

BY-LAWS
OF
MATAGORDA BAYVIEW HOMEOWNERS
ASSOCIATION, INC.,
A TEXAS NONPROFIT CORPORATION

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**ARTICLE I.
INTRODUCTION**

1.1 Name of Entity. The name of the corporation is the Matagorda Bayview Homeowners Association, Inc.

1.2 Type of Organization. The Association is a Texas nonprofit corporation.

1.3 Principal Office. Until changed, the principal office of the corporation will be located at 1819 St. James Place, Houston, Texas 77056, but meetings of Members and Directors may be held at such places within the State of Texas as may be designated by the Board of Directors.

1.4 Applicable Law. The Association is a legal entity governed by the Code. It is a domestic nonprofit corporation subject to Chapter 22 of Title 2 of the Code, the Texas Nonprofit Corporation Law.

1.5 Parties to By-laws. All present or future Lot owners, and all other persons who use or occupy the Property in any manner, are subject to these By-laws, the Declaration, and the other Governing Documents as defined in the Declaration. The mere acquisition of a Lot, or occupancy of a dwelling thereon, will signify that these By-laws are accepted, ratified, and will be strictly followed.

**ARTICLE II.
DEFINITIONS**

2.1 “ARC” means and refers to the Architectural Review Committee as described and defined in the Declaration.

2.2 “Assessment” means and refers to General Assessments, Special Assessments, and Specific Assessments as established and defined in the Declaration.

2.3 “Association” means and refers to Matagorda Bayview Homeowners Association, Inc., a Texas nonprofit, non-stock, membership corporation, its successors and assigns.

2.4 “Board of Directors” or “Board” shall mean and refer to the elected governing body of the Association, and “Director” shall mean and refer to a member of the Board.

2.5 “Building Guidelines” shall mean and refer to the written guidelines, as amended from time to time, for the design and construction of Improvements on the lots within the jurisdiction of the Association, which are adopted by the ARC pursuant to the Declaration.

2.6 “Certificate of Formation” means and refers to the Certificate of Formation for the Association, filed in the Office of the Secretary of State of the State of Texas on November 8, 2018.

2.7 “Class B Control Period” means the period of time ending on the date on which the Declarant has conveyed the last Lot (hereinafter defined) that it owns in the Subdivision, during which

period the Declarant has the exclusive right to appoint and remove the members of the Board of Directors and disapprove any action, policy or program of the Association, the Board or any committee which, in the sole judgment of the Declarant, would tend to impair rights of the Declarant or interfere with the development, construction or marketing of any the Lots, or diminish the level of services being provided by the Association.

2.8 “Code” means the Texas Business Organizations Code and its successor statutes.

2.9 “Common Area” means the area defined in the Declaration, as it may be amended from time to time.

2.10 “Declarant” means and refers to Matagorda View, LLC, as well as its successors and assigns, during the Class B Control Period.

2.11 “Declaration” means and refers to the Declaration of Covenants, Conditions, and Restrictions applicable to the Subdivision (as defined below) and recorded on February 7, 2020 at County Clerk’s File 2020-00446 in the Official Public Records of Real Property of Calhoun County, Texas, as such may be amended from time to time.

2.12 “Governing Documents” means and refers to the Declaration, the Certificate of Formation, the Building Guidelines and any rules and regulations properly promulgated by the Board.

2.13 “Lot” means and refers to any plot of land shown on the Subdivision Plat and identified therein as a Lot. Multiples Lots shall be referred to herein as “Lots.”

2.14 “Member” means and refers to those persons entitled to membership in the Association as provided in the Declaration.

2.15 “Owner” means and refers to the record owner, whether one or more persons or entities, of the fee simple title to any Lot, including contract sellers, but excluding those holding title merely as security for the performance of an obligation.

2.16 “Record Contact” has the meaning given to it in Section 10.10.

2.17 “Subdivision” means and refers to that certain tract of real property described in the Declaration, together with any lands which may be subsequently annexed into and made subject to the Declaration.

2.18 “Subdivision Plat” means the final plat of Matagorda Bayview Subdivision, Section 1, recorded at Instrument No. 2019-00081, Slide 596B, of the Calhoun County Plat Records.

**ARTICLE III.
MEETINGS OF MEMBERS**

3.1 Annual Meetings. The annual meeting of Members will be held on the third (3rd) Monday in November of each year at 7:00 o'clock p.m. Central Standard Time, unless that day is a legal holiday, in which event such meeting will be held on the next succeeding business day. Such meeting shall be for the purpose of electing the Board of Directors, and for the transaction of any and all such other business which may be brought before or submitted to the meeting.

3.2 Special Meetings. Special meetings of the Members may be called by the President, a Vice-President, the Board, or by Twenty-Five Percent (25%) of the Members. Special meetings of the Members shall be held at any location as may be designated in the notice or waiver of notice of the respective meeting. No business may be transacted at a special meeting of the Members other than as set forth in the notice of such meeting.

3.3 Notice of Meetings. Written notice of each meeting of the Members will be given by, or at the direction of, the Secretary or other person authorized to call the meeting, by delivering such notice to the Members' Record Contact (as defined in Section 10.10 hereof) at least ten (10) days but not more than sixty (60) days before such meeting to each Member entitled to vote as of the Record Date, addressed to the Member's Record Contact last appearing on the books of the Association. The notice will specify the day, hour, and place of the meeting, and in the case of a special meeting, the purpose of the meeting.

3.4 Record Date. Before each meeting of the Association, the Board will establish a list of all Members for purposes of receiving a meeting notice, and a list or way of identifying Members who are ineligible to vote at the meeting. These membership lists are described in Sections 10.10 and 3.9 hereof. The "cut off" date on which these lists are based is referred to in the Code as the "Record Date". The Record Date for an Association meeting for which notice is given is ten (10) calendar days before the date the notice is distributed or published to the Members. The Record Date for an Association meeting for which no notice is given is forty-five (45) calendar days before the meeting.

3.5 Eligibility Date. Every Member is entitled to receive notice of Association meetings, to attend association meetings, and to be counted toward a quorum, even if the Member is ineligible to vote or to stand for election to the Board.

3.6 Quorum. The presence at the meeting, in person or by proxy, of Members entitled to cast a majority of the votes will constitute a quorum for authorization of any action, except as may otherwise be provided in the Declaration, the Certificate of Formation, or these By-laws. If a quorum is not present at any meeting, the Members will have power to adjourn the meeting from time to time without notice, other than announcement at the meeting, until a quorum is present.

3.7 Lack of Quorum. If a quorum is not present at any meeting of the Association for which proper notice was given, Members representing at least a majority of the votes present at the meeting, although not constituting a quorum, may vote to recess the meeting for not more than twenty-four (24) 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 a quorum, then within at least ten (10) days thereafter, notice of a second attempt to hold a meeting for the same purposes may be given to an owner of each Lot, at which recalled meeting the quorum requirement is lowered to half the number of Lots required

for the first call of the meeting. If a quorum is not obtained at such second call of the meeting (which only required half the number of Lots as was required at the first call of the meeting), then at the discretion of the Board, consecutive attempts at meeting may be made within ten (10) days following the immediately preceding attempt, and at such third or more attempts at a meeting the quorum requirement shall continue to be one-half (1/2) of the number of Lots required for the first call of the meeting.

3.8 Proxies. A Member may participate in the affairs of the Association through a power of attorney or through a proxy. To be valid, each proxy must (1) be signed and dated by a Member or his 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, 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 Secretary, to the person presiding over the Association meeting for which the proxy is designated, or to a person or company designated by the Board. Unless the proxy specifies either a shorter or longer time, it terminates 11 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 Association 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 by fax may be counted if any of the following occurs: (1) the proxy's authenticity can be confirmed to the reasonable satisfaction of the Board, (2) the proxy has been acknowledged or sworn to by the Member, before and certified by an officer authorized to take acknowledgments and oaths, or (3) the Association also receives the original proxy within five (5) days after the vote.

3.9 Voting.

(a) Eligibility to Vote. The Board may determine that a Member may not vote at a meeting of the Association if the Member's financial account with the Association is in arrears on the Record Date, provided:

(i) the ineligibility applies to every Member whose financial account is delinquent; and

(ii) each ineligible Member is given notice of the arrearage and an opportunity to become eligible. The Board 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 Association is effective for any adjournment of the meeting, provided that the date of the adjourned meeting is not more than thirty (30) days after the original meeting.

(b) Majority Voting. The vote of Members representing at least a majority of the votes cast at any meeting at which a quorum is present binds all Members for all purposes, except when a higher percentage is required by these By-laws, the Declaration, or by applicable law. Cumulative voting is prohibited.

(c) Co-Owned Lots. If a Lot is owned by more than one Member, the 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 vote allocated to the Lot. If more than one of the multiple owners is present, the 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.

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

(e) Association-Owned Lots. Votes allocated to a Lot owned by the Association may be counted towards a quorum only and may not be voted.

(f) Lots Owned by Declarant. Notwithstanding anything to the contrary contained in these By-laws, the Declaration establishes different voting rights belonging to Declarant during the Class B Control Period, which Declarant voting rights control and supersede the voting rights of Class A Members during the Class B Control Period.

3.10 Conduct of Meeting. The President, or any person designated by the Board, presides over meetings of the Association. 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 meetings of the Association when not in conflict with the Declaration or these By-laws. Votes should be tallied by tellers appointed by the person presiding over the meeting.

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

- (i) Determine votes present by roll call or check-in procedure;
- (ii) Announcement of quorum;
- (iii) Proof of notice of meeting;
- (iv) Approval of minutes of preceding meeting;
- (v) Reports;
- (vi) Election of Directors (when required);
- (vii) Unfinished or old business; and
- (viii) New business

3.12 Adjournment of Meeting. At any meeting of the Association, a majority of the Members present at that meeting, either in person or by proxy, may adjourn the meeting to another time and place.

3.13 Action Without Meeting. Subject to Board approval, any action which may be taken by a vote of the Members at a meeting of the Association may also be taken without a meeting by written consents. The Board 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 the Association, or such higher percentage as may be required by the Declaration, Certificate of Formation,

or the Code constitutes approval by written consent. This Section may not be used to avoid the requirement of an annual meeting of the Members, however.

3.14 Meeting by Remote Communications. Members of the Association may participate in and hold meetings of the Association by means of electronic town halls, conference telephone or similar communications equipment by means of which all persons participating in the meeting can communicate concurrently. Participation in the 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 ground that the meeting is not lawfully called or convened. By acquiring an interest in a Lot, each owner automatically consents to the use of communication technology to effect meetings of the Association.

ARTICLE IV. BOARD OF DIRECTORS

4.1 General Powers, Number and Qualifications. The activities, property and affairs of the Association shall be managed by its Board of Directors, which may exercise all such powers of the Association and do all such lawful acts and things as are permitted by statute, by the Certificate of Formation, or by these By-laws. The Board of Directors of the Association shall consist of not less than three (3) persons. The number of Directors may be changed by amendment of these By-laws but may not be less than three (3).

4.2 Qualification. The following qualifications apply to the election or appointment of persons to the Board.

(a) Owners. At least a majority of the Directors must be Members of the Association, spouses of Members, or residents of the Property.

(b) 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 Member is eligible to serve as a Director and is deemed to be a Member for the purposes of this section. If the relationship between the entity Member and the Director representing it terminates, that directorship will be deemed vacant.

(c) Delinquency. No person may be elected or appointed as a Director if any assessment against the person, or his, her or its Lot, is more than thirty (30) days delinquent at the time of election or appointment; provided he, she or it has been given notice of the delinquency and a reasonable opportunity to cure it.

4.3 Nomination. Nomination for election to the Board of Directors may be made from the floor at any annual meeting of Members.

4.4 Election. Election to the Board of Directors will be by secret written ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. Persons receiving the largest number of votes will be elected as Directors.

4.5 Term of Office. At the annual meeting, the Members will elect three (3) Directors who shall serve, subject to Section 4.6 below, until the later of (i) one (1) year from their election, or (ii) until their successors are duly elected.

4.6 Staggered Terms. To maintain staggered terms, two (2) Directors will be elected in even-numbered years, and one Director will be elected in odd-numbered years. To establish staggered terms, at the first election of Directors, the candidates receiving the most votes will serve two-year terms, and the candidate receiving the next-highest votes will serve initial terms of one (1) year. Thereafter, their successors will serve 2-year terms. If the Board is ever elected *en masse*, the same method will be used to re-establish staggered terms.

4.7 Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation, or removal of a Director, his or her successor will be selected by the remaining members of the Board and will serve for the unexpired term of his or her predecessor.

4.8 Meetings.

(a) Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as may be fixed, from time to time, by resolution adopted by the Board of Directors and communicated by written notice to all Directors at the Record Contact for each such Director. Any and all business may be transacted at any regular meeting, except as otherwise provided by the Code, the Certificate of Formation, or by these By-laws.

(b) Special Meetings. Special meetings of the Board of Directors may be called by the President upon written notice to each Director at the Record Contact for each such Director. Special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of two (2) or more Directors. Except as otherwise provided by the Code, by the Certificate of Formation, or by these By-laws, neither the business to be transacted, nor the purpose of any regular or special meeting of the Board of Directors, need be specified in the notice or waiver of notice of such meeting.

(c) Quorum and Manner of Acting. A majority of the number of Directors then in office, present in person or represented by proxy, shall be necessary and sufficient to constitute a quorum for the transaction of business, except as otherwise provided by the Code, the Certificate of Formation, or by these By-laws. An act of a majority of the Directors present in person or by proxy at a meeting at which a quorum is present shall be the act of the Board of Directors unless the act of a greater number is required by the Code, the Certificate of Formation, or by these By-laws, in which case the act of such greater number shall be requisite to constitute the act of the Board.

A Director may vote in person or by written proxy. No proxy shall be valid after three (3) months from the date of its execution. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and unless otherwise made irrevocable by law.

If a quorum shall not be present at any meeting of the Directors, the Directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. At any such adjourned meeting at which a quorum shall later be present, any business may be transacted which might have been transacted at the meeting as originally convened.

(d) Meeting by Remote Communications. Directors may participate in and hold meetings of the Board of Directors by means of electronic town halls, conference telephone or similar communications equipment by means of which all persons participating in the meeting can communicate concurrently. Participation in the 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 ground that the meeting is not lawfully called or convened.

(e) Informing Members of Board Meetings. The Board will inform Association Members of the time and place of each Board meeting to the extent such is required by the Code or other applicable law. 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 Association's website, by broadcast email, by signs posted at the front entrance of the Subdivision, or by hand-delivered fliers. On the written request of a Lot owner, the Association will provide the owner with the time and place of the next regular or special meeting of the Board. The failure of the Association to disseminate and the failure of a Lot owner to receive timely or accurate information about the date, time, and place of a meeting does not invalidate the meeting.

(f) Open Meetings. Regular and special meetings of the Board are open to Members of the Association, subject to the following provisions to the extent permitted or required by applicable law:

(i) No audio or video recording of the meeting may be made, except by the Board or with the Board's prior express consent;

(ii) Members who are not Directors may not participate in Board deliberations under any circumstances and may not participate in Board discussions unless the Board expressly so authorizes at the meeting;

(iii) Executive sessions are not open to Members; and

(iv) The Board may prohibit attendance by any Member who disrupts meetings or interferes with the conduct of Board business.

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

(i) The nature of business to be considered in executive session will first be announced in open session;

(ii) No action may be taken, nor decision made in executive session which is for discussion and informational purposes only;

(iii) The limited purposes for which the Board may convene in executive session are (1) to confer with the Association's legal counsel, (2) to discuss litigation or resolution of claims with which the Association is threatened or involved, (3) to discuss labor or personnel matters, (4) to discuss a complaint from or an alleged violation by a Lot owner when the Board determines that public knowledge would be injurious to the Lot owner, and (5) on advice of counsel, to discuss matters of a particularly sensitive nature;

(iv) At the end of the executive session, the Board must return to the open meeting and announce the general nature of the business that was 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; and

(v) The Board is not required to make or maintain minutes of executive sessions.

4.6 Powers.

(a) The Board of Directors will have power to:

(i) adopt and amend by-laws;

(ii) adopt and amend budgets for revenues, expenditures and reserves, and assess and collect Assessments from the Owners;

(iii) hire and terminate managing agents and other employees, agents and independent contractors;

(iv) institute, defend, intervene in, settle or compromise litigation or administrative proceedings on matters affecting the Subdivision;

(v) make contracts and incur liabilities relating to the operation of the Association;

(vi) regulate the use, maintenance, repair, replacement, modification and appearance of the Common Areas of the Subdivision;

(vii) establish the number of members of the ARC from time to time, provided no more than three (3) persons shall make up the membership of the ARC at any one time;

(viii) appoint the members of the ARC, who shall serve at the pleasure of the Association, and to fill vacancies in the membership of the ARC;

(ix) make additional Improvements to be included as a part of the Common Area;

(x) grant easements, leases, licenses and concessions through or over the Common Area;

(xi) impose interest, late charges and, if applicable, returned check charges for non-payment of regular assessments, special assessments and any other charges;

(xii) establish fines and penalties for violations of the Governing Documents;

(xiii) collect attorney's fees and costs incurred by the Association relating to violations of the Governing Documents;

(xiv) charge costs to a Lot owners' Assessment account and collect the costs in any manner provided in this Declaration or under law for the collection of Assessments;

(xv) adopt and amend rules regulating the collection of delinquent Assessments and the application of payments;

(xvi) impose reasonable charges for preparing, recording, copying or delivering copies of the Declaration, any Supplemental Declaration, any amendment to the Declaration, Building Guidelines, Certificate of Formation, these By-laws, any rules and regulations promulgated by the Association, minutes of any meetings of the Members of the Association, the Board or of any hearing held under these By-laws, or any Dedicatory Instrument as defined in Section 209.002 of the Texas Property Code and any successor statute thereto;

(xvii) impose reasonable charges for preparing and delivering resale certificates or statements of unpaid assessments;

(xviii) create and maintain an electronic database and/or website associated with the Subdivision;

(xix) purchase insurance and fidelity bonds, including any increases therein, consistent with the Declaration and the Certificate of Formation and these By-laws;

(xx) assess any regular General and Special Assessments, including any increases therein, consistent with this Declaration and the Certificate of Formation and these By-laws;

(xxi) subject to the requirements of the Code, indemnify a Director or officer of the Association or member of the ARC who was, is or may be made a named defendant or respondent in a proceeding because the person is or was a Director;

(xxii) exercise other powers conferred by this Declaration or the Certificate of Formation and these By-laws;

(xxiii) exercise other powers that may be exercised in the State of Texas by a corporation of the same type as the Association; and

(xxiv) exercise other powers necessary and proper for its governance and operation.

(b) Suspend the voting rights of any Member during any period in which such Member is in default in the payment of any assessment levied by the Association;

(c) Exercise on behalf of the Association all powers, duties, and authority vested in or delegated to the Association, including all powers specifically listed in the Declaration and not

specifically reserved to the Members by the Declaration, Certificate of Formation, or by other provisions of these By-laws;

(d) Declare the office of a member of the Board of Directors to be vacant in the event that such Board member is absent from two (2) consecutive regular meetings of the Board of Director during the preceding twelve (12) months;

(e) By resolution may from time to time, designate standing or ad hoc committees to advise or assist the board with its responsibilities. The resolution may establish the purposes 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 Board. Members of committees will be appointed from among the Members of the Association. The Board may not, however, appoint a committee to act in its place in managing the affairs of the Association;

(f) Such other powers afforded the Board of Directors by the Declaration; and

(g) Such other powers afforded a board of directors of a homeowner's / property owner's association by applicable law.

4.7 Duties. It will be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement of such acts and affairs to the Members at each annual meeting, or at any special meeting at which such a statement is requested in writing by a Member;

(b) Supervise all officers, agents, and employees of the Association and see to it that their duties are properly performed;

(c) Fix the amount of the annual assessment against each Lot at least sixty (60) days in advance of each annual assessment period. Provided, however, that if no assessment is sent, the assessment shall be that of the prior year, subject to the provisions of the Declaration;

(d) Send written notice of each assessment to every Owner subject to the assessment at least thirty (30) days in advance of each annual assessment period;

(e) Foreclose the lien against any property for which assessments are not paid within ninety (90) days after the due date, or to bring an action at law against the Owner personally obligated to pay the same;

(f) Issue, or cause an appropriate officer to issue, on demand by any person and on imposition of a reasonable charge, a certificate setting forth whether or not any assessment has been paid, a statement in a certificate to the effect that an assessment has been paid constituting conclusive evidence of such payment;

(g) Procure and maintain adequate liability and hazard insurance on all property owned by the Association, if necessary; and

(h) Cause the Common Area to be maintained in good condition.

ARTICLE V. OFFICERS

5.1 Enumeration of Offices. The officers of the Association will be a President, a Secretary and a Treasurer, and such other officers as the Board may, by resolution, create from time to time.

5.2 Election of Officers. The election of officers will take place at a Board Meeting convened within thirty (30) days after the annual meeting of the Association.

5.3 Term. The officers of the Association will be elected annually by the Board. Unless removed earlier, each will hold office until the later of:

- (i) one (1) year from their election; or
- (ii) until their successors are duly elected.

5.4 Resignation and Removal. Any officer may be removed from office by the Board at any time with or without cause. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation will take effect on the date of receipt of such notice or at any later time specified in the notice, and unless otherwise specified in the notice, the acceptance of such resignation will not be necessary to make it effective.

5.5 Vacancies. A vacancy in any office may be filled by appointment of the Board. The officer appointed to such vacancy will serve for the unexpired term of the officer he or she replaces.

5.6 Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person will simultaneously hold more than one of any of the other offices.

5.7 Duties. The duties of the officers are as follows:

(a) President. The President will preside at all meetings of the Board of Directors, will see that orders and resolutions of the Board are carried out, will sign all instruments, and will cosign all checks and promissory notes.

(b) Vice President. If a position is created, the Vice President will act in the place of the President in the event of his or her absence, inability, or refusal to act, and will exercise and discharge such other duties as may be required of him or her by the Board.

(c) Secretary. The Secretary will record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members, keep the corporate seal of the Association and affix it to all papers so requiring; serve notice of meetings of the Board and of Members, keep appropriate current records showing the Members of the Association together with their addresses, and perform such other duties as may be required by the Board or by law.

(d) Treasurer. The Treasurer will receive and deposit in appropriate bank accounts all funds of the Association, and will disburse such funds as directed by resolution of the Board of Directors; will sign all checks and promissory notes of the Association; will keep proper books of

Account; will cause an annual audit of the Association books to be made by a certified public accountant at the completion of each fiscal year; and will prepare an annual budget and statement of income and expenditures, a copy of which documents will be delivered to each Member, and a report on which will be given at the regular annual meeting of Members.

(e) Additional Powers and Duties. In addition to the foregoing specially enumerated duties, services and powers, the several elected and appointed officers of the Association shall perform such other duties and services and exercise such further powers as may be provided by statute, the Certificate of Formation or these By-laws, or as the Board of Directors may from time to time determine or as maybe assigned by any competent superior officer.

ARTICLE VI. RULES

6.1 Rules. The Board has the right to establish, amend and terminate from time to time, reasonable written rules and regulations for: (1) the administration of the Association and the Governing Documents; (2) the maintenance, management, operation, use, conservation, and beautification of the Common Areas within 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, the Declarations, the Certificate of Formation or these By-laws. The Board will, at all times, maintain the then current and complete rules in a written form which can be copied and distributed to the Members and any rules so adopted shall be published in the manner(s) required by applicable law from time to time.

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

6.3. Notice and Comment. At least ten (10) days before the effective date, the Board will give written notice to an owner of each Lot of any amendment, termination, or adoption of a rule, or will publish same in a newsletter, on the Association's website, or in any form or medium that is circulated or available to the Members. Any Member has the right to comment orally or in writing to the Board on the proposed action.

6.4. Distribution/Publication. On request from any Member, the Board will provide a current and complete copy of rules or if such complete rules are published on the Association's website or recorded in the real property records of Calhoun County, Texas, then the Board may direct the Member to such website or records. Additionally, the Board may, from time to time, distribute copies of the current and complete rules to Lot owners.

ARTICLE VII. ASSESSMENTS

7.1 Assessments. As more fully provided in the Declaration, each Member is obligated to pay to the Association Assessments which are secured by a continuing lien on the Lot against which such Assessments are made. Any Assessments which are not paid when due are considered delinquent. If an assessment is not paid within thirty (30) days after the due date, the Assessment bears interest from the date of delinquency at the rate of ten percent (10%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or may foreclose the lien

against his or her Lot. Interest, costs, and reasonable attorney fees of any such action will be added to the amount of any Assessment due. No Owner may waive or otherwise escape liability for Assessments by nonuse of the Common Area or abandonment of his, her or its Lot.

ARTICLE VIII. ENFORCEMENT

8.1. Actions Requiring Notice and Hearing. Before taking any of the below-described actions, the Association must give written notice and an opportunity for a hearing according to the requirements of this Article and the notice and hearing requirements of applicable law, such as Chapter 209 Texas Property Code (and /or its successor statutes). The following actions by, or with the approval of the Board, the Association, or the ARC, require notice and hearing as provided by this Article VIII:

- (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 fees charged for delinquent accounts;
- (c) Charging an owner or a Lot for property damage to the Common Area or other assets of the Association; and
- (d) Filing suit against an owner, other than a suit related to file collection of an Assessment or foreclosure of the Association's Assessment lien.

8.2. Notice. The required written notice must contain (1) the date the violation notice is prepared or mailed; (2) a statement that not later than the 30th day after the date the Lot owner receives the notice, the Lot owner may request a hearing to discuss and verify facts and resolve the matter in issue, pursuant to this Article and applicable law, such as Section 209.007 Texas Property Code (and its successor statutes); (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 Board, the owner has the right to appeal the decision to the Board by written notice to the Board; (5) a statement that the owner may be liable for reimbursement of attorney's fees and costs if the violation continues or the damage is not paid by the stated date; and (6) the following contents applicable to violations or damage claims, as the case may be:

- (a) Notice of Violation. In the case of a violation of a provision of the Declaration (other than the failure to timely pay an Assessment) 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 is being violated, if applicable; (3) a description of the action required to cure the violation; (4) the amount of the fine or charge to be levied, the nature of the Common Area suspension, and/or the abatement action to be taken; (5) unless the Lot owner was given notice and a reasonable opportunity to cure a similar violation within the preceding 6 months, a statement that the owner may avoid the fine or suspension by curing the violation in a reasonable period of time, which may be specified in the notice.
- (b) Notice of Damage. In the case of property damage for which the association seeks reimbursement or imposition of a charge on the owner or the Lot, the written notice must also contain (1) a description of the property damage and (2) the amount of the Association's claim against the Lot owner.

(c) Receipt of Notice. Unless applicable law provides otherwise, any notice given to an owner pursuant to this Article will be deemed received by the Lot owner (1) on personal delivery to the Lot owner or to a person at the Lot owner's physical mailing address set forth as their Record Contact, or (2) on the third business day after the notice is deposited with the U.S. Postal Service, addressed to the Lot owner at the most recent address shown on the Association's records, whether or not the Lot owner actually receives the notice. The Association may additionally deliver notices to a low owner by other means, but shall be required to deliver notice in the method set forth in the immediately preceding sentence.

8.3 Hearing.

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

(b) Pending Hearing. Pending the hearing, the Board may continue to exercise the Association's other rights and remedies that may be available to it for the violation, if any, as if the declared violation were valid. The Lot owner's request for a hearing suspends only the action described in the Association's written notice.

(c) Attendance. The hearing may be held with or without the presence of the Lot owner or the Lot owner's representative.

(d) Hearing. The hearing may be held in a closed or executive session of the Board. At the hearing, the Board will consider the facts and circumstances surrounding the violation. The Lot owner may attend the hearing in person or may be represented by another person or written communication.

(e) Minutes of 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. A copy of the notice and request for hearing should be placed in the minutes of the hearing. If the Lot owner appears at the hearing, the notice requirement will be deemed satisfied.

8.4 Actions Exempt from Notice and Hearing Requirements. As a general rule, every action other than the above-described actions requiring notice and hearing are exempt from the requirements of this Article. As permitted by applicable law, such as Section 209.007 of Texas Property Code (and/or its successor statutes), the following actions are expressly exempt:

(a) A temporary suspension of a person's right to use Common Area 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 Subdivision. The temporary suspension is effective until the Board makes a final determination on the suspension action after following the notice and hearing procedures prescribed by this Article;

- (b) A lawsuit in which the Association seeks a temporary restraining order or temporary injunctive relief;
 - (c) A lawsuit filed by the Association that includes foreclosure as a cause of action;
- and
- (d) The collection of delinquent Assessments.

8.5. Imposition of Fine. Within thirty (30) days after levying the fine or authorizing the abatement, the Board must give the lot owner written notice of the levied fine or abatement action, delivered to the lot owner's Record Contact. If the fine or action is announced at the hearing at which the owner is actually present, the notice requirement will be satisfied. Otherwise, the notice must be in writing.

(a) Amount. The Board may establish from time to time 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. If the Board allows fines to accumulate, it may establish a maximum amount for a particular fine, at which point the total fine will be capped.

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

(c) Other Fine-Related. The Association is not entitled to collect a fine from a Lot owner to whom it has not given notice and an opportunity to be heard. The Association may not charge interest on unpaid fines. The Association may not foreclose its assessment lien on a debt consisting solely of: (i) fines; (ii) attorney's fees incurred by the Association solely associated with fines assessed by the Association; or (iii) charges relating to the costs of records production and copying; or (iv) charges relating to a recount of results of an election or vote.

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

(a) Notice. The Association must give the owner written notice that the Lot owner will be liable for reimbursement of any such fees and expenses incurred by the Association 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 Association in connection with the Association's counterclaim in a lawsuit to which an owner is a plaintiff.

(b) Hearing. If legal fees are incurred by the Association 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.

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

(d) Foreclosure. In connection with a non-judicial foreclosure of the Association's Assessment lien, applicable law, such as Chapter 209 of the Texas Property Code (and/or its successor statutes), may establish a limit for the amount of attorney's fees that the Association may include in its lien.

8.7. Additional Enforcement Rights. Notwithstanding the notice and hearing requirement, the Board may take immediate and appropriate action, without giving the notices required in this Article, against violations of the Governing Documents which, in the Board's opinion, are (1) self-evident, such as vehicles parked illegally or in violation of posted signs; (2) threatening to life or property; or (3) repeat violations of the same provision by the same Lot 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 IX. CONTRACTS, CHECKS, DEPOSITS AND FUNDS

9.1 Contracts. The Board of Directors may authorize any officer or officers, or agent or agents, of the Association, in addition to the officers so authorized by these By-laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

9.2 Checks, Drafts or Orders for Payment. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, or agent or agents, of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination, such instruments shall be signed by the President of the Association.

9.3 Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors may select or as maybe selected in accordance with procedures established by the Board.

ARTICLE X. BOOKS AND RECORDS; INSPECTION

10.1 Inspection of Books and Records. Books and records of the Association 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 (and/or their respective successor statutes).

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

10.3 Copies. A Member, at Member's expense, may obtain photocopies of books and records for which the board grants the right of inspection. The board has 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.

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

10.5 Records of Attorneys and Accountants. The files and records of an attorney or accountant who performs services for the Association are not records of the Association, are not subject to inspection by members, and are not subject to production in a legal proceeding.

10.6 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 (and/or any successor statute), titled Disclosure of Information by Property Owners Association. The Association may charge a reasonable fee for preparing such certificates and may refuse to furnish such certificates until the fee is paid. Any unpaid fees may be assessed against the Lot for which the certificate is furnished. The Association may delegate the responsibility for a resale certificate to its managing agent, if any.

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

10.8 Membership List. The Board shall maintain a comprehensive list of Association Members for compliance with the Code as well as the Governing Documents. The Association shall make the membership list available to any Lot owner on written request and may charge a reasonable fee for cost of copying and delivering the Membership list.

10.9 Contact Information. The owner or the several co-owners of a Lot must register and maintain at least one mailing address to be used by the Association for mailing of notices, demands, and all other communications required or permitted under the Governing Documents. Lot owners may additionally provide other addresses for contact to receive communications from the Association, including alternate mailing addresses, email addresses, fax numbers and phone numbers.

10.10 Record Contact. At a minimum the Association must maintain for each Lot the name and mailing address of at least one owner and a description of the Lot owned (if different from the mailing address). The Association may also maintain, as an Association record, additional contact information for owners, such as other notice addresses, phone numbers, fax numbers, email addresses, places of employment, emergency contact information, mortgage information, and any other items of information provided by owners or obtained by the Association. The mailing address of a lot owner, together with the following additional information herein, is collectively referred to as the "Record Contact".

10.11 Source of Ownership Information. In compiling the ownership or membership list, the Association may rely on any combination of (1) public records, such as tax rolls, (2) documentation provided by title insurance companies, (3) self-reporting by Lot 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 Association to affirmatively investigate or research title to a Lot.

10.12 Information Available to Members. Membership information to be maintained by the Association is similar to what is typically available to the public on the website of the appraisal district, and may not be considered confidential, private, or protected information as between the Association and its Members. Neither the Association nor a Member of the Association may sell or otherwise market the Association's membership information. Each Lot owner, by acquiring an ownership interest in a Lot, acknowledges that the owner's contact information is a record of the Association that is available to all Members of the Association.

10.13 Inspection List. In accordance with applicable law, the Association will prepare a list of owners of all Lots in the Subdivision for inspection by the Members prior to the 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 the 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 or the owner's attorney or agent. The inspection list must have the following characteristics:

- (a) The list must be in Alphabetical order of owners' surnames, or in numerical order of street addresses;
- (b) The list must contain the name of at least one owner of each Lot, 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 are owned by each owner, if that cannot otherwise be determined from the list;
- (e) If all Lots do not have uniform votes, such as Lots owned by Declarant, the list must identify the number or weight of votes attached to each Lot; and
- (f) The list must identify which owners of Lots are ineligible to vote at the meeting due to an assessment delinquency or other disqualifying condition.

10.14 Method of Notice. Unless a specific means of communications and notice is otherwise specifically set forth in these Bylaws or is otherwise required by applicable law or the Declaration, all notices required or permitted to be given to Members or Directors shall be given in writing and shall be delivered to the Record Contact for such Members or Directors via hand delivery, mail, fax, email or any combination of these methods.

ARTICLE XI. STANDARDS

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

11.2 General Standards. The general standards of duty for an officer or Director of the Association are the State's standards for officers and directors 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 (and/or its successor statutes) provide the following standards:

(a) A Director will discharge the Director's duties in good faith, with ordinary care, and in a manner the Director reasonably believes to be in the best interest of the Association.

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

11.3 Reliance. An officer or Director may rely on information prepared or presented by:

(a) an officer or employee of the Association;

(b) an attorney licensed by the State of Texas;

(c) a certified public accountant;

(d) an investment banker;

(e) a person whom the officer or Director reasonably believes to possess professional expertise in the matter; and

(f) in the case of a Director, a committee of the Association of which the Director is not a Member. Such reliance must be exercised in good faith and with ordinary care. An officer or Director may not rely on such information if he has actual knowledge that makes the reliance unwarranted.

11.4 Compensation. Except as permitted below, a Director, officer, Member, or resident is not entitled to receive financial or monetary profit from the operation of the Association, and no funds or assets of the Association may be paid as salary or compensation to, or be distributed to, or inure to the benefit of a Director, officer, Member, or resident. Nevertheless:

(a) Reasonable compensation may be paid to a Director, officer, Member, or resident for services rendered to the Association in other capacities;

(b) A Director, officer, Member, or resident may, from time to time, be reimbursed for his actual and reasonable expenses incurred on behalf of the Association in connection with the administration of the affairs of the Association, provided the expense has been approved by the board;

(c) The Board of Directors may budget and use Association funds to purchase awards, certificates, a celebratory meal, or other customary tokens or of appreciation for volunteer activities; and

(d) This section does not apply to distributions to Lot owners permitted or required by the Declaration, applicable law, or a court order.

11.5 Loans. The Association may not loan money to or guaranty a loan for an officer or Director of the Association.

11.6 Conflict of Interests. If a contract or transaction is fair to the Association, it is not disallowed merely because an officer, Director, or Member of the Association has a financial interest in the transaction, provided:

(a) the "interested" officer, Director, or Member fully and accurately discloses the nature of his interest to the board in a manner that is timely for the board's consideration of the contract or transaction; and

(b) the "interested" officer or Director does not participate in the vote to approve the contract or transaction, although the "interested" Director may be counted toward a quorum at the meeting. Nothing in this section may be construed to prevent the board 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 (and/or any successor statutes).

ARTICLE XII. OBLIGATIONS OF THE OWNERS

12.1 Notice of Sale. Any Lot owner intending to sell or convey his Lot or any interest therein must give written notice to the Association of his intention, together with (1) the address or legal description of the Lot 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 real estate agents, if any, representing seller and purchaser, and (5) scheduled date of closing. The requirements of this section may be satisfied by giving the Association a copy of an accepted resale contract in connection with the owner's request to the Association for a resale certificate. The failure to give such notice shall not invalidate any sale.

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

12.3 Owner's Information. Within thirty (30) days after acquiring an ownership interest in a Lot, the Lot owner must provide the Association with the owner's mailing address, email address, telephone number, and driver's license number, if any; the name and telephone number; and the name, address, email address, and telephone number of any person managing the Lot as agent of the Lot owner. An owner must notify the Association within thirty (30) days after he has notice of a change in any information required by this Section and must provide the information on request by the Association from time to time.

12.4 Assessments. All Lot owners are obligated to pay the Assessments imposed by the Association to meet the common expenses as defined in the Declaration. A Member is deemed to be in good standing and entitled to vote at any meeting of the Association if he is current in the Assessments made or levied against him and his lot. Such lien shall be subordinate to any mortgage.

12.5 Compliance with Documents. Each Lot owner will comply with the provisions and terms of the Governing Documents, and any amendments thereto.

ARTICLE XIII. DECLARANT PROVISIONS

13.1 Conflict. The provisions of this Article XIII control over any provision to the contrary elsewhere in these By-laws.

13.2 Board of Directors. The Certificate of Formation of the Association governs the number, qualification, and appointment of the initial directors of the Association. The initial directors are appointed by Declarant and need not be Lot owners. Directors appointed by Declarant may not be removed by the Lot owners during the Class B Control Period and may be removed by Declarant only during the Class B Control Period. Declarant has the right to fill vacancies in any directorship vacated by a Declarant appointee during the Class B Control Period.

13.3 Transition Meeting. Within sixty (60) days after the Declarant files a statement with the Association that the Class B Control Period has expired or Declarant elects to terminate the Class B Control Period earlier than required by the Declaration, Declarant will call a meeting of the Members of the Association for the purpose of electing Directors, by ballot of Members. Notice of the transition meeting will be given as if it were notice of an annual meeting of the Members.

13.4 Maintenance by Association. Declarant reserves the right to require the Association to maintain the Common Areas at any and all times prior to Declarant conveyance of any of same to the Association.

ARTICLE XIV. AMENDMENTS

14.1 Amendments. The By-laws may be altered, amended, or repealed, and new By-laws may be adopted by the Board of Directors. The notice of any meeting at which the By-laws are altered, amended, or repealed, or at which new By-laws are adopted shall include the text of the proposed bylaw provisions as well as the text of any existing provisions proposed to be altered, amended, or repealed.

**ARTICLE XV.
MISCELLANEOUS**

15.1 Drafter's Intent. Because Declarant intends these By-laws to serve the Association for many years beyond the initial development, construction, and marketing of the Subdivision, Declarant purposefully did not draft these By-laws from its own perspective. Instead, as a courtesy to future users of these By-laws, Declarant compiled most of the Declarant-related provisions in the Declaration. Although Declarant is initially an owner and a member of the Association, Declarant is intentionally exempt from a number of obligations that apply to other Lot owners and has a number of rights that other owners do not have.

15.2 Conflicting Provisions. If any provision of these By-laws conflicts with any provision of the applicable laws of the State of Texas, the conflicting By-laws provision is null and void, but all other provisions of these By-laws remains in full force and effect. If a provision of the Association's Certificate of Formation conflicts with these By-laws, the certificate of formation or Articles controls. In the case of any conflict between the Declaration and these By-laws, the Declaration controls.

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

15.4 Construction. The effect of a general statement is not limited by the 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 masculine or neuter pronouns includes the feminine.

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

15.6 Waiver. No restriction, condition, obligation, or covenant contained in these By-laws 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.

15.7 Headings. The headings used in these By-laws are for convenience only and do not constitute matter to be construed in the interpretation of these By-laws.

15.8 Defined Terms. Capitalized terms used, but not defined herein, shall have the meanings attributed to them in the Declaration.

(Signature page follows)

DECLARANT:

Matagorda View, LLC

By: Walter G. Mayfield
Name: Walter G. Mayfield
Title: Manager