

**CERTIFICATE OF FORMATION
OF
SENDERA ESTATES HOMEOWNERS ASSOCIATION**

ARTICLE 1

NAME

The name of the Corporation is SENDERA ESTATES HOMEOWNERS ASSOCIATION.

ARTICLE 2

NONPROFIT CORPORATION

The Corporation is a nonprofit corporation. Upon dissolution, all of the Corporation's assets shall be distributed only for tax-exempt purposes to one or more organizations that are exempt under Section 501 (c)(3) of the Internal Revenue Code or described by Section 170 (c)(1) or (2) of the Internal Revenue Code in a way to best accomplish the general purposes for which the Corporation was organized.

ARTICLE 3

DURATION

The Corporation shall continue until dissolved as provided by law.

ARTICLE 4

PURPOSES

The purposes for which the Corporation is organized is to serve as the homeowners association for Sendera Estates Subdivision in Victoria County, Texas and to preserve and enforce architectural control and the deed restrictions applicable to the lots in that same subdivision.

ARTICLE 5

POWERS

Subject to the limitations in this Certificate of Formation, the Corporation shall have the authority to take any action it deems to be necessary, appropriate, or convenient relating to the management of the Corporation, including, but not limited to, the powers to:

1. Make and alter bylaws.
2. Purchase, receive, lease, or otherwise acquire, own, hold, improve, use, or otherwise deal in any interest in real or personal property wherever situated.
3. Sell, convey, exchange, convert, grant an option, assign, build, manage, operate, control, or otherwise dispose of Corporation property.
4. Partition, divide, subdivide, assign, develop, and improve Corporation property.
5. Make or obtain the vacation of plats, adjust boundaries, adjust differences in valuation on exchange or partition, and dedicate easements for public use, of Corporation property, with or without consideration.
6. Make ordinary and extraordinary repairs and alterations in buildings, demolish improvements, raze party walls or buildings, and erect party walls or buildings on Corporation property.
7. Lease Corporation property for any legal purpose, and enter into any covenants and agreements relating to the leased property or any improvements that may be erected on the property.

8. Carry, at the expense of the Corporation, insurance or make other arrangements for payment of liabilities to protect the Corporation or the directors, officers, members, agents, and employees of the Corporation, or persons serving at the request of the Corporation as representatives of another enterprise, provided that the terms of the insurance or other arrangements are consistent with the provisions of Texas statutes.
9. Make donations for the public welfare, or charitable, scientific, or educational purposes, and in time of war, make donations in aid of war activities.
10. Abandon any Corporation asset.
11. Elect or appoint officers and agents for any period of time, and define their duties.
12. Employ an attorney, investment adviser, accountant, broker, tax specialist, or any other agent, and pay reasonable compensation for all services performed by any of them as a Corporation expense.
13. Commence or defend any litigation in the corporate name with respect to the Corporation or any Corporation property, at the expense of the Corporation.
14. Do all acts, take part in any proceedings, and exercise all rights and privileges as could an absolute owner of Corporation property, subject to any limitations expressly stated in this Certificate of Formation. The enumeration of powers in this Certificate of Formation shall not limit the general or implied powers of the Corporation or any additional powers provided by law.

ARTICLE 6

RESTRICTIONS AND REQUIREMENTS

The Corporation shall not pay dividends or other corporate income to its members, directors, or officers or otherwise accrue distributable profits or permit the realization of private gain. The Corporation shall have no power to take any action prohibited by the Act.

The Corporation shall have no power to take any action that would be inconsistent with the requirements for a tax exemption under Internal Revenue Code § 501(c)(3) and related regulations, rulings, and procedures. The Corporation shall have no power to take any action that would be inconsistent with the requirements for receiving tax deductible charitable contributions under Internal Revenue Code § 170(c)(2) and related regulations, rulings, and procedures. Regardless of any other provision in this Certificate of Formation or state law, the Corporation shall have no power to:

1. Engage in activities or use its assets in manners that are not in furtherance of one or more exempt purposes, as set forth above and defined by the Internal Revenue Code and related regulations, rulings, and procedures, except to an insubstantial degree.
2. Serve a private interest other than one that is clearly incidental to an overriding public interest.
3. Devote more than an insubstantial part of its activities to attempting to influence legislation by propaganda or otherwise, except as provided by the Internal Revenue Code and related regulations, rulings, and procedures.
4. Participate in or intervene in any political campaign on behalf of or in opposition to any candidate for public office. The prohibited activities include the publishing or distributing of statements and any other direct or indirect campaign activities.
5. Have objectives that characterize it as an "action organization" as defined by the Internal Revenue Code and related regulations, rulings, and procedures.
6. Distribute its assets on dissolution other than for one or more exempt purposes; on dissolution, the Corporation's assets shall be distributed in accordance with Article 2 above.
7. Permit any part of the net earnings of the Corporation to inure to the benefit of any private shareholder or member of the Corporation or any private individual.

8. Carry on an unrelated trade or business except as a secondary purpose related to the Corporation's primary, exempt, purposes.

ARTICLE 7

MEMBERSHIP

The Corporation shall have one class of members as provided in the bylaws of the Corporation.

ARTICLE 8

INITIAL REGISTERED OFFICE AND AGENT

The street address of the initial registered office of the Corporation is 101 W. Goodwin, Suite 700, Victoria, TX 77901. The name of the initial registered agent at this office is J. Milton Chapman.

ARTICLE 9

BOARD OF DIRECTORS

The qualifications, manner of selection, duties, terms, and other matters relating to the Board of Directors (referred to as the "Board of Directors") shall be provided in the bylaws. The initial Board of Directors shall consist of three (3) persons. The number of directors may be increased, but not decreased. The initial Board of Directors are:

Cory Grunewald, 352 Sendera Loop, Victoria, TX 77904
Greg Cummings, 207 Champions Row, Victoria, TX 77904
Darren Drake, 824 Sendera Loop, Victoria, TX 77904

ARTICLE 10

LIMITATION ON LIABILITY OF DIRECTORS

A director is not liable to the Corporation or members for monetary damages for an act or omission in the director's capacity as director except to the extent otherwise provided by a statute of the State of Texas.

ARTICLE 11

INDEMNIFICATION

The Corporation may indemnify a person who was, is, or is threatened to be made a named defendant or respondent in litigation or other proceedings because the person is or was a director or other person related to the Corporation as provided by the provisions in the Act governing indemnification. As provided in the bylaws, the Board of Directors shall have the power to define the requirements and limitations for the Corporation to indemnify directors, officers, members, or others related to the Corporation.

ARTICLE 12

CONSTRUCTION

All references in these Articles of Incorporation to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time.

ARTICLE 13

INCORPORATOR

The name and street address of the incorporator is:

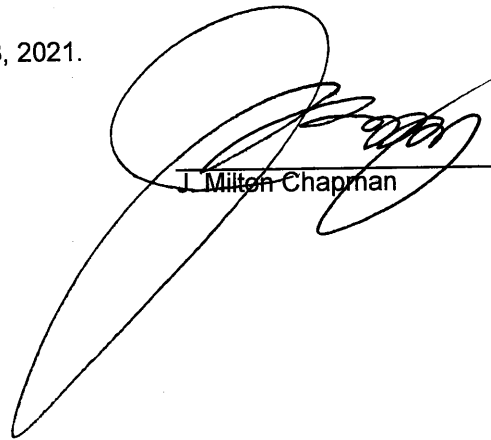
Name of Incorporator

Street Address

J. Milton Chapman

101 W. Goodwin, Suite 700, Victoria, TX 77901

Executed February 18, 2021.



J. Milton Chapman

BYLAWS
OF
SENDERA ESTATES HOMEOWNERS ASSOCIATION

ARTICLE I.

GENERAL

SENDERA ESTATES HOMEOWNERS ASSOCIATION is the "Association" described within the "Restrictions" instruments (the "Declaration") pertaining to SENDERA ESTATES SUBDIVISION in the County of Victoria, State of Texas, such instruments being recorded in the Official Records of Victoria County, Texas and incorporated herein by reference for all purposes.

ARTICLE II.

NAME, DEFINITIONS, MEMBERSHIP AND VOTING RIGHTS

Section 1. Name. The name of the Association shall be SENDERA ESTATES HOMEOWNERS ASSOCIATION (herein sometimes referred to as the "Association").

Section 2. Definitions. Certain words used in these Bylaws shall have the same meaning as set forth in the restrictions covering the Properties, some of which are set forth below either in their entirety or in an abridged format:

"Architectural Review Committee" (sometimes referred to herein as the "ARC") shall mean and refer to that particular committee which is described and explained within Article II of the restrictions covering the Properties.

"Board" shall mean and refer to the Board of Directors of the Association.

"Bylaws" shall mean and refer to these Bylaws of the Association as they may be amended from time to time.

"Common Properties" shall mean and refer to any and all areas of land within or adjacent to the Properties which are known, described or designated as common areas, private streets, parks, recreational easements, lakes, ponds, perimeter fences and the like including without limitation those shown on any recorded subdivision plat of portions of the Properties as well as those not shown on a recorded subdivision plat but which are intended for or devoted to the common use and enjoyment of the members of the Association, together with any and all improvements that are now or that may hereafter be constructed thereon.

"Covenants" shall mean and refer to all covenants, conditions, restrictions, easements, charges and liens set forth within the restrictions covering the Properties.

"Owner" or "Member" shall mean and refer to the holder(s) of record title to the fee simple interest of any Lot whether or not such holder(s) actually reside(s) on any part of the Lot. Each Lot shall have only one vote.

"Properties" shall mean and refer to all lots within the SENDERA ESTATES AMENDED SUBDIVISION, an addition to Victoria County, Texas, as shown on the plat of said additions of record in Volume 9, Page 144-A of the Map and Plat Records of Victoria County, Texas.

Section 3. Membership. Each and every Owner of each and every lot within the Subdivision shall automatically be a Member of the Association.

ARTICLE III.

MEMBERS: MEETINGS, QUORUM, VOTING, PROXIES

Section 1. Place of Meetings. Meetings of the Members of the Association shall be at such suitable place convenient to the Members as may be designated by the Board of Directors.

Section 2. Annual Meetings. Annual meeting of the Members shall be set by the Board so as to occur in February of each calendar year for the purpose of electing directors and for the transaction of any other business as may come before the meeting.

Section 3. Special Meeting. The President may call special meetings of the Members. In addition, it shall be the duty of the President to call a special meeting of the Members of the Association if so directed by resolution of a majority of a quorum of the Board of Directors or upon a petition signed by at least twenty percent (20%) of the total votes of the Association. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to cause notices to be prepared concerning each annual or special meeting of the members of the Association, stating the purpose of any special meeting, as well as the time and place where it is to be held. Written notice of meetings of the Association will be given to an owner of each lot at least 10 days but not more than 60 days prior to the meeting. Notices will identify the type of meeting as annual or special.

Within 30 days after the board resolution setting a meeting or receipt of a petition to call a meeting, the Board must give all members notice of the special meeting. If the Board fails or refuses to call a special meeting in a timely manner, an ad hoc committee of owners may do so provided the notice of meeting names the ad hoc committee and its individual members and further provided that the notice is delivered to an owner of every lot in accordance with these Bylaws.

Section 5. Waiver of Notice. Waiver of notice of any meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member shall be deemed waiver by such Member of notice of the time, date and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

Section 6. Quorum. Except as otherwise provided in these Bylaws or in the Declaration, the presence in person or by proxy of Owners holding at least thirty three percent (33%) of the total votes of the Association shall constitute a quorum at all meetings of the Association. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal, during the course of the meeting, of enough Members to leave less than a quorum.

Additionally, for purposes of establishing a quorum on a special item to be voted on, absentee ballots and electronic ballots (the latter being those given by email or fax for which the identity of the property owner submitting the ballot can be confirmed) may be counted as an owner present and voting, but only if the absentee or electronic ballot contains each proposed special item action and provides an opportunity to vote for or against each proposed special item action and contains the following language: "By casting your vote via absentee ballot, you will forgo the opportunity to consider and vote on 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 the exact language of a special item to be voted on was amended at the meeting to be different from the exact language on the absentee or electronic ballot, said ballot may not be counted to establish a quorum. Also absentee or electronic ballots may not be counted if the person casting the ballot actually attends the meeting to vote in person.

Section 7. Adjournment of Meetings. If any meetings of the Members of the Association cannot be held because a quorum is not present, a majority of the Members who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At such subsequent meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for the subsequent meeting is not fixed by those in attendance at the original meeting, or if for any reason a new date is fixed for the subsequent meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to the Members in the manner prescribed for regular meetings.

Section 8. Voting.

(a) The vote of the members representing at least a majority of the votes cast at any meeting at which a quorum is present shall constitute the decision of the members and bind all members for all purposes, except when a higher percentage is required by these Bylaws, the Declaration, or by applicable law. No Member can be disqualified from voting in an Association

vote or election for any reason, including no Member can be denied to right to vote for their failure to pay their Association' assessments in full.

(b) If a lot is owned by more than one member, the one vote appurtenant to that lot is cast as follows:

If only one of the multiple owners of a lot is present at a meeting of the Association, that person may cast the one vote allocated to the lot. If more than one of the multiple owners is present, the one vote allocated to the 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 a lot and none of the other owners makes prompt protest to the person presiding over the meeting.

(c) Members may alternatively vote by absentee ballot or electronic ballot in accordance with Section 6 above.

(d) All votes cast in an election or vote by a member must be in writing and signed by the member except for uncontested elections of directors. A person who is a candidate or who is otherwise the subject of an Association vote, or a person related to that person within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code, may not tabulate or otherwise be given access to the ballots cast in that election or vote except as allowed by law. A person other than a person described in the previous sentence may tabulate votes but may not disclose to any other person how an individual voted.

Section 9. Proxies. At all meetings of the Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon loss of good standing by any such Member or upon receipt of notice by the Secretary of the Board of the death or judicially declared incompetence of a Member or upon the expiration of eleven (11) months from the date of the proxy. A form of proxy or written ballot may provide an opportunity to specify approval or disapproval with respect to any proposal.

Section 10. Conduct of Meetings. The President (or, in the absence of the President, a Vice-President) shall preside over all meetings of the Association, and the Secretary or an Assistant 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 thereat.

ARTICLE IV

BOARD OF DIRECTORS: NUMBER, ELECTION, POWERS, MEETINGS

Section 1. Governing Body: Composition. The affairs of the Association shall be governed by a Board of Directors. The Directors shall be Members or spouses of such Members; provided, however, no person who cohabits at the same primary residence with another Board member may serve on the Board at the same time.

Section 2. Number of Directors. The affairs of the Association shall be managed by a board of five (5) individuals elected by the Members.

Except for the initial Board, Directors shall be elected for three year terms of office and shall serve until their respective successors are elected and qualified. The initial Board shall consist of two directors having a 3 year term, two directors having a 2 year term, and one director having a 1 year term. A director whose term ends may be re-elected to the Board.

Section 3. Nomination of Directors. Prior to each annual meeting of Members, the Board shall prescribe:

- (a) the opening date and the closing date of a reasonable filing period in which each and every Member who has a bona-fide interest in serving as a Director may file as a candidate for such position;
- (b) that each and every Member who has properly filed shall be included within the ballot;
- (c) that where three (3) or more candidates are vying for one position, election may occur by a plurality (rather than a simple majority) of the votes cast;
- (d) such other rules and regulations which may then be appropriate to conduct the nomination and election of directors in a fair, efficient and cost-effective manner. Each candidate shall be given a reasonable, uniform opportunity to communicate their qualifications to the Members and to solicit votes.

Section 4. Election. Directors will be elected by the members of the Association. The election of directors will be conducted at the annual meeting of the Association, at a special meeting called for that purpose or by any other method permitted by law.

Section 5. Vacancies. Subject to the exception below, vacancies on the Board caused by any reason are filled by a vote of the majority of the remaining directors, even though less than a quorum, at any meeting of the board. Each director so elected serves until the next meeting of the Association's membership, at which time a successor will be elected to fill the remainder (if any) of the term that was vacated. The exception to the board-elected replacements is the removal of a director by a vote of the Association's members, who will elect a replacement.

Section 6. Removal of Directors.

(a) Removal by Members. At any annual meeting of the Association or at any special meeting of the Association called for the purpose of removing a director, any one or more of the directors may be removed with or without cause by members representing 2/3rds of the vote at which a quorum is established and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the members must be given an opportunity to be heard at the meeting.

(b) Removal by Directors. A director may not be removed by the remaining directors, except a director may be removed by at least a majority of the other directors at a meeting of the board called for that purpose if 1) a director has been convicted of a felony or crime involving

moral turpitude or 2) a director has been absent from three (3) consecutive regular meetings of the Board of Directors, unless confined by illness or other absence approved by a majority vote of those voting at any meeting thereof.

Section 7. Organizational Meetings. The first meeting of the Board of Directors following each annual meeting of the Membership shall be held within thirty (30) days thereafter at such time and place as shall be fixed by the Board.

Section 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors, but at least two (2) such meetings shall be held during each calendar year. Notice of the time and place of the meeting shall be communicated to Directors not less than fourteen (14) days prior to the meeting; provided, however, notice of a meeting need not be given to any Director who has signed a waiver of notice or a written consent to holding of the meeting.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the president or any two directors. Notice of the call of a special meeting shall be in writing and delivered for transmission to each of the directors not later than the third day immediately preceding the day for which such meeting is called. Neither the business proposed to be transacted, nor the purpose of any special meeting of the board of directors need be specified in the notice or waiver of notice of such meeting.

Section 10. Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 11. Quorum of Board of Directors. At all meetings of the Board of Directors, 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 of Directors.

Section 12. Conduct of Meetings. The President (or, in the President's absence, a Vice-President) shall preside over all meetings of the Board of Directors, and the Secretary or an Assistant Secretary shall keep a minute book of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings.

Section 13. Open Board Meetings and Notice to Members of Meetings.

a) All meetings of the Board (excluding workshop meetings and executive sessions) shall be open to all Members, but except as provided in the next sentence, Members other than Directors may not participate in any discussion or deliberation and no audio or video recording of the meeting may be made unless the Board expressly so authorizes at the meeting. However, the Board shall allow an "open" or "new business" portion of the meeting in which any Member

can express his/her opinion concerning any new or previously non-discussed matter, but the Board shall have at all times have to right to reasonably limit the number of speakers, the time limit for each presentation and speaker and to adopt other rules of efficiency and decorum.

b) Except as provided below, the Board must give notice to Members of the time, date and place of board meetings by either 1) mail to each property owner not later than 10 days nor earlier than 60 days before the date of the meeting, 2) at least 72 hours before the start of the meeting, sending notice by email to each Member who has registered an email address with the Association and either posting the notice in a conspicuous manner reasonably designed to provide notice to Members on any Internet website maintained by the Association or in a conspicuous place located on the Association's common property or located on privately owned property within the Properties. On the request of a member, the Association will provide that member with the time and place of the next regular or special meeting of the Board. The Board may prohibit attendance by any person who disrupts meetings or interferes with the conduct of board business.

c) Notwithstanding the above, a Board may meet by any method of communication, including electronic and telephonic, without prior notice to Members, if each director may hear and be heard by every other director, or a reasonably unforeseen emergency or urgent necessity requires immediate board action. The Board may also take action by unanimous written consent on routine or administrative matters Any action taken without notice to Members must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting and documented in the minutes of the next regular or special Board meeting. However, the Board may not consider or vote on fines, damages assessments, initiation of foreclosure actions, initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to public safety, increases in assessments, levying of special assessments, or appeals from a denial of architectural control approval, 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, lending or borrowing money, the adoption or amendment of a dedicatory instrument, the approval of an annual budget or the approval of an amendment of an annual budget that increases the budget by more than 10 percent, the sale or purchase of real property, the filling of a vacancy on the Board, the construction of capital improvements, other than the repair, replacement, or enhancement of existing capital improvements, or the election of an officer, without providing the notice of meeting to Members as provided in subsection b) above.

Section 14. Executive Session and Workshops. The Board may, with approval of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, contract negotiations, enforcement actions, confidential communications with the Association's attorney, matters involving the invasion of privacy of individual owners or other business of a similar confidential nature. Executive sessions are not open to the Members. The nature of any and all business to be considered in executive session shall first be announced in open session. Following an executive session, any decision made in the executive session must be summarized orally and place 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 requests of the affected parties. The Board may also attend "workshop" meetings or sessions to receive educational assistance and training and the like, provided no Association business is discussed and no official action of any sort is taken.

Section 15. Powers. The Board of Directors shall be responsible for the affairs of the Association and shall have all the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by the Declaration or these Bylaws directed to be done and exercised exclusively by the Members. The Board of Directors may delegate to one or more of its members the authority to act on behalf of the Board of Directors on all matters which might arise between meetings of the Board of Directors. In addition to the duties imposed by these Bylaws or by any resolution of the Association that may be hereafter adopted, the Board of Directors shall have the power to and be responsible for the following, in way of explanation, but not limitation:

- (a) preparation and adoption of an annual budget in which there shall be established the Annual Assessment rate charge---the fiscal year of the Association shall be a 12 month period beginning January 1st of each calendar year;
- (b) making assessments and establishing the means and methods of collecting such assessments;
- (c) providing for the operation, care, upkeep, and maintenance of all the Common Properties;
- (d) designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of its property and the Common Properties and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;
- (e) collecting the assessments, depositing the proceeds thereof in a depository which it shall approve, and using the proceeds to administer the Association;
- (f) making and amending rules and regulations;
- (g) opening of bank accounts and/or banking-type accounts on behalf of the Association and designating the signatories required;
- (h) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Properties in accordance with the other provisions of the restrictions covering the Properties and these Bylaws after damage or destruction by fire or other casualty;
- (i) enforcing by legal means the provisions of the restrictions covering the Properties, these Bylaws, and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the Members concerning the Association;
- (j) obtaining and carrying insurance against casualties and liabilities and paying the premium cost thereof;

(k) paying the cost of all services rendered to the Association; and

(l) keeping books with reasonably detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be available for examination by the Members, their respective duly authorized agents, accountants, or attorneys, during general business hours on working days at the time and in a manner that shall be set and announced by the Board of Directors for the general knowledge of the Members; and

(m) filing all requisite forms, documents and information with the appropriate authorities; and

(n) permit utility suppliers to use portions of the Common Properties reasonably necessary.

Section 16. Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

(a) cash or accrual accounting (as determined by the Board from time to time) shall be employed;

(b) cash accounts of the Association shall not be commingled with any other accounts;

(c) no remuneration shall be accepted from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any thing of value received shall benefit the Association;

(d) annual financial reports shall be prepared for the Association containing:

(i) a cash flow Statement reflecting all income, receipts, disbursements and expense activity for the preceding twelve (12) months on a cash or accrual basis, as the Board may prescribe;

(ii) a Balance Sheet as of the last day of the Association's Fiscal Year and an Operating Statement for said Fiscal Year which shall be made available for distribution within ninety (90) days after the close of a Fiscal Year; and

(iii) a Delinquency Report listing all Members who have been delinquent during the preceding twelve (12) month period in paying the assessments and who remain delinquent at the time of the report and describing the status of any action to collect such amounts which remain delinquent.

Section 17. Borrowing. The Board of Directors shall have the power to borrow money, but only with the specific approval of the Members of the Association, at a special or annual meeting of the Members. Approval of the Members means a majority of the votes cast at such meeting at which a quorum is present.

Section 18. Rights of the Association. With respect to the Common Properties, and in accordance with the restrictions covering the Properties, and to the maximum extent permitted by applicable law, the Association shall have the right to contract with any person for the performance of various duties and functions.

ARTICLE V

OFFICERS

Section 1. Officers. The officers of the Association shall include a President, Vice President, Secretary and Treasurer. Any two or more offices may be held by the same person, excepting the offices of President and Secretary cannot be held by the same person. Officers must be Directors.

Section 2. Election Term of Office. and Vacancies. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the Members. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3. Removal. Any officer may be removed by the affirmative vote on a majority of the Board of Directors whenever in their judgment the best interests of the Association will be served thereby.

Section 4. Powers and Duties. The officers of the Association shall each have such powers, authority and duties as follows:

President. The president shall be the chief executive officer of the Association and, subject to the direction of the Board of Directors, shall supervise and control the business and affairs of the Association. He/she shall preside at all meetings of the members and of the Board of Directors. He/she shall see that all orders and resolutions of the board are carried into effect, and shall perform such other duties as the board of directors may prescribe.

Vice President. In the absence of the president or in the event of his inability or refusal to act, the vice president shall perform the duties of the president, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the president.

Secretary. The secretary shall attend all meetings of the Board of Directors. He/she shall keep a true and complete record of the proceedings, including all votes and resolutions presented at these meetings, in a book to be kept for that purpose. He/she shall be custodian of the records of the Association. He/she shall give or cause to be given all notices required by law or these Bylaws.

Treasurer. The treasurer shall have the custody of the corporate funds and shall keep full and accurate accounts of receipts and disbursements of the Association and shall deposit all moneys and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. The treasurer shall disburse the funds of the Association as outlined herein and as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the president and directors, at the regular meetings of the Board, or whenever they may require it, an account of all his/her transactions as the treasurer and of the financial condition of the Association. The treasurer shall also perform such other duties as may be prescribed by the board of directors or the president.

Section 5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, 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.

Section 6. Agreements. Contracts. Deeds. Leases. Checks. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least one (1) officer or by such other person or persons as may be designated by resolution of the Board of Directors.

Section 7. Business Judgment Rule. Any act or thing done by any Director or Officer taken in furtherance of the purposes of the Association, and accomplished in conformity with the procedures set forth in the Declaration and/or these By-Laws, shall be reviewed under the standard of the Business Judgment Rule as established by the common law of Texas, and such act or thing done shall not be a breach of duty on the part of the Director or Officer if they have been done within the exercise of their discretion and judgment.

The Business Judgment Rule means that a court shall not substitute its judgment for that of the Director or Officer. A court shall not re-examine the quality of the decisions made by the Director or Officer by determining the reasonableness of the decision as long as the decision is made in good faith in what the Director or Officer believes to be the best interest of the Association.

ARTICLE VI

BOOKS AND RECORDS

Section 1. Required Books and Records The Corporation will keep correct and complete books and records of account. The books and records include:

(a) A file-endorsed copy of all documents filed with the Texas Secretary of State relating to the Corporation, including but not limited to the certificate of formation, and any certificate of amendment, restated certificates, certificates of merger, certificates of consolidation, and statement of change of registered office or registered agent.

(b) A copy of all bylaws, including these Bylaws, and any amended versions or amendments to them.

(c) Minutes of the proceedings of the Board, and committees having any of the authority of the Board.

(d) A list of the names and addresses of the members, directors, officers, and any committee members of the Corporation and of such other contact information as is necessary or appropriate.

(e) A financial statement showing the Corporation's assets, liabilities, and net worth at the end of the seven (7) most recent fiscal years.

(f) A financial statement showing the Corporation's income and expenses for the seven (7) most recent fiscal years.

(g) All rulings, letters, and other documents relating to the Corporation's federal, state, and local tax status.

(h) The Corporation's federal, state, and local tax information or income-tax returns for each of the Corporation's seven (7) most recent tax years.

Section 2. Document Retention Guidelines. The Association's documents are grouped into categories as set forth below. Although every conceivable document is not listed, the following list should indicate to which subcategory a particular document relates.

1. Corporate Records, including certificates of formation, bylaws, restrictive covenants, and all amendments to the certificates of formation, bylaws, and covenants must be retained permanently by the Association.
2. Financial Books and records must be retained for a minimum of seven years.
3. Minutes of meeting of the owners and the board must be retained for a minimum of seven years.
4. Tax returns and audit records and cancelled checks (federal, state and local) must be retained for a minimum of seven years.
5. Account records of current owners must be retained for a minimum of five years.
6. Contracts with a term of one year or more must be retained for a minimum of four years after the expiration of the contract term.
7. Payroll tax returns must be retained for a minimum of four years.

Section 3. Inspection and Copying. Any member, director, officer, or committee member of the Corporation may inspect and receive copies of all the corporate books and records required to be kept under the bylaws. Such a person may, by written request, inspect or receive copies if he or she has a proper purpose related to his or her interest in the Corporation. He or she may do so through his or her attorney or other duly authorized representative. The inspection may take place at a reasonable time, no later than ten (10) working days after the Corporation receives a proper written request.

Section 4. Audits. Any member may have an audit conducted of the Corporation's books. That member bears the expense of the audit unless the members vote to authorize payment of

audit expenses. The member requesting the audit may select the accounting firm to conduct it. A member may not exercise these rights so as to subject the Corporation to an audit more than once in any fiscal year.

Section 5. Records Production and Copying Policy. Charges for examining and copying Association information are set out in the Records Production and Copying Policy adopted by the Association from time to time.

Except for information deemed confidential by law or court order, the Association will make its books and records open to and reasonably available for examination by Association members/property owners, or a person designated in a writing signed by the owner as the owner's agent, attorney, or certified public accountant, in accordance with the Texas Property Code Section 209.005. Owners are also entitled to obtain copies of information in the Association's books and records upon payment of the Charges for the copies. To the extent the Charges in this Policy exceed the charges in Title 1 Texas Administrative Code Sec. 70.3; the amounts in said section shall govern.

Information not subject to inspection by owners includes, but is not limited to:

1. Any document that constitutes the work product of the Association's attorney or that is privileged as an attorney-client communication;
2. Files and records of the Association's attorney relating to the Association, excluding invoices requested by an owner under Texas Property Code §209.008(d);
3. Except to the extent the information is provided in the meeting minutes or as authorized by Tex. Prop. Code §209.005(l);
 - a. Information that identifies the dedicatory instrument violation history of an individual owner;
 - b. An owner's personal financial information, including records of payment or nonpayment of amounts due the Association,
 - c. An owner's contact information, other than the owner's address; and
 - d. Information related to an employee of the Association, including personnel files.

If a document in the Association attorney files and records relating to the Association would be responsive to a request by an owner to inspect or copy Association documents, the document will be produced by using the copy from the attorney's files and records if the Association has not maintained a separate copy of the document.

Separate policies may be adopted by the Association from time to time governing the procedures, costs and charges of Records Production and Copying.

ARTICLE VII INDEMNIFICATION

Section 1. When Indemnification is Required, Permitted, and Prohibited.

(a) The Association will indemnify a director, officer, member, committee member, employee, or agent of the Association who was, is, or may be named defendant or respondent in any proceeding as a result of his or her actions or omissions within the scope of his or her official capacity in the Association. For the purposes of this article, an agent includes one who is

or was serving at the Association's request as a director, officer, partner, venturer, proprietor, trustee, partnership, joint venture, sole proprietorship, trust, employee-benefit plan, or other enterprise.

(b) The Association will indemnify a person only if he or she acted in good faith and reasonably believed that his or her conduct was in the Association's best interests. In case of a criminal proceeding, the person may be indemnified only if he or she had no reasonable cause to believe that the conduct was unlawful. The Association will not indemnify a person who is found liable to the Association or is found liable to another on the basis of improperly receiving a personal benefit from the Association. A person is conclusively considered to have been found liable in relation to any claim, issue, or matter if the person has been adjudged liable by a court of competent jurisdiction and all appeals have been exhausted. Termination of a proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent does not necessarily preclude indemnification by the Association.

(c) The Association will pay or reimburse expenses incurred by a director, officer, member, committee member, employee, or agent of the Association in connection with the person's appearance as a witness or other participation in a proceeding involving or affecting the Association when the person is not a named defendant or respondent in the proceeding.

(d) In addition to the situations otherwise described in this paragraph, the Association may indemnify a director, officer, member, committee member, employee, or agent of the Association to the extent permitted by law. However, the Association will not indemnify any person in any situation in which indemnification is prohibited above.

(e) The Association may advance expenses incurred or to be incurred in the defense of a proceeding to a person who might be eventually entitled to indemnification, even though there has been no final disposition of the proceeding. Advancement of expenses may occur only when the procedural conditions specified in Section 3 below, have been satisfied. Furthermore, the Association will never advance expenses to a person before final disposition of a proceeding if the person is a named defendant or respondent in a proceeding brought by the Association or one or more members or if the person is alleged to have improperly received a personal benefit or committed other willful or intentional misconduct.

(f) The Board may, from time to time, define other and further requirements and limitations for the Association to indemnify directors, officers, members, or others related to the Association.

Section 2. Extent and Nature of Indemnity. The indemnity permitted under these Bylaws includes indemnity against judgments, penalties, (including excise and similar taxes), fines, settlements, and reasonable expenses (including attorney's fees) actually incurred in connection with the proceeding. If the proceeding was brought by or on behalf of the Association, the indemnification is limited to reasonable expenses actually incurred by the person in connection with the proceeding.

Section 3. Procedures Relating to Indemnification Payments.

(a) Before the Association may pay any indemnification expenses (including attorney's fees), the Association must specifically determine that indemnification is permissible, authorize indemnification, and determine that expenses to be reimbursed are reasonable, except as provided in subparagraph (c), below. The Association may make these determinations and decisions by any one of the following procedures:

(i) Majority vote of a quorum consisting of directors who, at the time of the vote, are not named defendants or respondents in the proceeding.

(ii) If such a quorum cannot be obtained, by a majority vote of a committee of the Board, designated to act in the matter by a majority vote of all directors, consisting solely of two or more directors who at the time of the vote are not named defendants or respondents in the proceeding.

(iii) Determination by special legal counsel selected by the Board by the same vote as provided in subparagraphs (i) or (ii), above, or if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all directors.

(iv) Majority vote of members, excluding directors or other members who are named defendants or respondents in the proceeding.

(b) The Association will authorize indemnification and determine that expenses to be reimbursed are reasonable in the same manner that it determines whether indemnification is permissible. If special legal counsel determines that indemnification is permissible, authorization of indemnification, and determination of reasonableness of expenses will be made as specified by subparagraph (a)(iii), above, governing selection of special legal counsel. A provision contained in the Certificate of Formation, or a resolution of members of the Board that requires the indemnification permitted by Section 1 of this Article, above, constitutes sufficient authorization of indemnification even though the provision may not have been adopted or authorized in the same manner as the determination that indemnification is permissible.

(c) The Association will advance expenses before final disposition of a proceeding only after it determines that the facts then known would not preclude indemnification. The determination that the facts then known to those making the determination would not preclude indemnification and authorization of payment will be made in the same manner as a determination that indemnification is permissible under subparagraph (a), above.

In addition to this determination, the Association may advance expenses only after it receives a written affirmation and undertaking from the person to receive the advance. The person's written affirmation will state that he or she has met the standard of conduct necessary for indemnification under these Bylaws. The written undertaking will provide for repayment of the amounts advanced by the Association if it is ultimately determined that the person has not met the requirements for indemnification. The undertaking will be an unlimited general obligation of the person, but it need not be secured and may be accepted without reference to financial ability to repay.

(d) Any indemnification or advance of expenses will be reported in writing to the Association's members. The report will be made with or before the notice or waiver of notice of the next membership meeting, or with or before the next submission to members of a consent to action without a meeting. In any case, the report will be sent within the 12-month period immediately following the date of the indemnification or advance.

ARTICLE VIII

ENFORCEMENT ACTIONS

Neither the Association (nor any of its officers or directors or anyone acting on their Behalf) may suspend an owner's right to use a common area, file a suit against an owner other than a suit to collect a regular or special assessment or foreclose under an Association's lien, charge an owner for property damage, or levy a fine for a violation of the restrictions or bylaws or rules of the Association, save and except following the procedures detailed and required in Chapter 209 of the Texas Property Code (at the time of the adoption of these bylaws, specifically in Sections 209.006, 209.0064 and 209.007 of the Texas Property Code)

ARTICLE IX

PAYMENT PLANS AND PRIORITY OF PAYMENTS

The Association shall adopt reasonable guidelines to establish an alternative payment schedule by which an owner may make partial payments to the Association for delinquent regular or special assessments or any other amount owed to the Association without accruing monetary penalties and shall apply those payments, all in accordance with Chapter 209 of the Texas Property Code (at the time of the adoption of these bylaws, specifically in Sections 209.0062 and 209.0063 of the Texas Property Code)

ARTICLE X

FORECLOSURES

The Association may only foreclose on any lot or home located within the Properties in accordance with the foreclosure procedures outlined in Chapter 209 of the Texas Property Code (at the time of the adoption of these bylaws, specifically Sections 209.009 through 209.011 of the Texas Property Code).

ARTICLE XI

MISCELLANEOUS

Section 1. Parliamentary Rules. Except as may be modified by Board resolution establishing modified procedures, Robert's Rules of Order (current edition) shall govern the conduct of the Association proceedings when not in conflict with Texas law or these Bylaws.

Section 2. Conflicts. If there are conflicts or inconsistencies between the provisions of Texas law, the restrictions covering the Properties, and these Bylaws, then the provisions of Texas law, the restrictions, and the Bylaws (in that order) shall prevail.

Section 3. Notices. It is the responsibility of each member to provide the Secretary of the Association of his/her current address for purpose of making sure that the member receives proper notice of all meetings and other matters.

Any written notice required or permitted by these Bylaws may be given personally or by mail. If mailed, such notice shall be addressed to the owner at the owner's last known address

as it appears in the records of the Association with postage thereon paid. Such notice may be faxed or emailed to an owner, provided the owner has consented to the delivery of such notice by such means by providing a written, signed request to the Secretary of the Association, which consent may be revoked at any time by the owner by means of written, signed notice to the Secretary of such revocation. Notice by fax or email, where permitted hereunder, is deemed to be delivered when successfully transmitted.

Section 4. Amendments to Bylaws. Although the general authority for amending the Bylaws resides with the Members of the Association, certain amendments may be made by the Board of Directors, without a vote of the Members.

(a) Amendments by Directors---The Board may amend these Bylaws without the approval by the Members, provided the proposed amendment has the unanimous approval of the directors: (1) to correct mistakes in the Bylaws and (2) to conform the Bylaws to changes in controlling law applicable to any topic addressed in these Bylaws. All other amendments of these Bylaws must be approved by the Members as provided below.

(b) Amendments by Members--- The Association will provide or make available to the Members with any proposed amendment to the Bylaws. The proposed amendment will be included in the notice of any annual or special meeting of the Association at which the proposed amendment is to be considered.

(c) Subject to the following limitation, an amendment to these Bylaws must be approved by members representing at least a majority of the votes at a properly called meeting of the Association for which a quorum is obtained and for which the above notice was given. In other words, if a quorum is established, the owners of a majority of the lots represented at the meeting, even if less than a majority of the total lots, may approve an amendment to these Bylaws. However, this Section 4 regarding Amendments may not be amended without the approval of owners representing at least a majority of the lots within the Properties.

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS



Heidi Easley

Heidi Easley, County Clerk
Victoria County Texas
April 28, 2021 03:18:28 PM

Ronnie Orsak

FEE: \$116.00

CTF

202105171

ORIGINAL SCANNED AND
RETURNED TO

Amy Ostler

DATE 4-28-2021