



EXHIBIT "A"

CERTIFICATE OF FORMATION

ER 076-74-0069

HARDY YARDS PROPERTY OWNERS ASSOCIATION, INC.  
BYLAWS

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



Carlos H. Cascos  
Secretary of State

## Office of the Secretary of State

### CERTIFICATE OF FILING OF

Hardy Yards Property Owners Association, Inc.  
File Number: 802330720

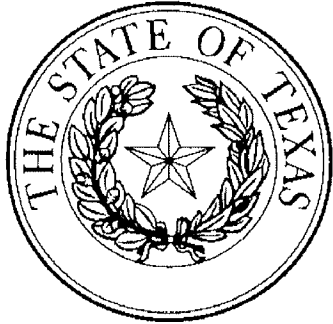
The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Nonprofit Corporation has been received in this office and has been found to conform to the applicable provisions of law.

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

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

Dated: 11/13/2015

Effective: 11/13/2015



A handwritten signature in black ink, appearing to read "Cascos" followed by a horizontal line.

Carlos H. Cascos  
Secretary of State

Phone: (512) 463-5555  
Prepared by: Virginia Tobias

*Come visit us on the internet at <http://www.sos.state.tx.us/>*

Fax: (512) 463-5709  
TID: 10306

Dial: 7-1-1 for Relay Services  
Document: 640485400002

HARDY YARDS PROPERTY OWNERS ASSOCIATION, INC.  
BYLAWS

ER 076-74-0070

Form 202

Secretary of State  
P.O. Box 13697  
Austin, TX 78711-3697  
FAX: 512/463-5709



**Certificate of Formation  
Nonprofit Corporation**

Filed in the Office of the  
Secretary of State of Texas  
Filing #: 802330720 11/13/2015  
Document #: 640485400002  
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Filing Fee: \$25

**Article 1 - Corporate Name**

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

**Hardy Yards Property Owners Association, Inc.**

**Article 2 - Registered Agent and Registered Office**

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

OR

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

Name:

**M. TIMOTHY CLARK**

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

Street Address:

**1601 S. MOPAC EXPRESSWAY  
SUITE 175 AUSTIN TX 78746**

**Consent of Registered Agent**

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

OR

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

**Article 3 - Management**

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

OR

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

Director 1: **M. TIMOTHY CLARK**

Title: **Director**

Address: **1601 S. MOPAC EXPRESSWAY SUITE 175 AUSTIN TX, USA 78746**

Director 2: **DALY KATHLEEN**

Title: **Director**

Address: **1601 S. MOPAC EXPRESSWAY SUITE 175 AUSTIN TX, USA 78746**

Director 3: **BRENT HEATH**

Title: **Director**

Address: **1601 S. MOPAC EXPRESSWAY SUITE 175 AUSTIN TX, USA 78746**

**Article 4 - Organization Structure**

A. The corporation will have members.

or

B. The corporation will not have members.

**Article 5 - Purpose**

The corporation is organized for the following purpose or purposes:

**The Association is organized in accordance with, and shall operate for nonprofit purposes pursuant to, the Texas Business Organizations Code, and does not**

HARDY YARDS PROPERTY OWNERS ASSOCIATION, INC.

BYLAWS

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contemplate pecuniary gain or profit to its members. The Association is formed for the purpose of exercising all of the powers and privileges, and performing all of the duties and obligations, of the Association as set forth in that certain Master Declaration of Covenants, Conditions and Restrictions Hardy Yards, recorded under Document Number 20150088214 in the Official Public Records of Harris County, Texas (as the same may be amended from time to time, the Master Declaration). Without limiting the generality of the foregoing, the Association is organized for the following general purposes:

- (a) to fix, levy, collect, and enforce payment by any lawful means all charges or assessments arising pursuant to the terms of the Master Declaration;
- (b) to pay all expenses incident to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the Associations property; and
- (c) to have and to exercise any and all powers, rights, and privileges which a corporation organized under the Texas Business Organizations Code may now, or later, have or exercise.

The above statement of purposes shall be construed as a statement of both purposes and powers. The purposes and powers stated in each of the clauses above shall not be limited or restricted by reference to, or inference from, the terms and provisions of any other such clause, but shall be broadly construed as independent purposes and powers.

#### Supplemental Provisions / Information

#### ARTICLE VII VOTING RIGHTS

Voting rights of the members of the Association shall be determined as set forth in the Master Declaration. No owner, other than the Declarant under the Master Declaration, shall be entitled to vote at any meeting of the Association until such owner has presented to the Association evidence of ownership of a qualifying property interest in the Property. The vote of each owner may be cast by such owner or by proxy given to such owners duly authorized representative.

#### ARTICLE X LIMITATION OF DIRECTOR LIABILITY

A director of the Association shall not be personally liable to the Association for monetary damages for any act or omission in his capacity as a director, except to the extent otherwise expressly provided by a statute of the State of Texas. Any repeal or modification of this Article shall be prospective only, and shall not adversely affect any limitation of the personal liability of a director of the Association existing at the time of the repeal or modification.

#### ARTICLE XI INDEMNIFICATION

Each person who acts as a director or officer of the Association shall be indemnified by the Association against any costs, expenses and liabilities which may be imposed upon or reasonably incurred by him in connection with any civil or criminal action, suit or proceeding in which he may be named as a party defendant or in which he may be a witness by reason of his being or having been such director or officer or by reason of any action alleged to have been taken or omitted by him in either such capacity. Such indemnification shall be provided in the manner and under the terms, conditions and limitations set forth in the Bylaws of the Association.

**ARTICLE XII DISSOLUTION**

The Association may be dissolved with the written and signed assent of not less than ninety percent (90%) of the total number of votes of the Association, as determined under the Master Declaration. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed, and assigned to any nonprofit corporation, association, trust, or other organization to be devoted to such similar purposes.

**ARTICLE XIII ACTION WITHOUT MEETING**

To the fullest extent permitted by applicable law, any action required by law to be taken at any annual or special meeting of the members of the Association, or any action that may be taken at any annual or special meeting of the members of the Association, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the number of members having the total number of votes of the Association necessary to enact the action taken, as determined under the Master Declaration or this Certificate of Formation.

**ARTICLE XIV AMENDMENT**

Amendment of this Certificate of Formation shall be by proposal submitted to the membership of the Association. Any such proposed amendment shall be adopted only upon an affirmative vote by the holders of a minimum of two-thirds (2/3) of the total number of votes of the Association. In the case of any conflict between the Master Declaration and this Certificate of Formation, the Master Declaration shall control; and in the case of any conflict between this Certificate of Formation and the Bylaws of the Association, this Certificate of Formation shall control.

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

**Effectiveness of Filing**

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

OR

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

**Organizer**

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

**JOSHUA D. BERNSTEIN      300 W. 6TH STREET, SUITE 2050, AUSTIN TX 78701**

**Execution**

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

**Joshua D. Bernstein**

Signature of organizer.

FILING OFFICE COPY

ER 076-74-0073

EXHIBIT "B"

BYLAWS

OF

HARDY YARDS PROPERTY OWNERS ASSOCIATION, INC.  
(a Texas non-profit corporation)

*City of Houston, Harris County, Texas*

ER 076-74-0074

BYLAWS

OF

HARDY YARDS PROPERTY OWNERS ASSOCIATION, INC.

Article 1

Name, Principal Office, and Definitions

1.01. **Name.** The name of the Association shall be Hardy Yards Property Owners Association, Inc., a Texas non-profit corporation (hereinafter referred to as the “**Association**”).

1.02. **Principal Office.** The principal office of the Association shall be located in Harris County, Texas.

1.03. **Definitions.** The words used in these Bylaws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in that Master Declaration of Covenants, Conditions and Restrictions – Hardy Yards, recorded in the Official Public Records of Harris County, Texas, as may be amended and supplemented from time to time (the “**Master Declaration**”), unless the context indicates otherwise.

1.04. **Voting Groups.** As more particularly described in the Master Declaration, Voting Groups may be established by the Declarant on or before expiration of the Development and Sale Period. If Voting Groups are established, then until such time as the Board first calls for election of a Voting Delegate for a particular Voting Group as provided in the Master Declaration, each Owner of a Unit in such Voting Group may personally cast the vote allocated to such Owner’s Unit. In addition, if Voting Groups are established, and upon the election of a Voting Group Delegate for a particular Voting Group, that Voting Group Delegate attends Association meetings and casts all votes allocated to Units in the Voting Group unless otherwise provided in the Governing Documents.

Article 2

Association: Membership, Meetings, Quorum, Voting, Proxies

2.01. **Membership.** Each Owner of a Unit is a mandatory Member of the Association, as more fully set forth in the Master Declaration, the terms of which pertaining to membership are incorporated herein by reference.

2.02. **Place of Meetings.** Meetings of the Association may be held within the Community or at such other place designated by the Board.

2.03. **Annual Meetings.** An annual meeting of the Association with such frequency as is required under applicable law on a date and at a time determined by the Board.

2.04. **Special Meetings.** It is the duty of the president to call a special meeting of the Association if directed to do so by a majority of the Board or by a petition signed by: (i) Voting Group

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Delegates representing sixty percent (60%) of the total votes in the Association; or (ii) if Voting Groups are not established, Members representing at least forty percent (40%) of the votes in the Association. The meeting must be held within thirty (30) days after the Board resolution or receipt of petition. The notice of any special meeting must state the time, place, and purpose of the meeting. No business, except the purpose stated in the notice of the meeting, may be transacted at a special meeting.

**2.05. Notice of Meetings.** At the direction of the Board, written notice of meetings of the Association will be given to each Member or Voting Group Delegate, as applicable, at least ten (10) days but not more than sixty (60) days prior to the meeting. Notices of meetings will state the date, time, and place the meeting is to be held. Notices will identify the type of meeting as annual or special, and will state the particular purpose of a special meeting. Notices may also set forth any other items of information deemed appropriate by the Board. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member or Voting Group Delegate at such party's address as it appears on the records of the Association, with postage prepaid.

**2.06. Waiver of Notice.** Waiver of notice of a meeting of Member or Voting Group Delegate, as applicable, shall be deemed the equivalent of proper notice. Any Member or Voting Group Delegate may, in writing, waive notice of any meeting, either before or after such meeting. Attendance at a meeting shall be deemed waiver by such Person of notice of the time, date, and place thereof, unless such Person specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall be deemed waiver of notice of all business transacted at such meeting unless an objection is raised based on the lack of proper notice before the business is put to a vote.

**2.07. Adjournment of Meetings.** If any Association meeting cannot be held because a quorum is not present, a majority of the Members or Voting Group Delegates, as applicable, who are present at such meeting may adjourn the meeting to a time not less than five (5) or more than sixty (60) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business may be transacted which might have been transacted at the meeting originally called. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members or Voting Group Delegates, as applicable, in the manner prescribed for regular meetings.

**2.08. Voting.** The voting rights of the Members and Voting Group Delegates are set forth in the Master Declaration, and such voting right provisions are specifically incorporated herein by reference. The vote of Members or Voting Group Delegates representing at least a majority of the votes cast at any meeting at which a quorum is present binds all Members and Voting Group Delegates for all purposes, except when a higher percentage is required by the Governing Documents. Cumulative voting is prohibited.

**2.09. Proxies.** Voting Group Delegates may not vote by proxy; rather, Voting Group Delegates may only vote in person or through their designated alternates (or through any other method of exercising their voting rights, if approved by the Board pursuant to *Section 4.4* of the Master Declaration). On any matter as to which a Member is entitled personally to cast the vote for his Unit, or if Voting Groups are not established, such vote may be cast in person (or through any other method of

exercising the Member's voting rights, if approved by the Board pursuant to *Section 4.4* of the Master Declaration) or by proxy, subject to the limitations of Texas law relating to use of general proxies and subject to any specific provision to the contrary in the Master Declaration or these Bylaws. No proxy shall be valid unless signed by the Member for which it is given or his duly authorized attorney-in-fact, dated, and filed with the Secretary of the Association prior to the meeting for which it is to be effective. Proxies shall be valid only for the specific meeting for which given and for lawful adjournments of such meeting. In no event shall a proxy be valid more than ninety (90) days after the date of the original meeting for which it was given. Every proxy shall be revocable and shall automatically cease upon conveyance of the Unit for which it was given.

**2.10. Quorum.** Except as provided in these Bylaws or in the Master Declaration, the presence of the Voting Group Delegates representing sixty percent (60%) of the total votes in the Association shall constitute a quorum at all Association meetings. If Voting Groups are not established, then at any meeting of the Association, the presence in person or by proxy of Members representing at least thirty percent (30%) of the votes in the Association constitutes a quorum.

**2.11. Conduct of Meetings.** The President shall preside over all Association meetings, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

**2.12. Action without a Meeting.** Any action required or permitted by law to be taken at a meeting of the Members or Voting Group Delegates may be taken without a meeting, without prior notice, and without a vote if written consent specifically authorizing the proposed action is signed by the Members or Voting Group Delegates holding at least the minimum number of votes necessary to authorize such action at a meeting if all Members or Voting Group Delegates entitled to vote thereon were present. Such consents shall be signed within sixty (60) days after receipt of the earliest dated consent, dated, and delivered to the Association at its principal place of business in Texas. Such consents shall be filed with the minutes of the Association and shall have the same force and effect as a vote of the Members or Voting Group Delegates at a meeting. Within ten (10) days after receiving authorization for any action by written consent, the Secretary shall give written notice to all Members or Voting Group Delegates entitled to vote who did not give their written consent, fairly summarizing the material features of the authorized action.

**Article 3**  
**Board of Directors**

**3.01. Composition and Number.**

**(a) Governing Body; Composition.** The Association's affairs shall be governed by the Board, with each Director being entitled to cast one equal vote. The Board shall have the authority to delegate any of its duties to agents, employees, or others; provided, in the event of such delegation, the Board shall remain responsible for any action undertaken by such delegate. The Directors need not be Members of the Association during the Development and Sale Period. Upon expiration of the Development and Sale Period, the directors must be Members. In the case of a Member which is not a natural person, any officer, director, partner, or trust officer of such Member shall be eligible to serve as a director unless otherwise specified by written notice

to the Association signed by such Member; provided, no Member may have more than one such representative on the Board at a time, except in the case of directors appointed by the Declarant during the Development and Sale Period.

**(b) Number of Directors.** There shall be three (3) directors of the Association until expiration of the Development and Sale Period. Upon expiration of the Development and Sale Period, there shall be five (5) directors of the Association.

**3.02. Appointment and Election Procedures.** Until the expiration of the Development and Sale Period, the Board will consist of three (3) Persons appointed by the Declarant in accordance with the terms of the Master Declaration. Upon expiration of the Development and Sale Period, the Board will be elected by the Voting Group Delegates, or, if Voting Groups have not been established, the Members, as follows: (i) three (3) Persons will be elected for a term of two (2) years; and (ii) the two (2) Persons will be elected for a term of one (1) year. Upon expiration of the term of a Director elected pursuant to this *Section 3.02*, his or her successor will be elected for a term of two (2) years. 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.

**3.03. Removal of Directors and Vacancies.** Any Director elected by the Voting Group Delegates may be removed, with or without cause, by the vote of Voting Group Delegates holding a majority of the votes entitled to be cast in the Association. If Voting Groups are not established, any Director elected by the Members may be removed, with or without cause, by the vote of Members holding a majority of the votes entitled to be cast in the Association. Any Director whose removal is sought shall be given written notice prior to any meeting called for that purpose. Upon removal of a Director, a successor shall be elected by the Voting Group Delegates or Members, as applicable. The Director so appointed will serve for the unexpired term of the Director removed pursuant to this Section. In the event of the death, disability, or resignation of a Director, the remaining Board shall declare a vacancy and shall appoint a successor to fill the vacancy for the remainder of such Director's term.

**3.04. Meetings.**

**(a) Organizational Meetings.** Within ten (10) days after each annual meeting of the Association at which Directors are elected, the Directors will convene an organizational meeting for the purpose of electing Officers. The time and place of the meeting will be fixed by the Board.

**(b) Regular Meetings.** Regular Board meetings may be held at such time and place as a majority of the Directors shall determine, but at least one (1) such meeting shall be held during each fiscal year.

**(c) Special Meetings.** Special Board meetings shall be held when called by written notice signed by the President or by any two Directors.

**(d) Notices; Waiver of Notice.**

(i) Notices of the Board meetings shall specify the time and place of the meeting and, in the case of a special meeting, the nature of any special business to be considered. The notice shall be given to each director by: (i) personal delivery; (ii) first class mail, postage prepaid; (iii) telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or (iv) facsimile, electronic mail, the Internet, or other means of electronic communication, with confirmation of transmission.

(ii) All such notices shall be given at the Director's telephone number, fax number, electronic mail address, or sent to the Director's address as shown on the Association's records. Notices of special meetings of the Board shall also be posted in a prominent place within the Community. Notices sent by first class mail shall be deposited into a United States mailbox at least four business days before the time set for the meeting. Notices given by personal delivery, telephone, or other device shall be delivered or transmitted at least seventy-two (72) hours before the time set for the meeting.

(iii) The transactions of any Board meeting, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if a quorum is present.

(e) **Participation in Meetings.** Members of the Board or any committee designated by the Board may participate in a meeting of the Board or committee by means of conference telephone, video or similar communications equipment, by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.

(f) **Quorum of Board of Directors.** At all Board meetings, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board, unless otherwise specifically provided in these Bylaws or the Master Declaration. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the Directors present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date of the original meeting. At the reconvened meeting, if a quorum is present, any business that might have been transacted at the meeting originally called may be transacted without further notice.

(g) **Conduct of Meetings.** The President shall preside over all meetings of the Board, and the Secretary shall keep a minute book of the Board meetings, recording all Board resolutions and all transactions and proceedings occurring at such meetings.

(h) **Open Meetings.** All meetings of the Board shall be open to all Members and residents of the Community and, if required by law, all Members, but attendees other than

directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director. In such case, the President may limit the time any such individual may speak. Notwithstanding the above, the President may adjourn any meeting of the Board and reconvene in executive session, and may exclude persons other than Directors, to discuss matters of a sensitive nature, such as pending or threatened litigation, or personnel matters.

(i) **Action Without a Formal Meeting.** Any action to be taken at a meeting of the Directors or any action that may be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Directors, and such consent shall have the same force and effect as a unanimous vote.

**3.05. Powers and Duties.**

(a) **Powers.** The Board shall have all of the powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the Governing Documents, and as provided by law. The Board may do or cause to be done all acts and things that the Governing Documents, or Texas law do not direct to be done and exercised exclusively by the Voting Group Delegates or the Members generally.

(b) **Duties.** The Board's duties shall include, without limitation:

(i) Preparation and adoption of the annual budgets and establishing Assessments under the Master Declaration;

(ii) Providing for the operation, care, upkeep, and maintenance of the Master Community Facilities;

(iii) Designating, hiring, and dismissing the personnel necessary to carry out the rights and responsibilities of the Association and where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(iv) Depositing all funds received on the Association's behalf in a bank depository that it shall approve, and using such funds to operate the Association; provided, any reserve fund may be deposited, in the directors' best business judgment, in the depositories other than banks;

(v) Making and amending rules and regulations;

(vi) Opening bank accounts on the Association's behalf and designating the signatories required;

(vii) Making or contracting for the making of repairs, additions, and improvements to or alterations of the Master Community Facilities in accordance with the Governing Documents and these Bylaws;

(viii) Enforcing by legal means the provisions of the Governing Documents and bringing any proceedings which may be instituted on behalf of or against the Members concerning the Association; provided, the Association shall not be obligated to take action to enforce any covenant, restriction, or rule which the Board in the exercise of its business judgment determines is, or is likely to be construed as, inconsistent with applicable law, or in any case in which the Board reasonably determines that the Association's position is not strong enough to justify taking enforcement action;

(ix) Obtaining and carrying insurance, as provided in the Master Declaration, providing for payment of all premiums, and filing and adjusting claims, as appropriate;

(x) Paying the cost of all services rendered to the Association or its Members and not chargeable directly to specific Members;

(xi) Keeping books with detailed accounts of the Association's receipts and expenditures;

(xii) Making available to any prospective purchaser of a Unit, any Member, and the holders, insurers, and guarantors of any Mortgage on any Unit, current copies of the Governing Documents and all other books, records, and financial statements of the Association;

(xiii) Permitting utility suppliers to use portions of the Master Common Facilities as may be determined necessary, in the Board's sole discretion, to the ongoing development or operation of the Community;

(xiv) Indemnifying a director, officer, or committee member or former director, officer, or committee member of the Association to the extent such indemnity is required by Texas law or the Governing Documents; and

(xv) Assisting in the resolution of disputes between Members and others without litigation, as set forth in the Master Declaration.

**3.06. Management.** The Board may employ for the benefit of the Association a professional management agent or agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board may delegate such powers as are necessary to perform the manager's assigned duties but shall not delegate policymaking authority. The Board may delegate to one of its members the authority to act on behalf of the Board on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board.

**3.07. Accounts and Reports.** The following management standards of performance shall be followed unless the Board, by resolution, specifically determines otherwise:

(a) Accounting and controls should conform to generally accepted accounting principles;

(b) The Association's cash accounts shall not be commingled with any other accounts;

(c) No remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fee, services fees, prizes, gifts, or otherwise; anything of value received shall benefit the Association;

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

(e) Commencing at the end of the month in which the first Unit is sold and closed, financial reports shall be prepared for the Association at least quarterly containing:

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

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

(iii) A variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;

(iv) A balance sheet as of the last day of the preceding period;

(v) A delinquency report listing all Members who are delinquent in paying any assessments at the time of the report and describing the status of any action to collect such assessments which remain delinquent (any assessment or installment thereof shall be considered to be delinquent on the fifteenth (15<sup>th</sup>) day following the due date unless otherwise specified by Board resolution); and

(vi) An annual report consisting of at least the following shall be made available to all Members within 120 days after the close of the fiscal year; (i) a balance sheet; (ii) an operating (income) statement; and (iii) a statement of changes in financial position for the fiscal year. Such annual report shall be prepared and reviewed by an independent public accountant; provided, upon written request of any holder, guarantor or insurer of any Mortgage on a Unit, the Association shall provide an audited financial statement.

**3.08. Borrowing.** The Association shall have the power to borrow money for any legal purpose.

**3.09. Right to Contract.** The Association shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to

enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, and other Members, owners or residents, or associations.

**3.10. Enforcement.** In addition to such other rights as are specifically granted under the Master Declaration, the Board shall have the power to impose monetary fines, which shall constitute a lien upon the Unit of the violator, and to suspend a Member's right to vote or any person's right to use the Master Community Facilities (other than those facilities open to the public) for violation of any duty imposed under the Governing Documents; provided, nothing herein shall authorize the Board to limit ingress and egress to or from a Unit. In addition, the Board may suspend any services provided by the Association to a Member or the Member's Unit if the Member is more than thirty (30) days delinquent in paying any assessment or other charges owed to the Association. In the event that any occupant, guest or invitee of a Unit violates the Governing Documents and a fine is imposed, the fine may first be assessed against the occupant; provided, if the fine is not paid by the occupant within the time period set by the Board, the Member shall pay the fine upon notice from the Association. The Board's failure to enforce any provision of the Governing Documents shall not be deemed a waiver of the Board's right to do so thereafter.

(a) Prior to imposition of any sanction hereunder or under the Governing Documents, the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than thirty (30) days within which the alleged violator may present a written request for a hearing to the Board; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless the violation is cured within the thirty (30) day notice period set forth above. Any decision by the Board not to impose sanctions in connection with a violation of the Governing Documents shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person.

(b) If a timely request for a hearing is not made, the sanction stated in the notice may be imposed without the necessity of a hearing; provided, the Association may not impose a fine or suspend Master Community Facility use rights for any violation other than a failure to pay assessments, unless the Board, by a majority vote, first approves the proposed fine or suspension.

(c) If a hearing is requested within the allotted thirty (30) day period, the hearing shall be held before the Board in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall 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 such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

**3.11. Additional Enforcement Rights.** Notwithstanding anything to the contrary in this Article, the Board may elect to enforce any provision of the Governing Documents by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or, following compliance with the procedures set forth in the Master Declaration, if



applicable, by any proceeding at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Member or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

**Article 4**  
**Officers**

**4.01. Officers.** The Association's officers shall be a President, a Secretary, and a Treasurer. Officers may, but need not, be Board members. The Board may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties as the Board prescribes. Any two or more offices may be held by the same person, except the offices of President and Secretary.

**4.02. Removal and Vacancies.** The Board may remove any officer whenever in its judgment the Association's best interests will be served, and may fill any vacancy in any office arising because of death, resignation, removal or otherwise, for the unexpired portion of the term.

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

**4.04. Resignation.** Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Article 5**  
**Committees**

**5.01. General.** The Board may appoint such committees as it deems appropriate to perform such tasks and functions as the Board may designate by resolution. Committee members serve at the Board's discretion for such periods as the Board may designate by resolution; provided, any committee member, including committee chair, may be removed by the vote of a majority of the Board. Each committee shall operate in accordance with the terms of the resolution establishing such committee.

**5.02. Service Area Committees.** In addition to any other committees appointed as provided above, for each Service Area that has no formal organizational structure a Service Area Committee may be created by the Board to determine the nature and extent of services, if any, to be provided to the Service Area by the Association in addition to those provided to all Members in accordance with the Master Declaration. A Service Area Committee may advise the Board on any other issues but shall not have the authority to bind the Board. Such Service Area Committees shall consist of three to five

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Members or residents from the Service Area to which the committee will have jurisdiction. Service Area Committee members shall be elected for a term of one year or until their successors are elected, or such other term as may be permitted under a Supplemental Covenant governing the Service Area. Any director elected to the Board from a Service Area shall be an *ex officio* member of the Committee. In the conduct of its activities, each Service Area Committee shall abide by the notice and quorum requirements applicable to the Board.

**Article 6**  
**Miscellaneous**

**6.01. Fiscal Year.** The fiscal year of the Association will be set by resolution of the Board, and is subject to change from time to time as the Board determines. In the absence of a resolution by the Board, the fiscal year is the calendar year.

**6.02. Conflicts.** If there are conflicts among the provisions of Texas law, the Certificate of Formation, the Master Declaration, and these Bylaws, the provisions of Texas law, the Master Declaration, the Certificate of Formation, and the Bylaws (in that order) shall prevail.

**6.03. Books and Records.**

(a) **Inspection by Members and Mortgagees.** The Board shall make available for inspection and copying by any holder, insurer, or guarantor of a first Mortgage on a Unit; any Member; or the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in a Unit: the Master Declaration, Bylaws, and Certificate of Formation, including any amendments, the rules of the Association, the membership register, books of account, and the minutes of meeting of the Members, the Board, and committees. The Board shall provide for such inspection to take place at the office of the Association or at such other place within the Community as the Board shall designate.

(b) **Rules for Inspection.** The Board shall establish rules with respect to:

- (i) Notice to be given to the custodian of the records;
- (ii) Hours and days of the week when such an inspection may be made; and
- (iii) Payment of the cost of reproducing copies of documents requested.

(c) **Inspection by Directors.** Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make a copy of relevant documents at the Association's expense.

**6.04. Notices.** Unless otherwise provided in these Bylaws, all notices, demands, bills, statements, or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid: if to a Member, resident or Voting Group Delegate, at the address which the Member, resident or Voting Group Delegate has designated in writing and filed with the Secretary or, if no such address has

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been designated, at the address of the Unit of such Member or Voting Group Delegate; or if to the Association, the Board, or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

**6.05. Amendment.** These Bylaws may be amended by a majority of the Board.

**6.06. Indemnification.** To the fullest extent permitted by applicable law, the Association will indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that such person is or was a director, officer, committee member, including the Reviewer, employee, servant, or agent of the Association against expenses (including attorney's fees, judgments, fines, and amounts paid in settlement) actually and reasonably incurred by such person in connection with such action, suit or proceeding if it is found and determined by the Board or a court that such person: (i) acted in good faith; (ii) in the case of conduct by a person in his official capacity, acted in a manner which such person reasonably believed to be in, or not opposed to, the best interests of the Association; (iii) in the case of conduct by a person not in his official capacity, acted in a manner which such person reasonably believed to be not opposed to the best interests of the Association; and (iv) with respect to any criminal action or proceeding, had no reasonable cause to believe such conduct was unlawful. The termination of any action, suit, or proceeding by settlement, or upon a plea of Nolo Contendere or its equivalent, will not of itself create a presumption that the person did not act in good faith or in a manner reasonably believed to be in, or not opposed to, the best interests of the Association, or, with respect to any criminal action or proceeding, had reasonable cause to believe that such conduct was unlawful.

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# Pages 20  
12/02/2015 08:55 AM  
e-Filed & e-Recorded in the  
Official Public Records of  
HARRIS COUNTY  
STAN STANART  
COUNTY CLERK  
Fees \$88.00

RECORDERS MEMORANDUM

This instrument was received and recorded electronically and any blackouts, additions or changes were present at the time the instrument was filed and recorded.

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.  
THE STATE OF TEXAS  
COUNTY OF HARRIS

I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me; and was duly RECORDED in the Official Public Records of Real Property of Harris County, Texas.



*Stan Stanart*

COUNTY CLERK  
HARRIS COUNTY, TEXAS

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