivision. The Board may do all such acts and things except those which, by law or the Governing Documents are reserved to the Members and may not be delegated to the Board. The act of a majority of the Directors present in person or by proxy at a meeting at which a quorum is present is the act of the Board of Directors. Without prejudice to the general and specific powers and duties set forth in laws or the Governing Documents, or such powers and duties as may hereafter be imposed on the Board by resolution of the Association, the powers and duties of the Board shall include, but shall not be limited to, the following:

a. Rules and Regulations. The Board, by resolution may from time to time adopt and publish Rules and Regulations governing use of the Common Area and the personal conduct of the Members, and their guests, and may suspend the right to

use of the Common Area, after notice and hearing, pursuant to Sections 209.006 and 209.007 of the Act and Section 3.22 of these Bylaws.

b. Guests. The Board may limit the number of guests of Owners with respect to the use of the Common Areas.

c. Delinquent Accounts. The Board may establish, levy, and collect reasonable late charges for Members' delinquent accounts. The Board may also establish a rate of interest to be charged on Members' delinquent accounts, provided the rate of interest does not exceed eighteen percent (18%) or the maximum rate permitted by state law, whichever is the lesser.

d. Fidelity Bonds. The Board shall require that all Officers, agents, and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds may be an expense of the Association.

e. Employees. The Board may employ independent contractors or employees as deemed necessary, and may prescribe their duties.

f. Appointment of Committees. The Board, by resolution, may from time to time designate standing or *ad hoc* committees to advise or assist the Board with its responsibilities. The resolution shall establish the purposes and powers of each committee created, provide for the appointment of its members, as well as chairman, and shall provide for reports, termination, and other administrative matters deemed appropriate by the Board. Committees may be appointed from among the Members or professionals in the area of expertise for which the committee is formed.

g. Fines. In accordance with Sections 209.006 and 209.007 of the Act, and in addition to, or in lieu of, other remedies as provided by law, the Board may levy fines for each day or occurrence that a violation of the Dedicatory Instruments persists after notice and hearing, provided the amount of the fine does not exceed the amount necessary to ensure compliance with the Dedicatory Instruments.

h. Contracts for Services. The Board may enter into contracts for services on behalf of the Association, and, when appropriate, shall solicit competitive bids based on a standard statement of work prepared or approved by the Board.

i. Professional Association Management Services. The Board may employ a Managing Agent for the Association, at a compensation established by the Board, to perform duties and services authorized by the Board. The Board shall execute and file Management Certificates in accordance with Section 209.004 of the Act.

3.20 FINANCIAL RECORDS AND ANNUAL REPORTS. The Board shall maintain current and accurate financial records with complete entries as to each financial transaction of the Association, including income and expenditures, in accordance with generally accepted accounting principles. The Board shall annually prepare or approve a financial report for the Association for the preceding year. The report must conform to accounting standards as adopted by the American Institute of Certified Public Accountants and must include: a statement of

support, revenue and expenses, a statement of changes in fund balances, a statement of functional expenses, and a balance sheet for each fund.

3.21 DISSENT TO ACTION. A Director who is present at a meeting of the Board of Directors at which action is taken on an Association matter is presumed to have assented to the action unless the Director's dissent has been entered in the minutes of the meeting, the Director has filed a written dissent to the action with the person acting as the secretary of the meeting before the meeting is adjourned, or the Director has sent a written dissent by registered mail to the Secretary of the Association immediately after the meeting has been adjourned. The right to dissent under this section does not apply to a Director who voted in favor of the action.

3.22 ENFORCEMENT.

a. Notice. Before the Board may (i) suspend an Owner's right to use a Common Area, (ii) file a suit against an Owner other than a suit to collect any Assessment, (iii) foreclose the Association's lien, (iv) charge an Owner for property damage, (v) levy a fine for a violation of the Dedicatory Instruments, or (vi) report any delinquency of an Owner to a credit reporting service, the Association or its agent must give written notice to the Owner as required or permitted by law. The notice must describe the violation or property damage that is the basis for the suspension action, charge, or fine and state any amount due the Association from the Owner. The notice must also (i) inform the Owner that if the violation is curable and does not pose a threat to public health or safety, which means it could not materially affect the health or safety of an ordinary resident, the Owner is entitled to a reasonable period to cure the violation and avoid the fine or suspension unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six months; (ii) indicate that the Owner may request a hearing in accordance with Texas Property Code Section 209.007 on or before the thirtieth day after the date the notice was mailed to the Owner, (iii) state that the Owner may have special rights if the Owner is serving on active military duty, and (iv) state the date by which the Owner must cure a curable violation that does not pose a threat to public health and safety.

b. Hearing. If the Owner is entitled to an opportunity to cure the violation, the Owner has the right to submit a written request for a hearing to discuss and verify facts and resolve the matter in issue before the Board. The Association must hold a hearing under this section not later than the thirtieth day after the date the Board receives the Owner's request for a hearing and must notify the Owner of the date, time, and place of the hearing not later than the tenth day before the date of the hearing. The Board or the Owner may request a postponement, and, if requested, a postponement will be granted for a period of not more than ten days. Additional postponements may be granted by agreement of the parties. The Owner or the Association may make an audio recording of the meeting. The hearing will be held in executive session affording the alleged violator a reasonable opportunity to be heard. Before any sanction hereunder becomes effective, proof of proper notice will be placed in the minutes of the meeting. Such proof will be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered the notice. The notice requirement will be satisfied if the alleged violator appears at the meeting. The minutes of the meeting will contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board may, but will not be obligated to,

suspend any proposed sanction if the violation is cured within a fifteen day period. Such suspension will not constitute a waiver of the right to sanction violations of the same or other provisions and rules by any person.

c. Appeal. Following hearing before the Board, the violator will have the right to appeal the decision to the Board. To perfect this right, a written notice of appeal must be received by the managing agent, if any, president, or secretary within fifteen days after the hearing date.

d. Changes in Law. The Board may change the enforcement procedures set out in this section to comply with changes in law.

3.23 LARGE CONTRACTS. In the event that the Association intends to enter a contract to expend an amount equal to or in excess of $50,000.00, the Board shall solicit bids for such contracted item and review all bids in a meeting prior to selecting the winning bid.

ARTICLE 4
OFFICERS

4.1 DESIGNATION. The principal Officers of the Association shall be the President, the Vice-President, the Secretary, and the Treasurer. The Board may appoint such other Officers and Assistant Officers as it deems necessary. The President and Vice-President shall be Directors. Other Officers may, but need not, be Directors. Any two offices may be held by the same person, except the offices of President and Secretary. If an Officer is absent or unable to act, the Board may appoint a Director to perform the duties of that Officer and to act in place of that Officer, on an interim basis.

4.2 ELECTION OF OFFICERS. The Officers shall be elected no less than annually by the Directors at the organizational meeting of the Board and shall hold office at the pleasure of the Board. Except for resignation or removal, Officers shall hold office until their respective successors have been designated by the Board.

4.3 REMOVAL AND RESIGNATION OF OFFICERS. A majority of Directors may remove any Officer, with or without cause, at any regular meeting of the Board or at any special meeting of the Board called for that purpose. A successor may be elected at any regular or special meeting of the Board called for that purpose. An Officer may resign at any time by giving written notice of resignation to the Board. Unless the notice of resignation states otherwise, it is effective when received by the Board and does not require acceptance by the Board. The resignation or removal of an Officer who is also a Director does not constitute resignation or removal from the Board.

4.4 STANDARD OF CARE. An Officer is not liable to the Association or any other person for an action taken or omission made by the Officer in the person's capacity as an Officer unless the Officer's conduct was not exercised in good faith with ordinary care and in a manner the Officer reasonably believes to be in the best interest of the Association. This section shall not affect the liability of the Association for an act or omission of the Officer.

4.5 DESCRIPTION OF PRINCIPAL OFFICES.

4.5.1 President. As the chief executive Officer of the Association, the President shall be a Director and shall: (i) preside at all meetings of the Association and of the Board; (ii) have all the general powers and duties which are usually vested in the office of President of a corporation

organized under the laws of the State of Texas; (iii) have general supervision, direction, and control of the business of the Association, subject to the control of the Board; and (iv) see that all orders and resolutions of the Board are carried into effect. The President shall not vote except to break a tie.

4.5.2 Vice-President. The Vice-President shall be a Director and, in the absence of the President or in the event of the President's inability or refusal to act, shall perform the duties of the President. The Vice-President shall perform such duties as are assigned by the President and Board.

4.5.3 Secretary. The Secretary shall: (i) be responsible for taking minutes at all meetings; (ii) maintain a record of the names and addresses of the Members for the mailing of notices; (iii) prepare and give all notices in accordance with the Texas Business Organizations Code and the Governing Documents; (iv) act as the custodian of records of the Association; (v) review all mail on behalf of the Association; and (vi) in general, perform all duties incident to the office of Secretary.

4.5.4 Treasurer. The Treasurer shall: (i) be responsible for Association funds; (ii) keep full and accurate financial records and books of account showing all receipts and disbursements; (iii) prepare all required financial data and tax returns; (iv) deposit all monies or other valuable effects in the name of the Association in such depositories as may from time to time be designated by the Board; (v) prepare the annual and supplemental budgets of the Association; (vi) review the accounts of the Managing Agent on a monthly basis in the event such Managing Agent is responsible for collecting and disbursing Association funds; and (vii) perform all the duties incident to the office of Treasurer.

4.6 AUTHORIZED AGENTS. Except when the Governing Documents require execution of certain instruments by certain individuals, the Board may authorize any person to execute instruments on behalf of the Association, by written resolution. In the absence of Board designation, the President and the Vice-President shall be the only persons authorized to execute instruments on behalf of the Association.

ARTICLE 5
MEETINGS OF THE ASSOCIATION

5.1 ANNUAL MEETING. Annual meetings of the Association shall be held at 2:00 p.m. on the third Sunday in October each year, or within thirty (30) days thereafter, weather permitting. At the annual meeting the Members shall elect Directors in accordance with these Bylaws. The Members may also transact such other business of the Association as may properly come before them. Notwithstanding any other provision in these Bylaws, the Board shall call an Annual Meeting of the Members of the Association.

5.2 MANDATORY ELECTION REQUIRED AFTER FAILURE TO CALL ANNUAL MEETING. If the Board does not call an Annual Meeting of the Members of the Association, an Owner may demand that a meeting of the Association be called not later than the thirtieth (30th) day after the date of the Owner's demand. The Owner's demand must be made in writing and sent by certified mail, return receipt requested, to the registered agent of the Association and to the Association at the address for the Association according to the most recently filed Management Certificate. A copy of the notice must be sent to each Owner who is a Member of the Association. If the Board does not call a meeting of the Members of the Association on or before the thirtieth (30th) day after the date of a demand, three or more Owners may form an election committee. The election

committee shall file written notice of the committee's formation with the county clerk of each county in which the Subdivision is located. A notice filed by an election committee must contain: (i) a statement that an election committee has been formed to call a meeting of Owners who are Members of the Association for the sole purpose of electing Board Members; (ii) the name and residential address of each committee member; and (iii) the name of the Subdivision over which the Association has jurisdiction under the Dedicatory Instruments. Each committee member must sign and acknowledge the notice before a notary or other official authorized to take acknowledgments. The county clerk shall enter on the notice the date the notice is filed and record the notice in the county's real property records. Only one committee in the Subdivision may operate under this section at one time. If more than one committee in a Subdivision files a notice, the first committee that files a notice, after having complied with all other requirements of this section, is the committee with the power to act under this section. A committee that does not hold or conduct a successful election within four (4) months after the date the notice is filed with the county clerk is dissolved by operation of law. An election held or conducted by a dissolved committee is ineffective for any purpose under this section. The election committee may call meetings of the Owners who are Members of the Association for the sole purpose of electing Board Members. Notice, quorum, and voting provisions contained in these Bylaws apply to any meeting called by the election committee.

5.3 SPECIAL MEETINGS. It shall be the duty of the President to call a special meeting of the Association if directed to do so by majority of the Board or by a petition signed by Members representing at least ten percent (10%) of the eligible votes in the Association. Such meeting shall be held within thirty (30) days after the Board resolution or receipt of the petition. The notice of any special meeting shall state the time, place, and purpose of such meeting. No business, except the purpose stated in the notice of the meeting, shall be transacted at a special meeting.

5.4 PLACE OF MEETINGS. Meetings of the Association shall be held at the place as is designated by the Board in the notice of the meeting.

5.5 NOTICE OF MEETINGS. Not later than the tenth (10^{th}) day or earlier than the sixtieth (60^{th}) day before the date of an election or vote, the Association shall give written notice of the election or vote to each Owner in the Association, for purposes of an Association-wide election or vote or to vote for the elections of members of the Board.

5.6 ELIGIBILITY. All Members of the Association may receive notice of meetings of the Association, vote at meetings of the Association, or be elected to serve as a Director.

5.7 RECORD DATES.

5.7.1 Determining Notice Eligibility. The Board shall fix a date as the record date for determining the Members entitled to notice of a meeting of the Association. The record date may not be more than sixty (60) days before the date of a meeting of the Association at which Members will vote.

5.7.2 Determining Voting Eligibility. The Board shall fix a date as the record date for determining the Members entitled to vote at a meeting of the Association. The record date may not be more than sixty (60) days before the date of a meeting of the Association at which Members will vote.

5.7.3 Determining Rights Eligibility. The Board shall fix a date as the record date for determining the Members entitled to exercise any rights other than those described in the preceding two paragraphs. The record date may not be more than sixty (60) days before the date of the action for which eligibility is required, such as a nomination to the Board.

5.7.4 Adjournments. A determination of Members entitled to notice of or to vote at a meeting of the Association is effective for any adjournment of the meeting unless the Board fixes a new date for determining the right to notice or the right to vote. The Board must fix a new date for determining the right to notice or the right to vote if the meeting is adjourned to a date more than ninety (90) days after the record date for determining Members entitled to notice of the original meeting.

5.8 VOTING MEMBERS LIST. The Board shall prepare and make available a list of the Association's voting Members in accordance with Business Organizations Code Section 22.158. After setting a record date for the notice of a meeting, the Association shall prepare an alphabetical list of the names of all its voting Members. The list must identify the Members who are entitled to notice, the address of each voting Member and the number of votes each voting Member is entitled to cast at the meeting. Not later than the second (2nd) business day after the date notice is given of a meeting for which a list was prepared in accordance with this section, and continuing through the meeting, the list of voting Members must be available at the office of the Association's Managing Agent, according to the most recent Management Certificate recorded, as identified in the notice of the meeting, for inspection by Members entitled to vote at the meeting for the purpose of communications with other Members concerning the meeting. A voting Member or voting Member's agent or attorney is entitled on written demand to inspect any, at the Member's expense and subject to Section 209.005 of the Act, copy the list at a reasonable time during the period the list is available for inspection. The Association shall make the list of voting Members available at the meeting. A voting Member or voting Member's agent or attorney is entitled to inspect the list at any time during the meeting or an adjournment of the meeting.

5.9 QUORUM. At any meeting of the Association, the presence in person or by proxy of Members entitled to cast at least ten percent (10%) of the votes that may be cast for election of the Board shall constitute a quorum. Members present at a meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal, during the course of the meeting, of Members constituting a quorum.

5.10 LACK OF QUORUM. If a quorum shall not be present or represented at any meeting, the Members entitled to vote shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present and represented.

5.11 VOTES. Members of the Association shall have one vote for each Lot owned in the Subdivision. The vote of Members representing at least a majority of the votes cast at any meeting at which a quorum is present shall be binding upon all Members for all purposes, except when a higher percentage is required by the Declaration or these Bylaws. There shall be no cumulative voting. The voting rights of an Owner may be cast or given in person or by proxy at a meeting of the Association; by absentee ballot in accordance with this section; or by electronic ballot in accordance with these Bylaws.

5.12 PROXIES. Unless otherwise provided by the proxy, a proxy is revocable and expires eleven (11) months after the date of its execution. A proxy may not be irrevocable for longer than eleven (11) months.

5.13 BALLOTS. Any vote cast in an election or vote by a Member of the Association must be in writing and signed by the Member. In an Association-wide election, written and signed ballots are not required for uncontested races. Electronic votes cast as provided below constitute written and signed ballots. An absentee or electronic ballot may be counted as an Owner present and

voting for the purpose of establishing a quorum only for items appearing on the ballot, and may not be counted for the purpose of establishing a quorum only for items appearing on a ballot even if properly delivered, if the owner attends any meeting to vote in person. Any vote cast at a meeting by an Owner supersedes any vote submitted by absentee or electronic ballot previously submitted for that proposal, and may not be counted on the final absentee or electronic ballot. A solicitation for votes by absentee ballot must include: an absentee ballot that contains each proposed action and provides an opportunity to vote for or against each proposed action; instructions for delivery of the completed absentee ballot, including the delivery location; and the following language: "By casting your vote via absentee ballot you will forgo 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." For the purposes of this section, "electronic ballot" means a ballot, given by email, facsimile, or posting on an Internet website for which the identity of the Owner submitting the ballot can be confirmed and for which the property owner may receive a receipt of the electronic transmission and receipt of the Owner's ballot. If an electronic ballot is posted on the Association's Internet website, a notice of the posting shall be sent to each Owner that contains instructions on obtaining access to the posting on the website.

5.13.1 Co-Owned Lots. If a Lot is owned by more than one Member and only one Member is present at a meeting of the Association, that person may cast the vote allocated to that Lot. If more than one of the multiple Owners is present, the vote allocated to that Lot may be cast only in accordance with the Owners' unanimous agreement. Multiple Owners are in unanimous agreement if one of the multiple owners casts the vote allocated to the Lot and none of the other Owners makes prompt protest to the person presiding over the meeting.

5.13.2 Corporation-Owned Lots. If a Lot is owned by a corporation, the vote appurtenant to that Lot may be cast by an officer of the corporation in the absence of express notice of the designation of a specific person by the Board of Directors or bylaws of the owning corporation. The vote of a partnership may be cast by any general partner of the owning partnership in the absence of express notice of the designation of a specific person by the owning partnership. The person presiding over a meeting or vote may require reasonable evidence that a person voting on behalf of a corporation or partnership is qualified to vote.

5.14 TABULATION AND ACCESS TO BALLOTS. A person who is a candidate in the Association's Board election or who is otherwise the subject of an Association vote, or a person related to that person within the third degree by consanguinity of affinity, as determined under Chapter 573 of the Texas Government Code, may not tabulate or otherwise be given access to the ballots cast in that election or vote except as provided by this section. A person other than a person described above may tabulate votes in an Association election or vote, but may not disclose to any other person how an individual voted. Notwithstanding any other provision of this chapter or any other law, a person other than a person who tabulates votes may be given access to the ballots cast in the election or vote only as part of a recount process authorized by law.

5.15 RECOUNT OF VOTES. Any Owner may, not later than the fifteenth (15th) day after the date of the meeting at which the election was held, require a recount of the votes. A demand for a recount must be submitted in writing by certified mail, return receipt requested, or by delivery by the United States Postal Service with signature confirmation services to the Association's mailing address or in person as reflected on the latest Management Certificate, or to the address to which absentee and proxy ballots are mailed. The Association shall, at the expense of the

Owner requesting the recount, retain for the purpose of performing the recount, the services of a person qualified to tabulate votes under this section. The Association shall enter into a contract for the services of a person who is not a Member of the Association or related to a Member of the Association Board within the third degree by consanguinity or affinity, as determined under Chapter 573 of the Texas Government Code, who is a current or former county judge, county elections administrator, justice of the peace, county voter registrar, or a person agreed on by the Association and the persons requesting the recount. Any recount under this section must be performed on or before the thirtieth (30'h) day after the date of receipt of a request. If the recount changes the results of the election, the Association shall reimburse the requesting Owner for the cost of the recount. The Association shall provide the results of the recount to each Owner who requested the recount. 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.

5.16 CONDUCT OF MEETINGS. Unless the notice of meeting state otherwise, the order of business at annual meetings of the Association shall be as follows:

a. Determine votes present by roll call or check-in procedure
b. Announcement of a quorum
c. Proof of notice of meeting
d. Reading and approval of minutes of preceding meeting
e. Reports
f. Election of Directors
g. Unfinished or old business
h. New business
i. Adjournment

5.17 ADJOURNMENT OF MEETING. At any meeting of the Association, a majority of the Members present at that meeting, either in person or by proxy, may adjourn the meeting to another time.

ARTICLE 6
COMMITTEES

6.1 NOMINATING COMMITTEE. After the expiration of the Declarant Control Period, nominations for the election of the Board of Directors may be made by a Nominating Committee. The Nominating Committee shall make as many nominations to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Nominations may also be made from the floor at the annual meeting.

6.2 OTHER COMMITTEES. The Board of Directors may appoint other committees as the Board deems appropriate to carry out its purposes.

ARTICLE 7
RULES AND REGULATIONS

7.1 RULES. The Board shall have the right to establish and amend, from time to time, reasonable Rules and Regulations for: (i) the administration of the Association and the Governing Documents; (ii) the maintenance, management, operation, use, conservation, and beautification of the Subdivision: and (iii) the health, comfort, and general welfare of the residents; provided, however, that such Rules may not be in conflict with law or the Governing Documents. The Board

shall, at all times, maintain the then current and complete Rules in a written form which can be copied and distributed to the Members, and shall be recorded in the Official Records of Bell County, Texas.

7.2 ADOPTION AND AMENDMENT. Any Rule may be adopted, amended, or terminated by the Board, provided that the Rule and the requisite Board approval are properly recorded as a resolution in the minutes of the meeting of the Board.

7.3 NOTICE AND COMMENT. The Board shall give written notice to an Owner of each Lot of any amendment, termination, or adoption of a Rule, or shall publish same in a newsletter or similar publication which is circulated to the Members, at least ten (10) days before the Rule's effective date. Any Member so notified shall have the right to comment orally or in writing to the Board on the proposed action.

7.4 DISTRIBUTION. Upon written request from any Member or resident, the Board shall provide a current and complete copy of the Rules.

ARTICLE 8
OBLIGATIONS OF THE OWNERS

8.1 PROOF OF OWNERSHIP. Any person, on becoming a Member of the Association, shall furnish to the Board evidence of ownership in the Lot, which copy shall remain in the files of the Association. A Member shall not be deemed to be in good standing nor be entitled to vote at any annual or special meeting of the Association unless this requirement is first met.

8.2 OWNERS' ADDRESSES. The Owner or the several Co-Owners of a Lot shall register and maintain one mailing address to be used by the Association for mailing of statements, notices, and all other communications. The Owner shall keep the Association informed of the Member's current mailing address. If an Owner fails to maintain a current mailing address with the Association, the address of that Owner's Lot shall be deemed to be his mailing address. An Owner who mortgages his or her Lot shall furnish the Board with the name and mailing address of the mortgagee.

8.3 ASSESSMENTS. All Owners shall be obligated to pay Maintenance Charges and other assessments imposed by the Association to meet the Common Expenses as defined in the Declaration.

8.4 COMPLIANCE WITH DOCUMENTS. Each Owner shall comply with the provisions and terms of the Governing Documents, and any amendments thereto. Further, each Owner shall always endeavor to observe and promote the cooperative purposes for which the Association was established.

ARTICLE 9
ASSOCIATION RECORDS

9.1 RECORDS POLICIES. In accordance with Section 209.005 of the Act, the Board has adopted a Records Production and Copying Policy and a Document Retention Policy, each of which is recorded in the Official Public Records of Bell County. The Records Production and Copying Policy describes the procedures for the Association to make the books and records of the Association, including financial records, open to and reasonably available for examination by an Owner and prescribes the costs the Association will charge for the compilation, production,

and reproduction of information requested thereunder. The Document Retention Policy describes the documents and records which will be retained by the Association and the length of time for which such documents and records will be retained.

ARTICLE 10
NOTICES

10.1 CO-OWNERS. If a Lot is owned by more than one person, notice to one Co-Owner shall be deemed notice to all Co-Owners.

10.2 DELIVERY OF NOTICES. Any written notice required or permitted by these Bylaws may be given personally, by mail, or by facsimile transmission. If mailed, the notice is deemed delivered when deposited in the U.S. Mail addressed to the Member at the address shown on the Association's records. If transmitted by facsimile, the notice is deemed delivered on successful transmission of the facsimile.

10.3 WAIVER OF NOTICE. Whenever any notice is required to be given to an Owner, Member, or Director, a written waiver of the notice, signed by the person entitled to such notice, whether before or after the time stated in the notice, shall be equivalent to the giving of such notice. Attendance by a Member or Director at any meeting of the Association or Board, respectively, shall constitute a waiver of notice by such Member or Director of the time, place, and purpose of such meeting. If all Members or Directors are present at any meeting of the Association or Board, respectively, no notice shall be required and any business may be transacted at such meeting.

ARTICLE 11
AMENDMENTS TO BYLAWS

11.1 AMENDMENT. These Bylaws may be amended at any time with the approval of a majority of the Directors. The Association shall provide each Member with a detailed description of any such amendment.

ARTICLE 12
GENERAL PROVISIONS

12.1 CONFLICTING PROVISIONS. If any provision of these Bylaws conflicts with any provision of the laws of the State of Texas, such conflicting Bylaws provision shall be null and void, but all other provisions of these Bylaws shall remain in full force and effect. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

12.2 SEVERABILITY. Invalidation of any provision of these Bylaws, by judgment or court order, shall in no wise affect any other provision which shall remain in full force and effect. The effect of a general statement shall not be limited by the enumerations of specific matters similar to the general.

12.3 FISCAL YEAR. The fiscal year of the Association shall be the calendar year.

12.4 WAIVER. No restriction, condition, obligation, or covenant in the Declaration or these Bylaws shall be deemed to have been abrogated or waived by reason of failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

The undersigned, pursuant to a resolution of all of the Members of the Board of Directors approving these Bylaws, has executed these Bylaws effective the _____ day of _____, 2021.

_____
Doug French

STATE OF TEXAS

COUNTY OF BRAZOS

This instrument was acknowledged before me on the _____ day of _____, 2021, by Doug French, Director of McGregor Estates Homeowners Association, Inc., a Texas non-profit corporation, on behalf of said corporation, and in the capacity herein stated.

_____
Notary Public, State of Texas

Bell County
Shelley Coston
County Clerk
Belton, Texas 76513

Instrument Number: 2021072106
As
BYLAWS

Recorded On: November 02, 2021
Parties: MCGREGOR ESTATES HOMEOWNERS ASSOCIATION INC
To MCGREGOR ESTATES SUBDIVISION
Comment:

Billable Pages: 18
Number of Pages: 19

(Parties listed above are for Clerks' reference only)

**** Examined and Charged as Follows ****

CLERKS RMF:	$5.00
COURT HOUSE SECURITY:	$1.00
RECORDING:	$73.00

Total Fees:

********** DO NOT REMOVE. THIS PAGE IS PART OF THE INSTRUMENT **********

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

File Information

Instrument Number:	2021072106
Receipt Number:	237722
Recorded Date/Time:	11/02/2021 9:53:02 AM
User / Station:	mulholmr - BCCCD0640

Record and Return To:

BRYAN HANNA
WEST WEBB ALLBRITTON & GENTRY
1515 EMERALD PLAZA
COLLEGE STATION, TX 77845

THE STATE OF TEXAS * BELL COUNTY *

I hereby certify that this instrument was filed on the date and time stamped hereon and was duly recorded in the Real Property Records in Bell County, Texas

Shelley Coston
Bell County Clerk

Shelley Coston