

**BYLAWS
OF
TWIN CREEKS
HOME OWNERS ASSOCIATION
(TCHOA)**

(A Texas Home Owners Association)

Property

Twin Creeks is a phased addition to the City of Mansfield, Texas, The plat of the initial phase having been recorded on 15th day of February, 2001 in Volume A , Page 6398 Real Property Records, Tarrant County, Texas. These Bylaws are to be recorded in the Real Property Records of Tarrant County, Texas.

**Bylaws
of
Twin Creeks Home Owners Association
(TCHOA)
(A Texas Property Owners Association)**

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**Bylaws
of
Twin Creeks Home Owners Association
(TCHOA)
(A Texas Property Owners Association)**

ARTICLE 1 - INTRODUCTION

1.1 Property. These Bylaws provide for the governance and administration of Twin Creeks Home Owners Association (hereafter, TCHOA), a phased addition to the City of Mansfield, Texas, according to the plat thereof recorded on December 22, 2000, in Cabinet A, Slide 6398, Real Property Records, Tarrant County, Texas. (Hereafter, the "**Property**").

1.2 Declaration. The Property is subject to a number of publicly recorded documents including the Declaration of Covenants, Conditions and Restrictions for TCHOA, recorded or to be recorded in the Real Property Records, Tarrant County, Texas (the "**Declaration**").

1.3 Definitions. Words and phrases used herein defined in the Declaration are intended to have the same meaning when used in these Bylaws.

*During the Declarant Control Period & Development Period
Appendix A - E of the Declarations has priority over these Bylaws.*

1.4 Declarant Control. Notwithstanding anything to the contrary in these Bylaws, a number of provisions in these Bylaws are modified by Declarant's rights and reservations under the Declaration during the Declarant Control Period and the Development Period, such as the number, qualification, appointment, removal and replacement of officers as well as the weight of votes allocated to lots owned by Declarant.

1.5 Parties to Bylaws. All present or future lot owners, and all other persons who use or occupy the Property in any manner are subject to these Bylaws, the Declaration and the other Governing Documents as defined in the Declaration. The mere acquisition of a lot or occupancy of a dwelling will be sufficient to signify these Bylaws as accepted, ratified and agreed to as well as strictly followed and adhered to.

1.6 Type of Organization. As an organization of lot owners, TCHOA is created by the Declaration and these Bylaws. TCHOA is a nonprofit organization and is incorporated as such.

1.7 Applicable Law. TCHOA is a legal entity governed by the Texas Business Organizations Code (hereafter, the "**Code**"). As TCHOA is incorporated, it is a domestic nonprofit corporation subject to Chapter 22 of Title 2 of the Code, the Texas Nonprofit Corporation Law. Sections of the Code are included in these Bylaws by reference, herein.

1.8 General Powers and Duties TCHOA, acting through the Officers, has the powers and duties necessary for the administration of the affairs of TCHOA and for the operation and maintenance of the Property as may be required or permitted by the Governing Documents and applicable law. TCHOA may do any and all things that are lawful and which are necessary, proper or desirable in operating for the best interests of its members, subject only to limitations upon the exercise of such powers as may be contained in applicable law or the Governing Documents.

ARTICLE 2 - Association Officers

2.1 Number and Term of Office. After the Declarant Control Period, the governing officers of TCHOA will consist of four (4) persons (President, Vice President, Secretary and Treasurer). The number of officers may be changed by amendment to these Bylaws but, at no time, may be less than three (3). Upon election, each officer will serve a term of two (2) years. An officer takes office upon the adjournment of the annual meeting or balloting in which they were elected or appointed and, absent death, ineligibility, resignation or removal will hold office until their successor is elected or appointed.

2.2 Staggered Terms. To maintain staggered terms, two (2) officers will be elected in even-numbered years (i.e. 2010,2012, etc.) and two (2) officers will be elected in odd-numbered years (i.e. 2009, 2011, 2013, etc.). To establish staggered terms, the first election the president and secretary will serve for a term of two (2) years and the vice-president and treasurer will serve for a term of one (1) year. Thereafter, all officer's terms will be for two (2) years.

*See Article 3 of the Declaration for the number
and qualifications of officers during the Declarant Control Period*

2.3 Qualification. The following qualifications apply to the election or appointment of persons as officers to the extent candidates are available and qualified. The following qualifications may be waived or modified on an election by election basis only if an insufficient number of qualified candidates are available.

2.3.1 Owners. All officers shall be members of TCHOA or spouses of members.

2.3.2 Entity Member. If a lot is owned by a legal entity such as a partnership or corporation, any officer, partner, agent or employee of that entity is not eligible to serve as an officer.

2.3.3 Co-Owners. Co-owners of a lot in the Property, such as spouses or domestic partners, may not serve as officers at the same time.

2.3.4 Delinquency. No Person may be elected or appointed as an officer of TCHOA if any assessment against the person or their lot is more than 30 (thirty) days delinquent at the time of election or appointment, provided they have been given notice of said delinquency and a reasonable period of time to cure it.

2.3.5 Violations. No person may be elected or appointed as an officer of TCHOA if the person or their lot – at the time of election or appointment – has not cured a violation of the Governing Documents for which the TCHOA has given notice and a reasonable opportunity to cure.

2.3.6 Litigation. No person may be elected or appointed as an officer of TCHOA if the person is a party adverse to the TCHOA, the officers, or a committee of the TCHOA in pending litigation to which the TCHOA, officers or committee is a party.

2.4 Election of Officers. Officers will be elected by members of TCHOA. The election of the officers will be conducted at the annual meeting of the TCHOA, at any special meeting called for that expressed purpose, or by any method permitted by applicable law, such as Section

22.160(d) of the Code which may include, without limitation, mail, facsimile transmission, electronic mail (email) or a combination of any of these.

2.5 Vacancies. Subject to the exceptions shown below, vacancies of an office caused by any reason are filled by a vote of the majority of the remaining officers, even though less than a quorum, at any officers meeting or special meeting. Each officer, so elected, serves until the next meeting of the TCHOA, at which time a successor will be elected to fill the remainder (if any) of the vacated term. The exceptions to officer-elected replacements are (1) the removal of an officer by the vote of the TCHOA's members, who will elect a replacement, and (2) a vacancy occurring because of the increase in the number of officers, which also is filled by an election of the members.

2.6 Removal of Officers.

2.6.1 Removal by Members. At any annual meeting of the TCHOA or at any special meeting of the TCHOA called for the purpose of removing an officer, any one or more of the officers may be removed with or without cause by members representing at least two-thirds of the votes present in person or by proxy at the meeting, and a successor may then and there be elected to fill the vacancy thus created. Any officer whose removal has been proposed by the members must be given an opportunity to be heard at the meeting.

2.6.2 Removal by Officers. An officer may not be removed by the officers except for the following limited reasons:

- a. The officer is a party adverse to the TCHOA, the officers or a committee of the TCHOA in pending litigation to which the TCHOA, officers or committee is a party, provided the TCHOA did not file the suit to effect removal of the officer.
- b. The officers account with the TCHOA has been delinquent for at least 90 (ninety) days or has been delinquent at least 3 (three) times during the preceding 12 (twelve) months, provided they were given notice of the default and a reasonable opportunity to cure.
- c. The officer has refused or failed to attend 3 (three) or more officer's meetings during preceding 12 (twelve) months, provided they were given proper and timely notice of the meetings.
- d. The officer has refused or failed to cure a violation of the Governing Documents for which they have been given notice, a reasonable opportunity to cure and an opportunity to request a hearing before the officers.
- e. The officer was an "interested person" in the outcome of a contract, decision or transaction considered by the officers and (1) failed to fully or timely disclose same to the officers, or (2) failed to abstain from voting on the matter.

2.6.3 No Removal by Officers. An officer may not be removed by other officers of the TCHOA, acting in their capacity as officers of the TCHOA, under any circumstances other than those heretofore listed..

2.7 Meetings of the Officers

2.7.1 Organizational Meeting of the Officers. Within 10 (ten) days after the annual meeting, the officers will convene an organizational meeting for the purpose of prioritizing TCHOA business for the coming calendar (fiscal) year.

2.7.2 Place of Officers Meetings. The officers will conduct meetings at a location reasonably convenient for the greatest number of officers and at a place that is sufficiently large to accommodate the number of owners who typically may attend as observers. The decision on where to meet may be made on a meeting by meeting basis by the officer who calls the meeting, by TCHOA resolution or by any other practice that is customary for property owners associations. The officers are not required (1) to conduct meetings at the Property, (2) to maintain a fixed place or location for meetings, (3) to select a location that is convenient to owners, or (4) to select a facility that accommodates a larger number of spectator members than is customary.

2.7.3 Types of Officer Meetings. Regular meetings of the officers may be held at a time and place that the officers determine, from time to time, but at least one such meeting must be held each calendar quarter, with or without notice. Special meetings of the officers may be called, with notice, by the president or, if the president is absent or refuses to act, by the secretary, or by any 2 (two) officers. In the case of an emergency, the officers may convene an emergency meeting for the purpose of dealing with the emergency after making a diligent attempt to notify each officer by any practical method.

2.7.4 Notice to Officers of Meetings. Notice is not required for regular meetings of the officers, provided all officers have actual or constructive knowledge of the meeting date, time and place. Notice of a special meeting must be given at least one day in advance of the meeting. If notice is given, it may be given by any method or combination of methods that is likely to impart the information to the officers.

2.7.5 Informing Members of Officer's Meetings. The officers will try to inform TCHOA members of the time and place of each officer's meeting. The information may be imparted by any method or combination of methods that is likely to be available or communicated to most if not all members in a timely manner such as by posting on the TCHOA website, by broadcast email, by signs posted at the Property or as a last resort, by hand-delivered flyers. On the written request of an owner, TCHOA will provide the owner with the time and place of the next regular or special meeting of the officers. The failure of the TCHOA to disseminate and the failure of an owner to receive timely or accurate information about the date, time and place of a meeting does not invalidate the meeting.

2.7.6 Conduct of Meetings. The president presides over meetings of the officers and the secretary keeps, or cause to be kept, a record of resolutions adopted by the officers and a record of transactions and proceedings occurring at the meetings. When not in conflict with applicable law or the Governing Documents, the then current edition of Robert's Rules of Order governs the conduct of the meetings of the officers.

2.7.7 Quorum Requirements. At meetings of the officers, a majority of the officers constitutes a quorum for the transaction of business, and the acts of the majority of the officers present at a meeting in which a quorum is present are the acts of all the officers. If less than a quorum is present at an officer's meeting, the majority of those present may adjourn the meeting from time to time. At any reconvened meeting at which a quorum is present, any business that may have been transacted at the meeting as originally called may be transacted without further notice.

2.7.8 Minutes. The written report of an officer's meeting is not the minutes of said meeting until approved by the officer's at a future meeting. The minutes must report actions taken by the officers but need not report the substance of discussion. The officers are not required to distribute minutes of their meetings to the members even though, they may voluntarily do so after approval of said minutes has been received.

2.7.9 Voting. An officer of the TCHOA, even the presiding officer, is expected to participate and to vote in the manner of every other officer. The president of the TCHOA is not prohibited from voting and is not limited to tie-breaking votes. Officers may not participate by proxy at meetings of the officers.

2.7.10 Open Meetings. Regular and special meetings of the officers are open to TCHOA members subject to the following provisions to the extent permitted or required by applicable law:

- a. No audio or video recording of the meeting may be made by any means, except by the officers with the officers express written consent.
- b. Members who are not officers may not participate in officer's deliberations under any circumstances, and may not participate in officer discussions unless the officers expressly so authorize at the meeting.
- c. Executive sessions are not open to members.
- d. The officers may prohibit attendance by non-members, including representatives, proxies, agents and attorneys of members.
- e. The officers may prohibit attendance by any member who disrupts meetings or interferes with the conduct of TCHOA business.
- f. The officers may but are not required to publish to members the time, date and place of officers meetings, but will provide the information if requested in writing by a member on a meeting by meeting basis.

2.7.11 Executive Session. The officers may adjourn any regular or special meeting of the officers and reconvene in executive session, subject to the following conditions:

- a. The nature of business to be considered in executive session will first be announced in open session.
- b. No action may be taken or decision made in executive session. Executive session is for discussion and informational purposes only.
- c. The limited purposes for which the officers may convene an executive session are (1) to confer with TCHOA legal counsel, (2) to discuss litigation or resolution of claims with which the TCHOA is threatened or involved, (3) to discuss labor or personnel matters, (4) to discuss a complaint from or an alleged violation by an owner when the officers determine that public knowledge would be potentially injurious or damaging to the owner, and (5) on advice of counsel, to discuss matters of a particularly sensitive nature.

- d. At the end of an executive session, the officers must return to the open meeting and announce the general nature of the business that was discussed and considered in executive session. Any vote, act, or decision that would have been made in executive session (but for this requirement) must be made in the open meeting.
- e. The officers are not required to maintain or publish minutes from executive sessions.

2.7.10 Telephone Meetings. Officers or any committee of the TCHOA may participate in and hold meetings of the officers or committee by means of conference telephone, webcasts or similar communications equipment by means of which all persons participating in the meeting can hear one another. Participation in such meetings constitutes presence in person at the meeting except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

2.8 Action Without Meeting. Any action required or permitted to be taken by the officers at a meeting may be taken without a meeting subject to the following requirements:

2.8.1 Unanimous Consents. If all officers individually or collectively consent in writing to such an action, the written consents have the same force and effect as the unanimous approval of the officers at a meeting.

2.8.2 Majority Consents. If at least a majority of the officers, individually or collectively, consent in writing to such an action, the written consents have the same force and effect as approval by the majority of the officers at a meeting. Prompt notice of the action so approved must be delivered to each non-consenting officer.

2.8.3 Procedures. Written consents must state the date of each officer's signature. The required number of written consents must be received by the TCHOA within 30 (thirty) days after the date of the earliest dated consent. Written consents must be filed with the minutes of the officer's meetings. From time to time, additional procedures may be required by the Code.

2.9 Powers and Duties. The officers have all the powers and duties necessary for the administration of the TCHOA and for the operation and maintenance of the Property. The officers may do all acts and things except those which, by applicable law or the Governing Documents, are reserved to the members and may be delegated by the officers. Without prejudice to the general and specific powers and duties set forth in applicable law or the Governing Documents, or powers and duties as hereafter may be imposed on the officers by resolution of the TCHOA, the powers and duties of the officers include, but are not limited to, the following:

2.9.1 Appointment of Committees. The officers, by resolution, may from time to time designate standing or ad hoc committees to advise or assist the officers with their responsibilities. The resolution may establish the purposes and powers of the committee created, provide for the appointment of a chair and committee members, and may provide for reports, termination and other administrative matters deemed appropriate by the officers. Members of the committees will be appointed from among the owners and residents of the Property. The officers may not appoint a committee to act in its place in managing the affairs of the TCHOA.

2.9.2 Manager. The officers may employ a manager or managing agent for the TCHOA, at a compensation established and negotiated by the officers, to perform duties and services authorized by the officers in the best interest of the TCHOA.

2.9.3 Emergency Powers. An emergency exists for purposes of this Section if a local, state or national government or government entity declares a disaster or state of emergency in the area in which the Property is located or declares a state of war. In anticipation of, during, or in the aftermath of an emergency, the officers may take or authorize any action they deem necessary or advisable to protect lives and property. A decision or action made in good faith under emergency conditions may not be used to impose liability to an officer, employee or agent of the TCHOA.

2.10 Fidelity Bonds. Any person handling or responsible for the TCHAO funds, including officers, agents and employees of the TCHOA, must furnish adequate fidelity bonds. The premiums on the bonds may be a common expense of the TCHOA.

ARTICLE 3 - OFFICERS

3.1 Designation. The principal officers of the TCHOA are the president, vice-president, secretary, and treasurer. The officers may appoint one or more vice-presidents and other officers or assistant officers as they deem necessary. Any two (2) offices may be held by the same person, except the offices of president and secretary. If an officer is absent or unable to act, the officers may appoint another person or a committee to perform the duties of that officer and to act in place of that officer, on an interim basis.

3.2 Election of Officers. The officers are elected no less than annually by the members of the TCHOA and hold office at the pleasure of the TCHOA. Except for resignation or removal, officers hold office until their respective successors have been designated by an election of the members of the TCHOA under the terms of service and conditions set forth previously in ARTICLE 2 of these Bylaws.

3.3 Removal of Officers. A majority of the officers may remove an officer, with cause as further defined in Section 2.6, at any regular meeting of the officers or a special meeting of the officers for that purpose. A successor may be elected at any regular or special meeting of the officers called for that purpose. An officer may resign at any time giving written notice to the officers of their intent. Unless the notice of resignation states otherwise, it is effective when received by the officers and does not require acceptance by the officers. The resignation or removal of an officer who is also a member of the TCHOA does not constitute resignation or removal from the TCHOA.

3.4 Description of Principal Offices

3.4.1 President. As the chief executive officer of the TCHOA the president:
(1) presides over all meetings of the TCHOA, (2) has all the general powers and duties usually vested in the office of president of an organization, (3) has general supervision, direction and control of TCHOA business, subject to the control of all officers, and (4) sees that all orders and resolutions are carried into effect.

3.4.2 Vice-President. The vice-president acts in place of the president in the event of the president's absence, inability or refusal to act. The vice-president also exercises and discharges any duty required of the vice-president by the other officers.

- 3.4.3 Secretary The secretary: (1) keeps the minutes of all meetings of the officers and the TCHOA, (2) has charge of such books, papers and records as the officers may direct, (3) maintains a record of the names and addresses (physical and electronic) of the members for the purpose of distributing notices, and (4) in general, performs all duties incident to the office of secretary.
- 3.4.4 Treasurer The treasurer: (1) is responsible for TCHOA funds, (2) keeps full and accurate financial records and books of account showing all receipts and disbursements, (3) prepares all financial data and tax returns, (4) deposits all monies or other valuable effects in the name of the TCHOA in depositories as may from time to time be designated by the officers, (5) prepares the annual and supplemental budgets of the TCHOA, (6) reviews the accounts of the managing agent on a monthly basis in the event a managing agent is responsible for collecting and distributing TCHOA funds, and (7) performs all the duties incident to the office of treasurer.

3.5 Authorized Agents. Except when the Governing Documents require execution of certain instruments by certain individuals, the officers may authorize any person to execute instruments on behalf of the TCHOA. In the absence of officer designation, the president and secretary are the only persons authorized to execute instruments on behalf of the TCHOA.

ARTICLE 4 - Standards

4.1 Separate Liability. The TCHOA is a legal entity separate from its members for the purposes of determining and enforcing rights, duties and liabilities in contract and tort. Members and officers of the TCHOA are not personally and individually liable for the TCHOA's breach of a contract or the TCHOA's tort or omission merely because they are members or officers of TCHOA. A member has the right to assert a claim against the TCHOA, and the TCHOA has the right to assert a claim against a member.

4.2 General Standards. The general standards of duty for an officer of TCHOA are the State's standards for officers of a nonprofit corporation as stated in the Code as it may be amended. On the date of this document, Sections 22.221 and 22.235 of the Code provide the following standards:

- a. An officer may discharge the officers duties in good faith, with ordinary care and in a manner the officer reasonably believes to be in the best interest of the TCHOA.
- b. An officer is not liable to the TCHOA, its members, or another person for an action taken or not taken as an officer if the officer acted in compliance with the above-stated standard for discharging duties.
- c. A person seeking to establish liability of an officer must prove the officer did not act (1) in good faith, (2) with ordinary care, and (3) in a manner the officer reasonably believed to be in the best interest of the TCHOA.

4.3 Reliance. An officer may rely on information prepared or presented by (1) an officer or employee of the TCHOA, (2) an attorney licensed by the State of Texas, (3) a certified public accountant, (4) an investment banker, or (5) a person whom the officer reasonably believes to possess professional expertise in the matter, and (6) in the case of an officer a committee of the TCHOA of which the officer is not a member. Such reliance must be exercised in good faith and with ordinary care. An officer may not rely on such information if he has actual knowledge that makes the reliance unwarranted.

4.4 Compensation. Except as permitted below, an officer, member or resident is not entitled to receive financial or monetary profit from the operation of the TCHOA. No funds or assets of the TCHOA may be paid as salary or compensation to, or be distributed to, or inure to the benefit of an officer, member or resident. Nevertheless,

- a. Reasonable compensation may be paid to an officer, member or resident for services rendered to the TCHOA in other capacities.
- b. An officer, member or resident may, from time to time, be reimbursed for their actual, reasonable and customary expenses incurred on behalf of the TCHOA in connection with the administration of affairs of the TCHOA, provided the expense has been approved by the officers.
- c. The officers may budget and use TCHOA funds to purchase awards, certificates, a celebratory meal, or other customary tokens or demonstrations of appreciation for volunteer activities.
- d. This Section does not apply to distributions to lot owners permitted or required by the Declaration, applicable law or a court order.

4.5 Loans. The TCHOA may not loan money to or guarantee a loan for any officer or member of the TCHOA for any reason, whatsoever.

4.6 Conflicts of Interest. If a contract or transaction is fair to the TCHOA, it is not disallowed merely because an officer, member or resident of the TCHOA has a financial interest in the transaction provided (1) the "interested" officer, member or resident fully and accurately discloses the nature of their interest to the officers in a manner that is timely for the officer's consideration of the contract or transaction, and (2) the "interested" officer, member or resident does not participate in the vote to approve the contract or transaction, although the "interested" officer may be counted towards the quorum requirement at a meeting. Nothing in this Section may be construed to prevent the officers from adopting policies and procedures that are more stringent than the requirements of this Section, or of applicable law, such as sections 1.003, 1.004 and 22.230 of the Code.

ARTICLE 5 - Association Meetings

5.1 Annual Meeting. An annual meeting of the TCHOA will be held during the month of October each year. At annual meetings the members elect officers in accordance with these Bylaws and may transact such other business of the TCHOA as may properly come before them.

5.2 Special Meetings. It is the duty of the president to call a special meeting of the TCHOA if directed to do so by the majority of the officers or by one or more petitions signed by owners of at least thirty-three percent (33%) of the lots in the Property. If the petition process is used, petitions may be in any form that is customary for the time. The officers may not require a specific form of petition, nor require that the petition be offered to every member of the TCHOA. Signatures on petitions need not be notarized or witnessed. An electronic or faxed petition is acceptable if the "signers" identity is reasonably discernible.

5.3 Place of Meetings. Meetings of the TCHOA may be held at the Property or at a suitable place convenient to the members, as determined by the officers.

5.4 Notice of Meetings. Subject to provisions below, at the direction of the officers, written notice of TCHOA meetings will be given to an owner of each lot, at least 10 (ten) days but not more than 60 (sixty) 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 officers.

5.4.1 Notice Exception. Individual notice of the regular TCHOA annual meeting is not required if (1) the time and place of the meeting is largely unchanged from year to year and (2) information about the time and place is routinely available to all members such as by year-long posting on the official TCHOA website or repetitive announcements via broadcast email, fax or other acceptable methods as determined by the officers. This exception does not apply to special meetings of the TCHOA, or to changes in time or place of the regular annual meeting.

5.4.2 Special Meeting Notice. Within 30 (thirty) days after the officer's resolution or receipt of petition, the officers must give all members notice of the special meeting. If the officers fail or refuse 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, provide the notice is delivered to an owner of every lot in the Property in accordance with these Bylaws. 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.

5.5 Record Date. Before each meeting of the TCHOA, the officers will establish a list of all members for the purposes of receiving a meeting notice and a list or way of identifying members who are ineligible to vote at a meeting because of a delinquent account. These membership lists are described in the TCHOA Records Article below. The "cut off" date on which these lists are based is referred to in the Code as the "Record Date". The Record Date for a TCHOA meeting for which notice is given is 10 (ten) calendar days before the date the notice is distributed or published to the members. The Record Date for a TCHOA meeting for which no notice is given is 45 (forty-five) days before the meeting.

5.6 Eligibility. Every member is entitled to receive notice of TCHOA meetings, to attend these meetings and to be counted towards quorum requirements, even if the member is ineligible to vote or to stand for election as an officer.

5.6.1 Meeting Notice. An owner of each lot in the Property as of the Record Date is eligible to receive notices of TCHOA meetings. Because the ownership of lots may change during a year, the ownership as of the Record Date is used to produce the membership list for use in connection with the meeting.

5.6.2 Voting. The officers may determine that a member may not vote at a TCHOA meeting if the member's financial account with the TCHOA is in arrears on the Record Date provided, (1) the ineligibility applies to every member whose financial account is delinquent, and (2) each ineligible member is given notice of the arrearage and an opportunity to correct the arrearage and become eligible. The officers may specify the manner, place and time for payment for purposes of restoring eligibility. The Record Date determination of members entitled to vote at a meeting of the TCHOA is effective for any adjournment of the meeting provide the date of the adjourned meeting is not more than 30 (thirty) days after the original meeting. The officers are not required to disqualify owners with delinquent accounts, and may allow all owners to vote regardless of their arrearages.

Every member may attend TCHOA meetings.

5.7 Quorum Requirements. At any TCHOA meeting, the presence in person or by proxy of owners of at least 10% (ten percent) of the lots of the Property is deemed to meet the minimum quorum requirements. Members present at which the quorum requirements are met may continue to transact business until adjournment, notwithstanding the withdrawal, during the course of a meeting, constituting a quorum.

5.8 Lack of a Quorum. If a quorum is not present at any TCHOA meeting for which proper notice was given, members representing at least a majority of the votes present at the meeting, although not meeting the quorum requirements mentioned heretofore, may vote to recess the meeting for not more than 24 (twenty-four) hours in order to attain a quorum, provided the place of the meeting remains as stated in the notice. If the meeting is adjourned without attainment of the quorum requirements, notice of a new meeting for the same purposes within 15 (fifteen) to 30 (thirty) days may be given to the owner of each lot in the Property, at which re-called meeting the quorum requirement is lowered to two-thirds of the number of lots required for the first call to the meeting.

5.9 Votes. The vote of members representing at least a majority of the votes cast at any meeting in which the quorum requirements were attained binds all members for all purposes, except when a higher percentage is required by these Bylaws, the Declaration or applicable law. Cumulative voting is strictly prohibited and is not allowed under any circumstances.

5.9.1 Co-Owned Lots. If a lot in the Property is owned by more than one member, the vote appurtenant to that lot casts as follows. If only one of the multiple owners of a lot is present at a TCHOA meeting that person may cast the vote allocated to that lot. In the event more than one of the multiple owners is present, the vote allocated to that lot may be cast only in accordance with the owners' unanimous agreement. Multiple owners are considered in unanimous agreement if one of the multiple owners casts the allocated vote to a lot and none of the other owners makes prompt protest to the person presiding over the meeting.

5.9.2 Entity-Owned Lots. If a lot in the Property is owned by an entity, such as a corporation, partnership or estate, the vote appurtenant to that lot may be cast by an officer, manager or partner of the entity in absence of the entity's written appointment of a specific person to exercise its vote. The person presiding over the meeting or vote may require reasonable evidence that the person voting on behalf of the entity is qualified to do so.

5.9.3 TCHOA-Owned Lots. Votes allocated to a lot owned by the TCHOA may be counted towards a quorum only and may not be counted among other valid, qualified votes.

5.9.4 Declarant or Builder-Owned Lots. **Exhibit A - E** of the Declaration may establish different voting rights during the Development Period.

5.10 Participation. Members may participate in person or by proxy at TCHOA meetings. A member who participates is deemed "present" and may be counted towards the quorum requirements unless the member participates for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

5.11 Proxies. A member may participate in the affairs of TCHOA through a power of attorney or proxy. To be considered valid, each proxy must (1) be signed and dated by a member or their attorney-in-fact., (2) identify the lot to which the vote is appurtenant, (3) designate the person or position (such as "presiding officer") in favor of whom the proxy is granted with such person having agreed to exercise the proxy, (4) identify the meeting for which the proxy is given, (5) not purport to be revocable without notice, and (6) be delivered to the TCHOA secretary or to the person presiding over the meeting for which the proxy is designated, or to a person or company designated by the officers. Unless the proxy specifies a shorter or longer time, it terminates 11 (eleven) months after the date of its execution. Perpetual or self-renewing proxies are permitted, provided they are revocable. To revoke a proxy, the granting member must give actual notice of revocation to the person presiding over the TCHOA meeting for which the proxy is designated. Unless revoked, any proxy designated for a meeting which is adjourned, recessed or rescheduled is valid when the meeting reconvenes. A proxy delivered by email or fax may be counted if any of the following occurs: (1) the proxy's authenticity can be confirmed to the reasonable satisfaction of the officers, (2) the proxy has been acknowledged or sworn to by the member, before and certified by an officer authorized to take acknowledgements and oaths, or (3) the TCHOA also receives the original proxy within 5 (five) days after the vote.

5.12 Conduct of Meetings. The president, or any person designated by the officers, presides over TCHOA meetings. The secretary keeps, or causes to be kept, the minutes of the meeting which should record all resolutions adopted and all transactions occurring at the meeting, as well as a record of any votes taken at the meeting. The person presiding over the meeting may appoint a parliamentarian. The then current edition of Robert's Rules of Order governs the conduct of TCHOA meetings when not in conflict with the Governing Documents. Votes should be tallied by tellers appointed by the person presiding over the meeting.

5.13 Order of Business. Unless notice of any meeting states otherwise, or the assembly adopts a different agenda at a meeting, the order of business at TCHOA meetings is as follows:

- Determine votes present by roll call or check-in procedure
- Announcement of a quorum
- Proof of notice of meeting
- Approval of the minutes from the preceding meeting
- Reports
- Election of Officers (when required)
- Unfinished or old business
- New business

5.14 Adjournment of Meeting. At any TCHOA meeting, a majority of the members present at the meeting, either in person or by proxy, may adjourn the meeting to another time and place.

5.15 Action without Meeting. Subject to approval by the officers, any action may be taken by a vote of the members at a TCHOA meeting may also be taken without a meeting by written consents. The officers may permit members to vote by ballots delivered by any method allowed by applicable law, which may include hand-delivery, mail, fax, email, electronic balloting or any combination of these. Written consents by members representing at least a majority of votes in TCHOA, or such higher percentage as may be required by Governing Documents, constitutes approval by written consent. This Section may not be used to avoid the requirement of an annual meeting.

5.16 Meeting by Remote Communications. TCHOA members may participate in and hold meetings of TCHOA by means of electronic town halls, conference telephone, webcasts or similar communications equipment by means of which all persons participating in the meeting can communicate concurrently. Participation in such a meeting constitutes presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened. By acquiring an interest in a lot in the Property, each owner automatically consents to the use of communication technology to effect meeting of the TCHOA, provided the owners of at least 85% (eighty-five percent) of the lots in the Property have access to the form of technology chosen by the officers, and further provided that the TCHOA arranges a place or method of participation for those who do not have the technology.

ARTICLE 6 - Rules

6.1 Rules. The officers have the right to establish and amend, from time to time, reasonable rules and regulations for: (1) the administration of the TCHOA and the Governing Documents, (2) the maintenance, management, operation, use, conservation and beautification of the Property, and (3) the health, comfort and general welfare of the residents; provided, however, that such rules may not be in conflict with applicable law or the Governing Documents. The officers will, at all times, maintain the then current and complete rules in a written form which can be copied and distributed to the members.

6.2 Adoption and Amendment. Any rule may be adopted, amended or terminated by the officers, provided that rule and the requisite officer approvals are properly recorded as a resolution in the minutes of the meeting of the officers.

6.3 Notice and Comment At least 10 (ten) days before the effective date, the officers will give written notice to an owner of each lot in the Property of any amendment, termination or adoption of a rule or will publish same on the TCHOA website, an electronic TCHOA newsletter or in any form or medium that is circulated or available to the members. The officers may, but are not required to, give similar notice to residents who are not members. Any member or resident so notified has the right to comment orally or in writing to the officers on the proposed action.

6.4 Distribution. On request from any member or resident, the officers will provide a current and complete copy of the rules. Additionally, the officers will, from time to time, distribute current copies of the complete rules to owners and, if the officers elect to do so, to non-member residents, as well.

ARTICLE 7 - Enforcement

7.1 Actions Requiring Notice and Hearing Before taking any of the actions described below, the TCHOA must give written notice and an opportunity for hearing according to the requirements of this Article and the notice and hearing requirements of applicable law, such as Chapter 209 of the Texas Property Code. The following actions by or with the approval of the officers, the TCHOA, or the Architectural Reviewer, require notice and hearing as provided in this Article.

- a. Suspension of use of a common area.
- b. Imposition of a fine for violation of any provision of the Governing Documents, other than fines, interest or collection of fees charged for delinquent accounts.
- c. Charging an owner of a lot for property damage.
- d. Filing suit against an owner other than a suit related to collection of assessments

or foreclosure of a TCHOA assessment lien.

7.2 Notice. The required written notice must contain (1) the date the violation notice is prepared or mailed; (2) a statement that not later than 30th (thirtieth) day after the date the owner receives the notice, the owner may request a hearing to discuss and verify facts and resolve the matter in issue, pursuant to this Article and applicable law as provided in Section 209.007 Texas Property Code; (3) a statement of how or where the request for hearing should be made or delivered; (4) a statement that if the hearing is before a committee or any body other than the officers, the owner has a right to appeal the decision to the officers by written notice to the officers; (5) a statement that the owner may be liable for reimbursement of attorney fees and costs if the violation continues or the damage is not paid by a stated date; and (6) the following contents applicable to violations or damages claims, as the case may be:

7.2.1 Notice of Violation. In the case of a violation of a provision of the Governing Documents, the written notice must also contain the following: (1) a description of the violation; (2) a reference to the rule or provision of the Governing Documents that has been violated, if applicable; (3) a description of the action required to remediate the violation; (4) the amount of the fine or charge to be levied, the nature of the common area suspension, and/or the remediation action to be taken; (5) unless the owner was given notice and a reasonable opportunity to remediate a similar violation within the preceding 6 (six) months, a statement that the owner may avoid a fine, charge or suspension by curing the violation in a reasonable period of time, which may be specified in the notice.

7.2.2 Notice of Damage. In case of property damage for which the TCHOA seeks reimbursement or imposition of a charge on the owner or lot in the Property, the written notice must also contain (1) a description of the property damage and (2) the amount of the TCHOA's claim against the owner or the lot.

7.2.3 Notice to Residents. In addition to giving the violation notice to the owner, the officers may also give a copy of the notice to the non-owner resident, if the officer's deem appropriate.

7.2.4 Receipt of Notice Unless applicable law provides otherwise, any notice given to an owner pursuant to this Article will be considered received by the owner (1) on personal delivery to the owner or a person at the owner's address, or (2) on the third business day after the notice is deposited with the U.S. Postal Service, addressed to the owner at the most recent address shown in the TCHOA records, or (3) after an electronic confirmation of delivery by email has been received by the TCHOA officer or agent that originated the notice, whether or not the owner actually receives the notice.

7.3 Hearing

7.3.1 Request for Hearing. To request a hearing, an owner must submit a written request within 30 (thirty) days after receiving written notice from the TCHOA. Within 10 (ten) days after receiving the owner's request for a hearing and at least 10 (ten) days before the hearing date, the TCHOA will give the owner notice of the date, time and place of the hearing. If the TCHOA requests a postponement of the hearing, the hearing will be postponed for up to 10 (ten) days. Additional postponements may be granted by agreement of the parties.

7.3.2 Pending Hearing. Pending the hearing, the officers may continue to exercise the TCHOA's other rights and remedies for the violation, as if the declared violation were

valid. The owner's request for a hearing suspends only the action described in the TCHOA's written notice to said owner.

7.3.3 Attendance. The hearing may be held with or without the presence of the owner or the owner's representative.

7.3.4 Hearing. The hearing may be held in a closed or executive session of the officers. At the hearing, the officers will consider facts and circumstances surrounding the violation. The owner may attend the hearing in person or may be represented by a designated person or via written communication.

7.3.5 Minutes of the Hearing. The minutes of the hearing must contain a statement of the results of the hearing and the amount of fine or charge, if any, imposed or abatement or suspension action, if any, authorized by the officers. A copy of the notice and request for hearing should be placed in the minutes of the hearing. If the owner appears at the hearing, the notice requirement will be deemed as satisfied.

7.4 Actions Exempt From Notice and Hearing Requirements. As a general rule, every action other than the above-described actions requiring notice and hearing are impliedly exempt from the requirements of this Article. AS permitted by applicable law, such as Section 209.007 of Texas Property Code, the following actions are expressly exempt:

- a. A temporary suspension of a person's right to common areas if the temporary suspension is the result of a violation that occurred in a common area and involved a significant and immediate risk of harm to others in the Property. The temporary suspension is effective until the officers make a final determination on the suspension action after following the notice and hearing procedures prescribed heretofore in this Article.
- b. A lawsuit in which the TCHOA seeks a temporary restraining order or temporary injunctive relief from the violative actions of a member or non-member resident.
- c. A lawsuit filed by the TCHOA that includes foreclosure as a cause of action.
- d. The collection of delinquent assessments.

7.5 Imposition of Fine. Within 30 (thirty) days after levying the fine or authorized abatement, the officers must give the owner written notice of the levied fine or abatement action. If the fine or action is announced at the hearing at which the owner or their designated representative person is actually present, the notice requirement will be considered to have been satisfied. Otherwise, the notice must be in writing.

7.5.1 Amount. The officers may set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, frequency, magnitude and effects of the violation. The officers may establish a schedule of fines for certain types of violations. The amount and cumulative total of a fine must be reasonable in comparison to the violation.

7.5.2 Type of Fine. If the violation is ongoing or continuous, the fine may be levied on a periodic basis (i.e. daily, weekly or monthly). If the violation is not ongoing or continuous, but is instead sporadic or periodic, the fine may be levied on a per occurrence basis.

7.5.3 Other Fine-Related. The TCHOA is not entitled to collect a fine from an owner to whom it has not given notice and an opportunity to be heard. The TCHOA may not charge interest on unpaid fines. The TCHOA may not foreclose an assessment lien on a debt solely made up of accumulated unpaid fines. The officers may adopt a collection policy that applies owner's payments to unpaid fines before retiring other types of assessments.

7.6 Reimbursement of Expenses and Legal Fees. In addition to any other rights set forth in the Governing Documents for violation of a provision of the Governing Documents, the officers may levy and collect individual assessments for the purpose of reimbursement of reasonable fees and expenses, including and without limitation legal fees incurred by TCHOA to enforce the Governing Documents, including the collection of delinquent assessments, subject to the following conditions:

7.6.1 Notice. The TCHOA must give the owner written notice that said owner will be liable for reimbursement of any such fees and expenses incurred by TCHOA if the delinquency or violation continues after a date certain that is stated in the notice. This notice requirement does not apply to legal fees incurred by the TCHOA in connection with the TCHOA's counterclaim in a lawsuit to which the owner is a plaintiff.

7.6.2 Hearing. If legal fees are incurred by the TCHOA for an action requiring notice and hearing, the owner is not liable for reimbursement of legal fees incurred (1) before the date by which the owner must request a hearing, if the owner does not request a hearing, or (2) before conclusion of the hearing, if the owner does request a hearing.

7.6.3 Records. By written request, an owner may obtain from the TCHOA copies of any invoices for charges, including legal fees, for which the TCHOA seeks reimbursement.

7.6.4 Foreclosure. In connection with non-judicial foreclosure of the TCHOA's assessment lien, applicable law, such as Chapter 209 of the Texas Property Code, may establish a limit for the amount of attorneys fees the TCHOA may include in its lien.

7.7 Additional Enforcement Rights. Notwithstanding the notice and hearing requirement, the officers may take immediate and appropriate action without giving notices required in the Article, against violations of the Governing Documents which, in the officer's opinion are (1) self-evident, such as vehicles parked illegally or in violation of posted signs; (2) pose an immediate threat to life or property; or (3) repeat violations of the same provision by the same owner to whom prior notices and demands have been given for the same violation. Further, the provisions of this Article do not apply to specific remedies provided in the Governing Documents for certain violations, such as nonpayment of assessments.

ARTICLE 8 - Obligations of the Owners

8.1 Notice of Sale. Any owner intending to sell or convey their lot and/or residence or any interest therein must give written notice to the officers of their intention, together with (1) the address or legal description of the lot and/or residence being conveyed, (2) the name and address of the intended purchaser, (3) the name, address and phone number of the title company or attorney designated to close the transaction, (4) names and phone numbers of the real estate agents, if any, representing the seller and the purchaser, and (5) scheduled date of closing. An owner will furnish this information to the officers at least 10 (ten) business days before the date of scheduled closing or conveyance. The requirements of this Section may be satisfied by giving the TCHOA a copy of an accepted resale contract in connection with the owner's request to the TCHOA for a resale certificate.

8.2 Proof of Ownership. Except for those owners who initially purchase a lot and/or residence from the Declarant, any person or persons, on becoming an owner of a lot and/or residence in the Property must furnish the officers evidence of ownership in the lot and/or residence, which copy will remain in the files of the TCHOA. A copy of the recorded deed is the customary evidence. The TCHOA may refuse to recognize a person as a TCHOA member unless this requirement is first met. This requirement may be satisfied by receipt of a TCHOA approved form that is completed and acknowledged by a title company or attorney at time of conveyance of the lot and/or residence or any interest therein.

8.3 Owners' Information. Within 30 (thirty) days after acquiring an ownership interest in a lot and/or residence in the Property, the owner must provide the TCHOA with the owner's mailing address, current telephone number, email address, if any; the name and telephone number of any resident, if other than the owner(s); and the name, address and telephone number of any person managing the lot and/or residence as agent of the lot and/or residence owner. An owner must notify the TCHOA within 30 (thirty) days after he has notice of change in any information required in this Section and must provide the information on request of the TCHOA from time to time.

8.4 Mailing Address. The owner or several co-owners of a lot and/or residence in the Property must register and maintain one mailing address to be used by the TCHOA for the purposes of mailing notices, demands and all other communications. If an owner fails to maintain a current mailing address with the TCHOA, the address of the owner's lot and/or residence in the Property is deemed to be their mailing address.

8.5 Association's Commitment to Owner Information Confidentiality. The TCHOA is committed to the confidentiality of the owner's information in the Property. Further, the TCHOA will not disclose, share, sell or otherwise convey the information required within this Article for any reason whatsoever without the prior, written consent of the member except for what may be considered as public information.

8.6 Registration of Mortgages. In the event that the TCHOA records a judgment/lien against a lot and/or residence in the Property, the owner shall provide to the TCHOA, within 15 days, the name and address of the lien holder and the loan number.

8.7 Assessments. All owners are obligated to pay assessments imposed by the TCHOA to meet common expenses as defined in the Declaration. A member is deemed to be in good standing and entitled to vote at any TCHOA meeting as long as they remain current in the assessments made or levied against them and their lot and/or residence.

8.8 Compliance with Documents. Each owner will comply with the provisions and terms of the Governing Documents and any amendments thereto. Further, each owner will always endeavor, to the best of their ability, to observe and promote the cooperative purposes for which the Property was established.

ARTICLE 9 - Association Records

9.1 Inspection of Books and Records. Books and records of the TCHOA will be made available for inspection and copying pursuant to applicable law, such as section 22.351 of the Code and Section 209.005 Texas Property Code.

9.1.1 Proper Purpose. The officers may require a member to submit a written request for inspection stating the purpose for which the member will inspect the books and records. The officers have the following rights: (1) to determine whether the member's purpose for inspection is proper; (2) to deny the request if the officers determine that the member's purpose is not proper; (3) if granting the request, to identify that the books and records are relevant to the member's stated purpose for inspection.

9.1.2 Copies. A member, at the member's expense, may obtain photocopies of books and records for which the officers grant the right of inspection. The officers have the right to retain possession of the original books and records, to make copies requested by the member and to charge the member a reasonable fee for copying same.

9.1.3 Member's Agent. A member's inspection of the books and records may be assisted or performed by an agent, attorney or accountant of the member's choice.

9.1.4 Records of Attorneys and Accountants. The files and records of an attorney or accountant performing services for the TCHOA are considered not to be records of the TCHOA, are not subject to member inspection and are not subject to production in a legal proceeding.

9.2 Resale Certificates. Any officer may prepare, or cause to be prepared, assessment estoppel certificates or resale certificates pursuant to applicable law, such as Chapter 207 of the Texas Property Code, titled Disclosure Information by Property Owners Association. The TCHOA may charge a reasonable fee for preparing such certificates and may refuse to furnish same until the fee is paid. Any unpaid fees may be assessed against the lot for which the certificate is furnished. The TCHOA may delegate the responsibility for resale certificates to its managing agent, if any.

9.3 Management Certificate. As required by applicable law, such as Section 209.004 of the Texas Property Code, the TCHOA will maintain a current management certificate in the county's public records. When the TCHOA has notice of change in any information in the recorded certificate, the TCHOA will prepare a restated or amended certificate and deliver it to the county clerk for filing. Absent gross negligence, the TCHOA is not liable for a delay or failure to record a certificate. The TCHOA may delegate the responsibility for a management certificate to its managing agent, if any.

9.4 Membership List. The officers must maintain a comprehensive list of TCHOA members for compliance with the Code as well as the Governing Documents. The TCHOA must make the membership list available to any owner on written request and may charge a reasonable fee for cost of copying and delivering same.

9.4.1 Types of Information. At a minimum, the TCHOA must maintain for each lot in the Property the name and mailing address of at least one owner and a description of the lot owned (if different from the mailing address on file). The TCHOA may also maintain, as a TCHOA record, additional contact information for owners, such as telephone and cell phone numbers, email addresses, fax numbers, places of employment, emergency contact information, mortgage information, and any other items of information provided by owners or obtained by the TCHOA.

9.4.2 Source of Owner Information. In compiling the ownership or membership list, the TCHOA may rely on any combination of (1) public records, such as tax rolls, (2) documentation provided by title insurance companies, (3) self-reporting by owners and residents, and (4) any other reasonably reliable and customary source of ownership

information. The requirement of maintaining ownership records may not be construed to require the TCHOA to affirmatively investigate or research title to any lot in the Property.

9.4.3 Information Available to Members. Membership information to be maintained by the TCHOA is similar to what is typically available to the public on the website of the tax appraisal district and may not be considered confidential, private or protected information as between the TCHOA and its members. Neither the TCHOA nor a member of the TCHOA may sell or otherwise market or give to any party outside the TCHOA membership at no charge whatsoever the TCHOA membership information without the express prior written consent of the owners. Each owner, by acquiring ownership interest in a lot in the Property acknowledges that the owner's contact information is a record of the TCHOA that is available to all members of the TCHOA.

9.4.4 Inspection List. In accordance with applicable law, the TCHOA will prepare a list of owners of all lots in the Property for inspection by members prior to the annual meeting. The purpose of the list is to enable members to communicate with each other about the meeting. The inspection list must be available for inspection by members from the second business day after the date notice of the meeting is given until adjournment of the meeting for which it was prepared. The list may be inspected or copied by an owner, an owner's agent or attorney. Copies of the list are at the owner's expense. The inspection list must have the following characteristics:

- a. The list must be in alphabetical order of owner's surnames, or in numerical order of street addresses.
- b. The list must contain the name of at least one (1) owner of each lot in the Property, or an indication that the current ownership cannot be determined and the identity of the last known owner.
- c. The list must contain an address for each member.
- d. The list must identify how many lots in the Property are owned by each owner, if that cannot otherwise be determined from the list.
- e. If all lots in the Property do not have uniform votes, such as lots owned by the Declarant during the Declarant Control Period, the list must identify the number or weight of votes attached to each lot.
- f. The list must identify which owners or lots in the Property are ineligible to vote at the meeting due to an assessment delinquency or other disqualifying condition.

ARTICLE 10 - Notices

10.1 Co-Owners. If a lot in the Property is owned by more than one person, notice to one (1) co-owner is deemed as notice to all co-owners. Similarly, notice to one (1) resident of a lot in the Property is deemed as notice to all residents of the lot in the Property.

10.2 Delivery of Notices. Any written notice required or permitted by these Bylaws may be delivered by hand, by mail, by fax, by email or by any other method permitted by applicable law, such as the Texas Business Organizations Code. If mailed, the notice is considered to be delivered when deposited with the U. S. mail addressed to the member at the address shown in the most recent version of the TCHOA's records at the time of the mailing. If transmitted by fax

or email, the notice is considered to be delivered on successful transmission of the facsimile or electronic correspondence. The notice must be sent to the party's last known address as it appears in the most recent version of the TCHOA's records at the time of the transmission. If an owner fails to give the TCHOA an effective address, the notice may be sent (1) to the address of the owner's lot in the Property and/or (2) to the owner's address shown on the then-current tax rolls for the lot in the Property. If the TCHOA properly transmits the notice, the owner is deemed to have been given proper notice whether or not they actually received it.

10.3 Waiver of Notice. Whenever a notice is required to be given to an owner, member or officer, a written waiver of notice, signed by the person entitled to the notice, whether before or after the time stated in the notice, is equivalent to having given the notice. Attendance by a member or officer at any meeting of the TCHOA or its officers, respectively, constitutes a waiver of notice by the member or officer of the time, place and purpose of the meeting. If all members or officers are present at any meeting of the TCHOA or its officers, respectively, no notice is required and any business may be transacted at the meeting.

ARTICLE 11 - Indemnification

11.1 General. The purpose of this Article is to mandate some of the provisions in which it is permissible, via Chapter 8 of the Code, to indemnify TCHOA leaders whether or not the TCHOA is incorporated at the time indemnification is needed. The definitions of Chapter 8 of the Code are hereby incorporated by reference without regard to the corporate status of the TCHOA. As used in this Article "TCHOA Leader" means a person who is a current or former officer of the TCHOA or a current or former committee chair or committee member of the TCHOA.

11.2 Mandatory Indemnification. The TCHOA will indemnify an Association Leader who was, is or is threatened to be made a named defendant or respondent in a proceeding because the person is or was an Association Leader, if the following determinations are made.

11.2.1 Determinations. It must be determined that the person acted in good faith and that:

- a. the person reasonably believed (1) in the case of conduct in the person's official capacity, the person's conduct was in the best interests of the TCHOA, or (2) in any other case, the person's conduct was not in opposition to the TCHOA's best interests;
- b. in the case of a criminal proceeding, the person did not have reasonable cause to believe the person's conduct was unlawful;
- c. with respect to expenses, the amount of expenses other than a civil judgment is reasonable, and;
- d. indemnification should be paid.

11.2.2 Effect of Proceeding Termination. A person does not fail to meet determination standards solely because of the termination of a proceeding by judgment, order, settlement, conviction, or a plea of nolo contendere or its equivalent.

11.2.3 How Determinations are Made. If all the officers are disinterested and independent parties, as defined in the Code, the determinations required under this Section will be made by a special legal counsel selected by the officers. In all other cases, the determinations will be made by the owners of a majority of the lots in the

Property, other than lots owned by persons who are not disinterested and independent parties as defined in the Code, or by special legal counsel selected by the owners.

11.3 Exceptions to Mandatory Indemnification. A person who is found liable to the TCHOA or is found liable because the person improperly received a personal benefit of any kind or value is not entitled to indemnification under this Article if, in any legal proceeding, the person has been found liable for (1) willful or intentional misconduct in the performance of their duties to the TCHOA, (2) breach of the person's duty of loyalty to the TCHOA, or (3) an act or omission not committed in good faith that constitutes a breach of duty owed by the person to the TCHOA. In all other instances, indemnification of a person who is found liable to the TCHOA is limited to reasonable expenses actually incurred by the person in direct connection to the proceeding, excluding a civil judgment, a penalty, a fine, or any other type of legal sanction. A person indemnified by the TCHOA is considered to have been found liable in relation to a claim, issue or matter only if liability is established in an order, including a judgment or decree of a court and all appeals of the order have been exhausted or foreclosed by applicable law.

11.4 Expense. The indemnification provided by this Article strictly covers only reasonable expenses and costs, such as legal fees, actually and necessarily incurred by the indemnified individual in connection with a qualified claim.

11.4.1 Advancement of Expenses. The TCHOA may pay or reimburse reasonable expenses incurred by an indemnified individual who was, is, or is threatened to be made a respondent or defendant in a proceeding in advance of the final disposition of said proceeding without making the determinations required in the above Section entitled, "Mandatory Indemnification", after the TCHOA receives written affirmation by the individual of their good faith belief that the person has met the standard of conduct required for indemnification under this Article, and a written undertaking by or on behalf of the individual to repay the amount paid or reimbursed if the final determination is that the individual has not met the standard or that indemnification is prohibited by this Article. The required written undertaking must be an unlimited general obligation of the individual but need not be secured and may be accepted by the TCHOA without regard to the individual's ability to make repayment.

11.4.2 Witnesses Expenses. The TCHOA may pay or reimburse reasonable expenses incurred by an Association Leader, member, employee, agent or other person in connection with that person's appearance as a witness or other participatory role in a proceeding at a time when the person is not a respondent or defendant in said proceeding.

11.5 Indemnification of Other Persons. Subject to the same limitations, determinations and exceptions for Association Leaders, the TCHOA may indemnify and advance expenses to a person who is not otherwise covered by the Article's indemnification as provided by (1) a provision in a Governing Document of the TCHOA, (2) a contract to which the TCHOA is a party, (3) common law, (4) an officers resolution, or (5) a resolution approved by the TCHOA's members. A person indemnified under this Section may seek indemnification or advancement of expenses from the TCHOA to the same extent that an Association Leader may seek same under this Article.

ARTICLE 12 - Declarant Provisions

12.1 Conflict. The provisions of this Article control over any provision to the contrary elsewhere in these Bylaws.

12.2 Officers. During the Declarant Period, Exhibit A - E of the Declaration governs the number, qualification and appointment of officers. The initial officers will be appointed by the Declarant and need not be owners or residents of the Property. Officers appointed by the Declarant may not be removed by the owners and may only be removed by the Declarant. The Declarant has the right to fill vacancies in any office vacated by a Declarant appointee.

12.3 Transition Meeting. As provided by Exhibit A - E of the Declaration, within 60 (sixty) days after the end of the Declarant Control Period, or sooner at the Declarant's discretion, the Declarant will call a meeting of the members of the TCHOA for the purpose of electing officers, by ballot of the members. Notice of the transition meeting will be given as if it were an annual meeting.

ARTICLE 13 - Amendments to Bylaws

13.1 Authority. Although the general authority of amending the Bylaws resides with the members of the TCHOA, certain amendments may be made by the officers or by the Declarant, without a vote of the members.

13.1.1 Amendments by the Officers. For the following limited purposes, the officers may amend these Bylaws with or without approval by the members, provide the proposed amendment has the prior unanimous approval of the officers:

- a. To correct mistakes in the Bylaws.
- b. To conform the Bylaws to changes in the controlling law applicable to any topic addressed in the Bylaws.
- c. To change the name of the Association.
- d. To restate previously amended Bylaws for the sole purpose of incorporating the amendments into the body of the Bylaws.

13.1.2 Amendments by Declarant. As provided in Exhibit A - E of the Declaration, during the Development Period, the Declarant may amend these Bylaws with or without the approval of the officers or the members, **for any purpose whatsoever.**

13.1.3 Amendments by Members. All other amendments of these Bylaws must be approved by the members according to the terms of this Article.

13.2 Amendments by Members.

13.2.1 Proposal. The TCHOA will provide or make available to an owner of each lot in the Property a description, if not the exact wording, of any proposed amendment. The proposed amendment, description of the proposed amendment, or instructions for obtaining a copy of the proposed amendment at no cost will be included in the notice of an annual or special meeting of the TCHOA at which the proposed amendment will be considered.

13.2.2 Consents. Subject to the following limitation, an amendment of these Bylaws must be approved by members representing at least a majority of the votes present (in person or by proxy) at a properly called meeting of the TCHOA for which the quorum requirements are met. To be clear, if the quorum requirements are met (in person or by proxy) at a TCHOA meeting, the owners of a majority of the lots in the Property represented at the meeting (in person or by proxy) – even if less than the majority of the

total lots in the Property – may approve an amendment of these Bylaws. This Section, however, may not be amended without the approval of the owners representing at least a majority of the total lots in the Property.

13.3 Effective. To be effective, an amendment must be in the form of a written instrument (1) referencing the name of the Property, the TCHOA, and the recording date of these Bylaws and any amendments hereto; (2) signed and acknowledged by at least one (1) officer of the TCHOA to certify the requisite authority and/or approvals; and (3) recorded in the Real Property Records of Tarrant County, Texas. An amendment may be effective immediately if adopted at a TCHOA meeting at which owners of two-thirds of the lots in the Property are represented. Otherwise, an amendment is not effective until 10 (ten) days after an owner of each lot in the Property is notified of the amendment and provided a copy of the amendment or instructions for obtaining a copy.

13.4 Mortgagee Protection. If a provision of a Governing Document or applicable law requires notices to and consent of mortgagees for certain actions or amendments, the TCHOA must give the required notice to and obtain the required approvals from applicable mortgagees.

13.5 Declarant Protection. During the Development Period, no amendment of these Bylaws may affect the Declarant's rights herein without the Declarant's written and acknowledged consent. Specifically, this Section, the Article entitled "Declarant Provisions", and the sections entitled "Declarant Control" and "Drafter's Intent" may not be amended during the Development Period without prior written approval of the Declarant. Declarant's written consent must be part of the amendment instrument.

Article 14 - General Provisions

14.1 Drafter's Intent. Because the Declarant intends these Bylaws to serve the TCHOA for many years beyond the initial development, construction, marketing and sale of the lots in the Property, the Declarant purposefully did not draft these Bylaws from their own perspective. Instead, as a courtesy to future users of these Bylaws, the Declarant compiled most of the Declarant related provisions in Exhibit A - E of the Declaration. Although the Declarant is initially an owner and a member of the TCHOA, the Declarant is intentionally exempt from a number of obligations that apply to other owners and has a number of rights other owners do not have. These Bylaws are to be construed liberally to give effect to the drafter's intent of favorable and preferential treatment of the Declarant.

DRAFTER'S DICTUM

Users of this document are encouraged to review statutes and court rulings periodically that may modify or nullify provisions of this document or the ability for this document to be enforced or may create rights or duties not anticipated by this document.

14.2 Conflicting Provisions. If any provision in these Bylaws conflicts with any provisions of the applicable laws of the State of Texas, the conflicting Bylaws provision is considered null and void but all other provisions of these Bylaws remain intact, in full force and effect. If a provision of the TCHOA's certificate of formation or Articles of Incorporation conflicts with these Bylaws, the certificate of formation or the Articles have control. In the case of any conflict between the Declaration and these Bylaws, the Declaration has control.

14.3 Severability. Whenever possible, each provision of these Bylaws will be interpreted in a manner so as to be effective and valid. Invalidation of any provision of these Bylaws, by judgment or court order, does not affect any other provision which remains intact, in full force and effect.

14.4 Construction. The effect of a general statement is not limited by enumerations of specific matters similar to the general. The captions of articles and sections are inserted only for convenience and are in no way to be construed as defining or modifying the text to which they refer. The singular is construed to mean the plural, when applicable, and the use of the masculine, feminine or neuter pronouns includes all.

14.5 Effective Communications. These Bylaws are drafted in an era of expanding and distracting modes of communication – written, voice, visual and electronic – some of which are equipped with technologies that may impede or intercept or completely cut off some transmissions without the sender's knowledge. In such a time as this and potentially into the future, the burden may be on the sender (1) to bring important pieces of information to the attention of the recipient in a manner that assists the recipient in recognizing the importance and purpose of the communication, and (2) to confirm the message was received and its importance indeed recognized. For example, a change of address that is buried in the fifth paragraph of an owner's letter about a plethora of issues may be overlooked by the officers of the TCHOA. Similarly, a notice of assessment increase that is buried in a multi-paragraph TCHOA newsletter or website may get overlooked by an owner. Although, in the end, there is no way to absolutely guarantee what will be noticed by another individual, each sender should make every reasonable attempt to employ effective communication. If the TCHOA specifies a particular mode of communication for a certain purpose, it benefits the owner to use the specified mode for the intended purpose.

CERTIFICATION & ACKNOWLEDGEMENT

14.6 Fiscal Year. The fiscal year of the TCHOA will be set by resolution of the officers and is subject to change from time to time as the officers determine. In the absence of a resolution by the officers, the fiscal year begins October 1 and ends September 30 of each year.

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

14.8 Preparer. These Bylaws were prepared in the law offices of Frank Craun at 1902 Fountain View, in the City of Mansfield, Texas, 76063

CERTIFICATION & ACKNOWLEDGEMENT

As the Declarant of Twin Creeks and the initial and sole member of the Twin Creeks Home Owners Association (TCHOA), I hereby certify that the foregoing Bylaws of the TCHOA were adopted for the benefit of the Association by the initial officers of the TCHOA at the organization meeting of the officers called by a majority of the officers for the purpose of adopting these Bylaws.

Signed this 10th day of Nov, 2008.

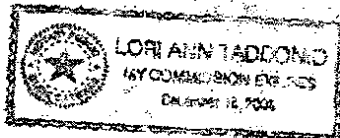
Cardinal Road, Inc. - a Texas Corporation

By: Cardinal Road, Inc. - a Texas Corporation

By: [Signature]
Peter Thomas, President

THE STATE OF TEXAS §
§
COUNTY OF TARRANT §

This instrument was acknowledged before me on this 10th day of November, 2008 by Peter Thomas, Declarant, on behalf of said corporation in his capacity as the original owner and developer of Twin Creeks.



[Signature]
Notary Public, The State of Texas