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Granbury, Texas 76048
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BY-LAWS

Grantor: HIGHLAND PARK BAY HOA INC

Pages: 24

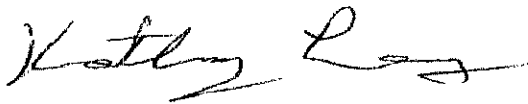
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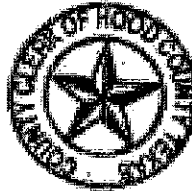
Recorded On:	02/18/2020 11:42 AM	Notes:
Document Number:	2020-0002272	
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Any provision herein which restricts the Sale, Rental, or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

I hereby certify that this instrument was filed and duly recorded in the Official Records of Hood County, Texas



Katie Lang
County Clerk
Hood County, Texas



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GRAN DEVELOPMENT



BYLAWS

for

HIGHLAND PARK BAY HOA, INC.

(A Texas Property Owners Association)

GRANBURY, TEXAS

**A Single Family Residential Subdivision
Ninety-six(96) Patio Homes and Nine (9) R-7 Waterfront Homes
Subdivision, an Addition to the City of Granbury, Texas**

**BYLAWS
OF
HIGHLAND PARK BAY HOA, INC.
A TEXAS NON-PROFIT CORPORATION**

**ARTICLE I
NAME AND LOCATION**

The name of the non-profit corporation is Highland Park Bay HOA, Inc. (the "Association"). The Association is a non-profit corporation organized under the Texas Business Organizations Code. The principal office of the Association shall be located at 510 West Pearl Street, Suite 100, Granbury, Texas 76048, 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.

The Association shall have and continuously maintain in the State of Texas a registered office and a registered agent as required by the Texas Business Organizations Code. The registered office may be, but need not be, the same as the principal office of the Association. The registered office or the registered agent, or both, may be changed from time to time by the Board of Directors of the Association.

**ARTICLE II
PURPOSE AND PARTIES**

Section 2.01. Purpose. The purpose for which the Association is formed is to interpret, fulfill, and enforce the terms of the Declaration of Covenants, Conditions, and Restrictions for the Highland Park Bay Addition to the City of Granbury, Texas (as same may be hereafter amended, the "Declaration") effective on August 26, 2019, and recorded in the Official Records of Hood County, and provide for the maintenance, management, preservation, care and control of certain common areas and related improvements, and the use and maintenance of the residential Lots and improvements thereon in the Highland Park Bay Addition, a residential subdivision situated in the City of Granbury, Texas (the "Property"), which Property is described in, and subject to, the Declaration.

Section 2.02. Parties. All present or future Owners, tenants or future tenants of any Lot, or any other person who might use in any manner the facilities of the Property are subject to the provisions and the regulations set forth in these ByLaws. The mere acquisition, lease or rental of any Lot or the mere act of occupancy of a Lot will signify the acceptance, approval, ratification, and agreement to comply with these ByLaws (herein the "ByLaws").

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

Section 3.01. Membership. Each and every Owner shall automatically be a Member of the Association without the necessity of any further action on his part, subject to the terms of the Declaration, the Certificate of Formation, these ByLaws, and the Rules & Regulations from time to time promulgated by the Association. Membership shall be appurtenant to and may not be separated from the interest of such Owner in and to any portion of the Property. Ownership of any portion of the Property shall be the sole qualification for being a Member; provided, however, a Member's voting rights, as herein described, or privileges in the Common Areas, or both, may be regulated or suspended as provided in the Declaration, these ByLaws, and/or the Rules & Regulations promulgated thereunder. Persons or entities shall be Members by reason of ownership of land dedicated and accepted by the local public authority and devoted to public use or Common Areas and such land shall be owned subject to all of the terms and provisions of the Declaration except that: (i) ownership of land devoted to purposes described in this sentence shall not create any votes in the Members owning such land; and (ii) such non-voting Members shall not be required to pay any assessments other than special individual assessments as described and authorized in the Declaration. No person or entity shall be a Member by reason of ownership of any easement, right-of-way, or mineral interest. In addition, any person or entity that holds an interest in and to all or any part of the Property merely as security for the performance of an obligation shall not be a Member.

Section 3.02. Transfer. Membership may not be severed from the Property nor may it be in any way transferred, pledged, mortgaged or alienated except upon the sale or assignment of the Owner's interest in all or any part of the Property and then only to the purchaser or assignee as the new Owner thereof.

Membership shall not be severed by the encumbrance by an Owner of all or any part of the Property. Any attempt to make a prohibited severance, transfer, pledge, mortgage or alienation shall be void and of no force or effect, and will be so reflected upon the books and records of the Association. Any transfer of the fee title to a Lot, tract or parcel of real estate out of or a part of the Property shall automatically operate to transfer Membership to the new Owner thereof. In the event an Owner should fail or refuse to transfer the Membership registered in such Owner's name to the transferee, the Association shall have the right to record the transfer upon its books and records.

Section 3.03. Voting Membership and Voting Rights. The Association shall have two (2) classes of voting membership:

Class A. The sole Class A Member is the Declarant. The Class A Member shall be entitled to ten (10) votes for each Lot in which Declarant holds a Membership interest. The Class A Membership shall cease and terminate on the earlier of: [a] the Control Transfer Date, as defined in the Declaration, or [b] Declarant's voluntary relinquishment of control over the Association, as evidenced by Declarant's filing of a written statement to that effect among the Official Public Records of Hood, County, Texas.

Class B. The Class B Members shall be all Members with the exception of the Declarant. Class B Members shall be entitled to one vote for each initially platted or replat of multiple Lots into one Lot (for which one main dwelling is permitted thereon by the Declarant) in which they hold the interest required for Membership. When more than one person holds such interest or interests in any Lot, even though all such persons shall be Members, there shall be only one (1) vote for such Lot, which shall be exercised by majority in interest (and not in number) of such persons, but in no event shall more than one vote be cast with respect to any such Lot.

Notwithstanding the number of votes cast at any Association meeting or action, all Association decisions and actions must be approved in writing by the Declarant for as long as Declarant remains the Class A Member, so that the Declarant shall maintain control over all Association operations until the Control Transfer Date, or such earlier date as described above.

The Declarant's rights as the Class A Member described immediately above supersede and override any conflicting or contrary provision in these ByLaws.

Section 3.04. Multiple Owner Votes. Where there are multiple Owners of a Lot, it is not intended by any provision of the Declaration or these ByLaws that each of said Owners shall be entitled to cast the votes allocated to such Lot nor may fractional votes be cast.

For example, where three persons own a Lot, they shall jointly be entitled to vote the one vote allocated to such Lot and shall not be entitled to cast a full vote each. When more than one person or entity owns the interest or interests in and to any Lot, as required for Membership in the Association, each and every person or entity shall be a Class B Member, and the vote for any such Lot shall be exercised by majority in interest (and not

in number) of such persons, but in no event shall more than one (1) vote be cast with respect to any such Lot.

The Owners of such Lot shall designate one person to cast the vote or execute a written consent, as applicable. The Owners of such Lot will notify the Association, in writing, of the person so designated. Such notice will not be valid unless signed by the majority in interest of the Owners of such Lot. The Association shall not be required to recognize the vote or written assent of any such multiple Owners except the vote or written assent of the Owner designated in writing executed by the majority in interest of such multiple Owners and delivered to the Association.

Section 3.05. Suspension of Voting Rights Not Permitted. The voting rights of any Member owning a Lot in the Highland Park Bay Addition to the City of Granbury, Texas may not be suspended by the Board for any reason, including for non-payment or delinquency of Association Assessments, or for an infraction of the restrictions, rules or regulations set forth in the Declaration.

Section 3.06. Quorum, Notice, Member Participation and Voting Requirements.

(a) Subject to the provisions of Paragraph (d) of this Section, and further subject in all events to the greater percentage of approval required with respect to annual or special assessments as may be provided in the Declaration, any action taken at a meeting of the Members shall require the assent of two-thirds (2/3) of all of the votes of the Association's Members who are voting in person or by proxy, regardless of class, at a duly called meeting.

(b) The first time a meeting is called, whether regular or special, the presence at the meeting of Members, or of proxies, entitled to cast twenty percent (20%) of all of the votes of the Association's Members, without regards to class, shall constitute a quorum. If the required quorum is not present or represented at the meeting, one (1) additional meeting may be called, subject to the notice requirements set forth below, and the required quorum at such second meeting shall be one-half (1/2) of the required quorum at the preceding meeting; provided, however, that no such second meeting shall be held more than sixty (60) days following the first meeting.

(c) Owners shall be notified of regular or special Board meetings in the following matter:

1. The notice shall contain the date, hour, place and general subject matter of a regular or special Board meeting, including a

general description of any matter to be brought up for deliberation in executive session.

2. The notice shall be provided by mailing the notice to each Owner not later than the 10th day or earlier than the 60th day before the date of the meeting; or

3. At least 72 hours before the start of the meeting, the notice shall be emailed to each Owner who has registered his or her e-mail address with the Association; and

- a. Notice shall be posted on the Association's website; or
- b. Notice shall be posted at a conspicuous location within the Subdivision.

4. Owners are responsible for keeping an updated e-mail address registered with the Association.

(d) As an alternative to the procedure set forth above, any action referred to in this Section may be taken without a meeting if a consent in writing, approving of the action to be taken, shall be signed by the Members entitled to cast two-thirds (2/3) of all of the votes of the Association's Members, subject in all events to the greater percentage of approval required with respect to annual or special assessments as may be provided in the Declaration. The notice of regular or special Board meetings may include the time set aside by the Board for input from members as follows:

1. **Purpose.** To set aside a special time prior to a regular Board meeting for Members to address the Board in person and in a public forum, expressing their views and opinions on the affairs of the Association and other matters of interest.

2. **Policy.** Members' Time will be set at the conclusion of other business (unless otherwise determined by the Board president), and will last no more than 30 minutes.

3. **Procedure.**

- a. Any Member (or other party at the President's discretion) may address the Board during Members' Time. Members wishing to speak should complete the form provided

for that purpose before the start of the meeting, or request permission to speak before Members' Time ends.

b. The Member must include their name, address, phone number, email and topic of discussion.

c. Each Member will be allowed approximately 3 minutes to speak. Depending on the number of Members wishing to speak, the President may adjust the time allotted for each Member. A Member may not yield his/her allotted time to any other person.

d. No Member shall otherwise speak at any meeting unless recognized by the President.

e. Members shall refrain from obscenity, vulgarity, or any breach of respect. Improper or disrespectful conduct shall result in the immediate expiration of the Member's allotted time and may result in the Member's expulsion from the meeting.

4. **Board's Role.**

a. The President may address a Member's comments, or allow another Board Member to address the comments as appropriate.

b. While some discussion between the Member and the Board may take place, a lengthy dialogue will be avoided.

c. The Board may refer comments made during Members' Time for review or action, or to be placed on a future Board agenda for discussion and/or action.

d. Unless comments relate to matters already on the agenda, or the Board adds the matter to the agenda, the Board will not address the topic at the Board meeting.

Section 3.08. Special Meetings. Special Meetings of the Members may be called at any time by the Declarant, by the President, by the Board, or upon the written request for a Special Members' Meeting from Members who are entitled to vote at least sixty percent (60%) of the outstanding votes of the Members, regardless of class.

Section 3.09. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary before the appointed time of each meeting. Proxies shall be revocable and shall automatically cease upon conveyance by the Member of his or her Lot, or upon receipt by the Secretary of

the Association of notice of the death or judicially declared incompetence of such Member. Unless otherwise provided in the proxy, no proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided therein, except that the maximum term of any proxy shall be two (2) years from the date of execution.

Section 3.10. Action Without Meeting By Written Ballot. Any action which may be taken by the Members at a regular or special meeting, other than the election of Directors, may be taken without a meeting if done in compliance with relevant provisions of the Texas Property Code, the Texas Business Organizations Code and these ByLaws. Following the Declarant Control Period, without prior notice to Members of an Open Board Meeting or by unanimous written consent, the Board MAY NOT, consider or vote on:

- (a) fines;
- (b) damage assessments;
- (c) initiation of foreclosure actions;
- (d) initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety;
- (e) increases in assessments;
- (f) levying of special assessments;
- (g) appeals from a denial of architectural control approval;
- (h) a suspension of a right of a particular Owner before the Owner has an opportunity to attend a Board meeting to present the Owner's position, including any defense, on the issue; or
- (i) any expenditure or financial action unrelated to the reasonably unforeseen emergency or urgent necessity that led to the Board meeting;
- (j) lending or borrowing money;
- (k) the adoption or amendment of a dedicatory instrument;
- (l) the approval of an annual budget or the approval of an amendment of an annual budget that increases the budget by more than ten percent (10%);

- (m) the sale or purchase of real property;
- (n) the filling of a vacancy on the Board of Directors;
- (o) the construction of capital improvements other than the repair, replacement, or enhancement of existing capital improvements;
- (p) the election of an officer.

ARTICLE IV
BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 4.01. Number. The affairs of this Association shall be managed by a Board of at least three (3) directors (herein, the "Board"). Until the earlier of the Control Transfer Date, or the date on which Declarant voluntarily relinquishes control over the Association as described previously, one (1) of the members of the Board may be a Class B Member or representative of a Class B Member, at least one (1) of the members of the Board shall be Declarant or his representative, and a person appointed by Declarant shall serve as the 3rd Board member. The members of the initial Board or their successors, shall serve until the first Annual Meeting of the Members.

Section 4.02. Term of Office. At the first Annual Members' Meeting, the Members voting, regardless of class, shall elect two (2) directors for a term of two (2) years each and one (1) director for a term of one (1) year. At each Annual Members' Meeting thereafter, the Members voting, regardless of class, shall elect to replace the directors whose terms have expired. All directors elected after the first Annual Members' Meeting shall serve for a term of two (2) years.

Section 4.03. Removal. Members of the Board, except the Declarant and any person appointed by Declarant, may be removed from office, with or without cause, by a vote of Members holding a majority of the votes, regardless of class. Any individual director may be removed from the Board, with or without cause, prior to the expiration of his term of office by a vote of Members holding a majority of the votes, regardless of class.

Notwithstanding anything contained herein to the contrary, if the Board is presented with written documented evidence that a Director has been convicted of a felony or crime of moral turpitude within the previous twenty (20) years, that Director shall be immediately ineligible to serve on the Board of Directors and shall automatically be considered removed from the Board.

Section 4.04. Vacancies. Vacancies on the Board shall be filled subject to the following provisions:

(a) **Vacancies by Death or Resignation.** In the event of the death or resignation of a director, a successor director shall be selected by a majority of the remaining members of the Board and shall serve for the unexpired term of such director.

(b) **Vacancies by Removal.** Vacancies created by the removal of a director shall be filled only by a vote of Members holding a majority of the votes. Such director shall serve for the unexpired term of the removed director.

(c) **Vacancies by Increase in Directorships.** Any vacancy to be filled by reason of an increase in the number of directors shall be filled by election at an Annual Members' Meeting or at a Special Meeting of Members called for that purpose.

Section 4.05. Indemnification of Officers and Directors. Except in cases of fraud, willful malfeasance, gross negligence or bad faith of the director or officer in the performance of duties, and subject to the provisions of applicable Texas law, each director and officer shall be indemnified by the Association and the Members against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him or her by judgment or settlement in connection with any proceeding to which he or she may be a party, or may become involved by reason of being or having been a director or officer of the Association. The Association may indemnify its officers and directors to the extent permitted by the Texas Property Code and the Texas Business Organizations Code.

The Association may purchase and maintain insurance on behalf of any director or officer or may enter into other arrangements, such as creating a trust fund, establishing a form of self-insurance, or establishing a letter of credit, guaranty or surety arrangement, in connection with indemnification of directors and officers; provided, however, that in no event shall the grant of a security interest or other lien on the assets of the Association ever be given to secure an indemnity obligation under this Section 4.05.

Section 4.06. Compensation and Loans. No director shall receive compensation for any service such director may render to the Association. However, directors shall be reimbursed for actual expenses incurred in the performance of his or her duties of office. No loans may be made by the Association to any officer or director of the Association.

Section 4.07. Action Without Meeting and Telephone Meetings. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors. The Board may hold duly called meetings between directors by conference, telephone or other similar communications equipment by means of which all participants in the meeting can hear each other. .

ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

Section 5.01. Election of Board. The initial Board shall be set forth in the Certificate of Formation of the Association. The first election of the Board shall be conducted at the first meeting of the Association. All positions on the Board shall be filled at that election. Thereafter, directors shall be elected by Members at the Annual Members' Meeting. At such elections, 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 these ByLaws and the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI MEETINGS OF DIRECTORS

Section 6.01. Regular Meetings. Regular meetings of the Board shall be held at least annually, but may be held more frequently at the discretion of the Declarant, or at the discretion of the Members following the Declarant's transfer of control of the Association to the Members, at such place within the State of Texas, and at such hour as may be fixed from time to time by resolution of the Board. If the meeting date falls upon a Sunday or legal holiday, then that meeting may be held at the same time on the next day which is not a Sunday or legal holiday. Notice of the agenda and place of meeting shall be delivered either personally, by mail, telephone, telegraph or facsimile communication equipment to the Board members and to the Association Members not less than seventy-two (72) hours prior to the meeting, subject to the notice requirements in the Texas Property Code. However, notice of a meeting need not be given to Board members or Association Members who have signed a waiver of notice or a written consent to the holding of the meeting. Attendance in person at a meeting, except where such director or Member attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened, shall not constitute waiver of notice or such director's or Member's consent to the holding of said meeting. Participation by a director or a Member in a meeting by telephone or similar

communication equipment shall constitute waiver of notice and attendance in person at such meeting.

Section 6.02. Special Meetings. Special meetings of the Board shall be held when called by written notice signed by the President or by any two (2) directors other than the President. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be sent to all directors and Members by mail, email, telephone, telegraph or facsimile communication equipment not less than seventy-two (72) hours prior to the scheduled time of the meeting, provided that notice of the meeting need not be given to Board members who have signed a waiver of notice or a written consent to the holding of the meeting. An officer of the Association shall make reasonable efforts to notify all directors and Members of the meeting by email, the method of notice hereby adopted. Attendance in person at a meeting, except where such director or Member attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened, shall not constitute waiver of notice or such director's or Member's consent to the holding of said meeting. Participation by a director or Member in a meeting by telephone or similar communication equipment shall constitute waiver of notice and attendance in person at such meeting.

Section 6.03. Quorum. A majority of the total number of directors constituting the Board shall constitute a quorum for the transaction of business. Every act performed or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 6.04. Open Meetings. All meetings of the Board shall be open to all Members, but Members other than directors may not participate in any discussion or deliberation unless expressly so authorized by a majority of a quorum of the Board.

Section 6.05. Executive Session. The Board may, with approval of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, disciplinary matters, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

Section 6.06. Action Without Meeting and Telephone Meetings. The Board may take actions without a meeting of all of its Board members with the directors' consent in writing to the action to be taken and may hold duly called meetings between directors by conference telephone or other similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting

shall constitute presence in person at such meeting, except where a person participates in such 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.

If the Board takes an action by unanimous written consent, an explanation of the action taken shall be sent by mail to all directors within three (3) days after the written consent of all directors has been obtained.

ARTICLE VII GENERAL POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.01. Powers and Duties. The affairs of the Association shall be conducted by the Board. In addition to the powers and duties enumerated in the Declaration or elsewhere herein, and without limiting the generality thereof, the Board, for the mutual benefit of the Members, shall have the powers and/or duties set forth in the Declaration and the following powers and/or duties:

(a) If, as and when the Board, in its sole discretion, deems necessary, it may take such action to enforce the terms and provisions of the Declaration, the Certificate of Formation and these ByLaws by appropriate means and carry out the obligations of the Association thereunder, including without limitation, the expenditure of funds of the Association, the employment of legal counsel and accounting services, the commencement of legal action, the promulgation and enforcement of the Association rules, which may include the establishment of a system of fines and/or penalties enforceable as special individual assessments as provided in the Declaration and to enjoin and/or seek legal damages from any Member for violation of such provisions or rules;

(b) To acquire (free and clear of any encumbrances), maintain and otherwise manage all or any part of the Common Areas and all facilities, improvements and landscaping thereon, and all personal property acquired or owned by the Association;

(c) Except as may otherwise be provided in the Declaration, to dedicate, mortgage or sell all or any part of the Common Areas and all facilities, improvements and landscaping thereon, and all personal property acquired or owned by the Association;

(d) To execute all declarations of ownership for tax assessment purposes and to pay any and all real and personal property taxes and other charges or assessments assessed against the Common Areas, if any, unless the

same are separately assessed to all or any of the Members, in which event such taxes shall be paid by such Members;

(e) To obtain, for the benefit of the Common Areas, all water, gas and electric services, refuse collections, landscape maintenance services and other services, which in the opinion of the Board shall be necessary or proper;

(f) To make such dedications and grant such easements, licenses, franchises and other rights, which in its opinion are necessary for street, right-of-way, water, electrical, sewer and other utilities, drainage and other similar facilities or telephone, and video, cable television, security, communication services and other similar services over the Common Areas to serve the Property or any part thereof;

(g) To contract for and maintain such policy or policies of insurance as may be required by the Declaration or as the Board deems necessary or desirable in furthering the purposes of and protecting the interest of the Association and its Members;

(h) To borrow funds to pay costs of operation secured by assignment or pledge of its rights against delinquent Owners to the extent deemed advisable by the Board;

(i) To enter into contracts for legal and accounting services, maintain one or more bank accounts, and generally, to have the powers necessary or incidental to the operation and management of the Association and the Common Areas;

(j) If, as and when the Board, in its sole discretion, deems necessary it may, but shall not be obligated to take action to protect or defend the Common Areas or other property of the Association from loss or damage by suit or otherwise;

(k) If, as and when the Board, in its sole discretion, deems it necessary it may, but shall not be obligated to, sue and defend in any court of law on behalf of the Association or one (1) or more of its Members;

(l) To establish and maintain a working capital and/or contingency fund in an amount to be determined by the Board;

(m) To make reasonable Rules & Regulations for the operation and use of the Common Areas and to amend same from time to time;

(n) To make an unaudited annual report available (within one hundred twenty (120) days after the end of each fiscal year) to each Member and any individual or entity holding a mortgage or deed of trust on any Lot;

(o) Subject to the terms of the Declaration, to adjust the amount, collect and use any insurance proceeds, and if the proceeds are insufficient, to repair damage or replace lost property owned by the Association, to assess the Members in proportionate amounts to cover the deficiency as set forth in the Declaration;

(p) To delegate its powers and duties to committees, officers or employees as provided in these Bylaws, employ a manager or other persons and contract with independent contractors or managing agents who have professional experience to perform all or any part or the duties and responsibilities of the Association, provided that any contract with a person or entity appointed as a manager or managing agent shall be terminable with or without cause on not more than ninety (90) days written notice by the Association and shall have a term of not more than two (2) years with successive one (1) year renewal periods upon the mutual agreement of the parties;

(q) To suspend the voting rights of any Members who have failed to pay their assessments or who have otherwise violated the Declaration; these ByLaws or the rules and regulations of the Association;

(r) To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the Annual Meeting of the Members, or at any Special Meeting of the Members when such statement is requested in writing by fifty percent (50%) or more of the outstanding votes of the Members, regardless of class.

(s) To elect the officers of the Association, as provided in these ByLaws;

(t) To elect the officers of the Association, as provided in these ByLaws;

(u) To fill vacancies on the Board, in accordance with Section 5.04(a) hereof; and

(v) Generally, to have the powers necessary or incidental to the operation and management of the Association and the Common Areas, if any, owned or managed by the Association.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 8.01. Enumeration of Officers. The officers of the Association shall be as follows:

- (a) A President, who shall at all times be a member of the Board;
- (b) A Secretary, who may or may not be a member of the Board;
- (c) A Treasurer, who may or may not be a member of the Board; and
- (d) Such other officers, who may or may not be members of the Board, as the Board may from time to time by resolution create.

Section 8.02. Multiple Offices. The offices of President and Secretary may not be held by the same person.

Section 8.03. Election of Officers. At its organizational meeting following the incorporation of the Association, the directors shall elect officers. Thereafter, the election of officers shall take place at the first meeting of the Board following each annual meeting of the Members.

Section 8.04. Term. The officers shall be elected annually by the Board and each shall hold office for one (1) year unless an officer shall sooner resign, be removed, or otherwise become disqualified to serve.

Section 8.05. Special Appointments. The Board may elect such other officers or appoint such other agents as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 8.06. Resignation and Removal. Any officer may be removed from office by the Board 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 shall take effect on the date of receipt of such notice or at any later time specified therein, and unless

otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 8.07. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the replaced officer.

Section 8.08. Duties. The duties of the officers are as follows:

(a) **President.** The President shall: (i) preside at all meetings of the Board; (ii) see that orders and resolutions of the Board are carried out; (iii) sign all leases, mortgages, deeds and other written instruments; provided, however, that any duly authorized officer may sign checks and promissory notes; and (iv) shall perform such other duties as may be required by the Board.

(b) **Vice President.** If such office is established and filled by the Board, the Vice President shall: (i) act in the place and stead of the President in the event of the President's absence, inability or refusal to act; and (ii) shall exercise and discharge such other duties, and execute such documents or instruments, as may be required, authorized or approved by the Board.

(c) **Secretary.** The Secretary shall: (i) record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; (ii) keep the corporate seal of the Association and affix it on all papers requiring said seal; (iii) serve notice of meetings of the Board and of the Members; (iv) keep appropriate current records showing the Members of the Association together with their addresses; and (v) perform such other duties, and execute such documents or instruments, as may be required, authorized or approved by the Board.

(d) **Treasurer.** The Treasurer shall: (i) receive and deposit in appropriate bank accounts all monies of the Association; (ii) disburse such funds as directed by resolution of the Board; (iii) maintain the financial records of the Association; and (iv) perform such other duties of a similar nature as may be required or approved by the Board.

ARTICLE IX CONTRACTS, CHECKS, FUNDS AND GIFTS

Section 9.01. Contracts and Documents. The Board of Directors may authorize any Officer or Officers, agent or agents of the Association, in addition to the Officers so authorized by these ByLaws, to enter into any contract or execute and deliver any

instrument or other document in the name of and on behalf of the Association. The authority may be general or confined to specific instances.

Section 9.02. Checks and Drafts. 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 the Officer or Officers, agent or agents of the Association and in the manner as shall from time to time be determined by resolution of the Board of Directors.

Section 9.03. Funds. All funds of the Association shall be deposited from time to time to the credit of the Association in the banks or other depositaries as the Board of Directors may select.

Section 9.04. Gifts. The Board of Directors may accept on behalf of the Association any contribution, gift, bequest or devise for the general purpose or for any special purpose of the Association.

ARTICLE X CORPORATE SEAL

The Association may, if the Board so elects, have a seal in circular form having within its circumference the name of the Association.

ARTICLE XI BOOKS AND RECORDS - RETENTION

Section 11.01. Inspection by Members. The membership register, books of account and minutes of meetings of the Members, of the Board and of committees shall be made available for inspection and copying by any Member or by the Member's appointed representative, at any reasonable time and for a purpose reasonably related to the Member's interest, at the office of the Association or at such other place as the Board may designate.

Section 11.02. Rules for Inspection. The Board shall establish reasonable rules with respect to:

- (a) Notice to be given to the custodian of the records by the Member desiring to make the inspection;
- (b) Hours and days of the week when such an inspection may be made;
and
- (c) Payment of the cost of reproducing copies of requested documents.

Section 11.03. Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical property owned by the Association. The rights of inspection by a director includes the right to make extra copies of documents.

Section 11.04. Document Retention. The Association shall retain such records as are required to be retained by the Texas Property Code, and make its books and records available to Members for inspection and copying as required by law.

The Association is not required to release or allow inspection of any books or records that identify the Dedicatory Instrument violation history of a Member, a Member's personal financial information, including records of payment/nonpayment of amounts due the Association, a Member's contact information other than the Member's address, or information related to an employee of the Association, including personnel files. Information may be released in an aggregate or summary manner that would not identify an individual Member. These records may be made available only with (i) the express written approval of the Member whose records are the subject of the request, or (ii) if a court of competent jurisdiction orders the release of the records.

An attorney's files and records relating to the Association, excluding invoices requested by an Owner under Section 209.008(d) of the Texas Property Code are not records of the Association and are not subject to inspection by the Member, or production in a legal proceeding. If a document in an attorney's files and records relating to the Association would be responsive to a legally authorized request to inspect or copy Association documents, the document shall be produced by using the copy from the attorney's files and records if the Association has not maintained a separate copy of the document. Any document that constitutes attorney work product or that is privileged as an attorney-client privileged communication is not required to be produced.

ARTICLE XII ASSESSMENTS

The provisions of Article IV of the Declaration specifically set forth the rights, obligations and liabilities of the Association and its Members relative to the levy, collection and use of assessments and those provisions are incorporated herein by reference for all purposes.

ARTICLE XIII BUSINESS JUDGMENT RULE AND INDEMNIFICATION

Subject to the provisions of the Texas Business Organizations Code, the Association shall indemnify directors, officers, agents and employees as follows:

Section 13.01. Business Judgment Rule. Any act or thing done by any Director, Officer, or Committee member taken in furtherance of the purposes of the Association and accomplished in conformity with the procedures set forth in the Declaration, Certificate of Formation, the laws of the State of Texas, and/or these ByLaws, shall be reviewed under the standard of the Business Judgment Rule as established by the common law of Texas, and such act or thing done shall not be a breach of duty on the part of the Director, Officer, or Committee member. A court shall not re-examine the quality of the decisions made by the Director, Officer, or Committee member by determining the reasonableness of the decision as long as the decision is made in good faith in what the Director, Officer, or Committee member believes to be in the best interest of the Association.

(a) **Statutorily Required Indemnification.** The Association shall indemnify its directors and officers against reasonable expenses incurred in connection with a proceeding in which the director or officer is named as a defendant or respondent because he is or was a director or officer of the Association if he has been wholly successful, on the merits or otherwise, in the defense of the proceeding. The Association may, at the direction and in the sole discretion of the Board, pay for or reimburse the director or officer for the payment of his reasonable expenses in advance of the final disposition of the proceeding, provided that the Association receives in writing: (i) an affirmation by the director or officer of his good faith belief that he has met the standards of conduct necessary for indemnification under the terms of the Texas Property Code and the Texas Business Organizations Code; and (ii) an undertaking by or on behalf of the director or officer to repay the amount paid or reimbursed if it is ultimately determined such standards of conduct have not been met.

(b) **Permitted Indemnification Extent.** The Association, at the direction of and in the sole discretion of the Board, shall have the right, to such further extent as permitted by law, but not the obligation to indemnify any person who: (i) is or was a director, officer, employee, or agent of the Association; or (ii) while a director, officer, employee, or agent of the Association, is or was serving at its request as a director, officer, partner, venture partner, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic corporation, non-profit corporation, limited liability company, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise.

Section 13.03. Insurance. The Association may purchase and maintain insurance or another arrangement on behalf of any person who is or was a director, officer, employee, or agent of the corporation or who is or was serving at its request as a director, officer, partner, venture partner, proprietor, trustee, employee, agent, or similar functionary

of another foreign or domestic corporation, non-profit corporation, limited liability company, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise against any liability asserted against him and incurred by him in such a capacity or arising out of his status as such a person, whether or not the Association would have the power to indemnify him against that liability pursuant to the provisions of the Texas Business Organizations Code. Furthermore, the Association may, for the benefit of persons indemnified by the Association: (i) create a trust fund; (ii) establish any form of self-insurance; (iii) secure its indemnity obligation by grant of a security interest or other lien on the assets of the Association; or (iv) establish a letter of credit, guaranty, or surety arrangement.

ARTICLE XIV AMENDMENTS

These ByLaws or the Certificate of Formation may be amended at a regular or special meeting of the Members by a vote (in person or by proxy) or written consent, regardless of class, as provided in Section 4.07 of these ByLaws; provided, however, until such time as the Class A Membership shall have ceased, the Association shall not amend these ByLaws or the Certificate of Formation without the prior written approval of the Declarant; and further provided that the Declarant shall have the right and authority to amend these ByLaws or the Certificate of Formation alone and in Declarant's sole discretion.

ARTICLE XV MISCELLANEOUS

Section 15.01. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year began on the date of incorporation of the Association.

Section 15.02. Interpretation. In the case of any conflict between the Certificate of Formation and these Bylaws, the Certificate of Formation shall control; in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control; and in the case of any conflict between the Declaration and the Texas Property Code and other applicable laws of the State of Texas governing non-profit corporations, the laws of the State of Texas shall control; provided, however, to the extent reasonably practical, the Certificate of Formation, ByLaws and Declaration shall be construed and interpreted together as consistent and nonconflicting documents, such being the intent thereof.

IN WITNESS WHEREOF, Declarant has executed these ByLaws on this 11th day of February, 2019 to be effective on the 11th day of February, 2019 following recording hereof in the Official Records of Hood County, Texas.

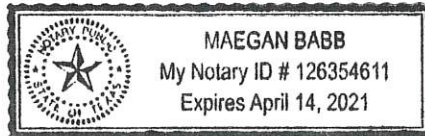
Highland Park Bay HOA, Inc.
a Texas non-profit corporation

By: *Garry Luker*
Garry Luker, President and
Chairman of the Board

STATE OF TEXAS

§
§
§

COUNTY OF HOOD



This instrument was acknowledged before me on this 11th day of February, 2019 by Garry Luker, Chairman of the Board and President of Highland Park Bay HOA, Inc., a Texas non-profit corporation, on behalf of said company.

Maegan R. Babb
Notary Public

CERTIFICATION

I, the undersigned, am the duly elected and acting Secretary of Highland Park Bay HOA, Inc., a Texas non-profit corporation, and I do hereby certify that the within and foregoing ByLaws, as amended and restated, were adopted as the ByLaws of said Association.

IN WITNESS WHEREOF, I have hereunto subscribed my name on this 26 day of August, 2019.

Kelly Swope
Kelly Swope, Secretary

After filing return to:

John A. Hall,
Registered Agent
Highland Park Bay HOA, Inc.
510 West Pearl Street, Suite 100
Granbury, Texas 76048