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BYLAWS
OF
INDIGO RESIDENTIAL COMMUNITY ASSOCIATION, INC.

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**BYLAWS
OF
INDIGO RESIDENTIAL COMMUNITY ASSOCIATION, INC.**

**ARTICLE I
Name and Address**

Section 1.1 Name. The name of the Residential Association is Indigo Residential Community Association, Inc., a Texas nonprofit corporation.

Section 1.2 Address. The principal office of the Residential Association shall be at the place designated by the Residential Board of Directors by written notice to the Members, subject to change upon further written notice to the Members.

Section 1.3 Registered Agent. The Residential Association shall have and continuously maintain, in the State of Texas, a registered agent at a registered office, as required by the TBOC. The registered office may be, but need not be, identical to the principal office of the Residential Association as set forth in Section 1.2 of these Bylaws. The initial registered agent and registered office is set forth in the Residential Certificate. The registered office address may be changed from time to time by the Residential Board by filing any change with the Secretary of State of the State of Texas, in compliance with Section 5.202 of the TBOC.

**ARTICLE II
Applicability**

These Bylaws ("Bylaws") shall be applicable to the Residential Association in all respects. In accordance with the terms of the Residential Declaration, and as provided in these Bylaws, Members and any other Persons permitted to use the Common Areas in the Residential Property and any other portion of the Residential Property, as set forth in the Residential Declaration, shall be subject to these Bylaws and the Residential Governing Documents. Ownership of a Residential Lot shall conclusively mean that the Residential Owner has accepted and ratified and will comply with these Bylaws and any other Residential Governing Documents.

**ARTICLE III
Purpose**

The purpose of the Residential Association is to protect and maintain the value of the Residential Property, Residential Lots, and Common Areas of the Residential Property, which includes, without limitation, providing for the management, maintenance, repair, and replacement of the Common Areas of the Residential Property. The Residential Association does not contemplate pecuniary gain or profit to its Members as a result of Membership in the Residential Association.

ARTICLE IV

Definitions and Interpretation

Section 4.1 Definitions. The following terms shall have the meanings set forth below. Any capitalized term not expressly defined in these Bylaws shall have the same meaning as defined in the Residential Declaration.

"Act." Chapter 209 of the Texas Property Code applicable to property owners' associations, as amended from time to time.

"Assessments." Regular Assessments, Special Assessments and Individual Assessments owing to the Residential Association by a Residential Owner or levied against any Residential Lot by the Residential Association.

"Class A Member." The Residential Owner of any Residential Lot, excluding Residential Declarant, who is a Member of the Residential Association.

"Class B Member." The Residential Declarant, at all times, on or before the termination of the Residential Declarant Control Period.

"Code." The Internal Revenue Code of 1986, as amended from time to time.

"County." Fort Bend County, Texas.

"Residential Declarant Control Period." The period during which Residential Declarant shall have the right to appoint and remove Directors, Officers and members on the Residential Board, subject only to Section 5.1(d) of the Residential Declaration, and exercise Class B Member voting rights, as further described in Section 5.1(b) of the Residential Declaration, commencing on the date the Residential Declaration is recorded in the Real Property Records and running concurrently with the Development Period, unless earlier terminated by Residential Declarant as further described in the Residential Declaration.

"Delinquent Assessments Policy." That certain policy adopted by the Residential Board and set forth in the Residential Rules that establishes guidelines in accordance with the Act for payment of delinquent Assessments and other amounts owed to the Residential Association, as amended from time to time.

"Development Period." The time period commencing upon the date the Residential Declaration is recorded in the Real Property Records and ending on the later to occur of (a) the date that ten (10) consecutive years after such recordation date; and (b) eighteen (18) months after the date upon which Residential Declarant no longer owns any portion of the Residential Property, unless earlier terminated by Residential Declarant by a written instrument executed by Residential Declarant and recorded in the Real Property Records.

"Director." A member of the Residential Board as elected or appointed from time to time.

"Director Quorum." As defined in Section 7.12 of these Bylaws.

"Expenses." For purposes of Article IX of these Bylaws, court costs, a Judgement, a penalty, a settlement, a fine, and reasonable attorney's fees.

"Fine Policy." That certain policy set forth in the Residential Rules of the Residential Rules which establishes guidelines and procedures in accordance with the Act for violations of the Residential Governing

Documents and the levy of fines in connection with same, as may be amended and supplemented from time to time.

"Former Governing Person." For purposes of Article IX of these Bylaws, a Person who was a Governing Person.

"GAAP." Generally accepted accounting principles.

"Governing Person." Any Person acting within such Person's Official Capacity on behalf of the Residential Association.

"Judgement." For purposes of Article IX of these Bylaws, any reference to a Judgement includes an arbitration award.

"Insurance Trustee." As defined in Section 7.15(b)(iv) of these Bylaws.

"Majority." More than 50%.

"Majority Vote." A vote of at least 51% of the aggregate votes taken by the Members or by the Directors, as applicable, present at a meeting at which a Member Quorum or Director Quorum, as applicable, is present.

"Member(s)." A Residential Owner owning a Residential Lot in the Residential Property, including Class A Members and the Class B Member.

"Member Quorum." As defined in Section 5.2 of these Bylaws.

"Membership List." As defined in Section 5.3 of these Bylaws.

"Minute Book." The record-keeping mechanism of the Residential Association that contains certain information and documentation required to be kept by the Residential Association and available for inspection by Residential Owners per the Records Policy and any other information that may be required by the Residential Governing Documents.

"Official Capacity." With respect to a Governing Person, the office of the Governing Person in the Residential Association or the exercise of authority on behalf of the Governing Person under TNCL or the Residential Governing Documents; and with respect to a Person other than a Governing Person, the elective or appointive office, if any, in the Residential Association held by the Person or the relationship undertaken by the Person on behalf of the Residential Association.

"President." The chief executive officer of the Residential Association who shall preside at all meetings of the Members and of the Residential Board.

"Person." Any individual, corporation, partnership, limited partnership, limited liability partnership, limited liability company, joint venture, estate, trust, unincorporated association and any other legal entity, including any Governmental Authority.

"Proceeding." Any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative, any appeal in any such action, suit, or proceeding, and any inquiry or investigation that could lead to such an action, suit or proceeding.

"Real Property Records." The records of the office of the county clerk of the County where instruments concerning real property are recorded.

"Records Policy." That certain policy adopted by the Residential Board and set forth in the Residential Rules that establishes guidelines in accordance with the Act for the retention, inspection, production, copying of Residential Association records, and costs associated therewith, for the Minute Book and certain other books and records of the Residential Association, as amended from time to time.

"Residential Association." Indigo Residential Community Association, Inc., a Texas nonprofit corporation, and its successors and assigns.

"Residential Association Records." As defined in Section 7.14 of these Bylaws.

"Residential Board." The Residential Board of directors of the Residential Association.

"Residential Board Advisory Committee." As defined in Section 7.2 of these Bylaws.

"Residential Certificate." The Certificate of Formation for the Residential Association filed with the Secretary of State of Texas, as amended from time to time.

"Residential Declarant." 300 Acres, LLC, a Texas limited liability company, as further defined and described in the Residential Declaration.

"Residential Declaration." The Declaration of Covenants, Conditions and Restrictions for Indigo Residential Community, recorded in the Real Property Records of the County, as may be amended and supplemented from time to time.

"Residential Governing Documents." Those documents listed in Section 2.4 of the Residential Declaration, as may be amended from time to time.

"Residential Lot." Any plot or tract of land in the Residential Property, upon which a Residence is or will be constructed or which is intended for the construction of a Residence, excluding any plot or tract of land which is a Common Area. All references to "Lot" in these Bylaws shall mean a Residential Lot.

"Residential Manager." Any professional Residential Manager or management company that is engaged by the Residential Association to perform any of the duties, powers or functions of the Residential Association.

"Residential Owner." Any Person, including any Residential Builder and Residential Declarant, owning fee title to a Residential Lot, but excluding any Person having an interest in a Residential Lot solely as security for an obligation. All references to "Owner" in these Bylaws shall mean a Residential Owner.

"Residential Property." That certain real property located in the County and more particularly described in Exhibit A attached to the Residential Declaration, together with all and singular the Easements, rights, and appurtenances pertaining thereto and any Annexed Property.

"Residential Rules." The Rules and Regulations of the Residential Association adopted by the Residential Board and recorded in the Real Property Records, as may be amended from time to time, which include, without limitation, the Delinquent Assessments Policy, the Fine Policy and the Records Policy.

"Respondent." For purposes of Article IX of these Bylaws, a Person named as a respondent or defendant in a Proceeding.

"Secretary." The officer who will attend all meetings and record all minutes of the meetings, and perform such other duties as designated under Section 8.6 of these Bylaws.

"TBOC." Chapter 22, Chapter 8 and any other portion of the Texas Business Organizations Code applicable to the Residential Association, as amended from time to time.

"TNCL." The Texas Nonprofit Corporation Law, including the TBOC, as amended from time to time.

"Treasurer." The officer who is responsible for the Residential Association's funds and securities and all other duties as set forth in Section 8.7 of these Bylaws.

"Vice President." The officer who will serve in the absence of the President and perform such duties as designated under Section 8.5 of these Bylaws.

"Working Capital Fund." A fund comprised of Working Capital Contributions collected in accordance with Section 6.1 of the Residential Declaration.

Section 4.2 Interpretation. In the event of any conflict of interpretation between the provisions of the Residential Governing Documents, the Residential Governing Documents shall control in the order set forth in Section 2.4 of the Residential Declaration. If the Act, Code, TBOC or TNCL are hereafter amended or changed, the Residential Governing Documents shall be interpreted in a manner that conforms to the provisions of the Act, Code, TBOC and TNCL with respect to nonprofit entities and property owner associations. It is the intention of the Residential Association to comply with all of such laws and to preserve the status of the Residential Association as a *bona fide* nonprofit entity. To maintain compliance of the Residential Governing Documents with the Act, Code, TBOC and TNCL, Residential Declarant may amend the Residential Governing Documents during the Residential Declarant Control Period or Development Period, as further provided in the Residential Declaration.

ARTICLE V Membership

Section 5.1 Membership. Each Residential Owner shall be a Member of the Residential Association. The classes of Membership, including Class A Members and Class B Member, are set forth and detailed in Article V of the Residential Declaration. Upon the termination of the Residential Declarant Control Period in accordance with the Residential Declaration, only Class A Members will remain. Voting rights of Members and voting procedures are prescribed by the Residential Declaration, subject to further explanation in these Bylaws. To the extent not expressly provided for herein, the Residential Association, as and when applicable, shall observe and comply with all voting requirements and procedures set forth in the Act. If a Residential Lot is owned by more than one Person, all of such Persons are Members; provided, however, only the number of votes permitted for such Residential Lot per Article V of the Residential Declaration shall be exercised by such Members, and such Members will designate which Person may exercise the vote(s) for a Residential Lot. In no event shall more than one vote be cast with respect to any Residential Lot of Class A Members.

Section 5.2 Quorum; Act of Members. Subject to any greater number as may be required by the Act or TNCL, the quorum requirement for a meeting of the Members held on any matter on which Members are entitled to vote shall be ten percent (10%) of the total votes that Members are entitled to cast at such meeting

in person or by proxy (a "Member Quorum"). Except where otherwise provided in these Bylaws, the Residential Certificate or the Residential Declaration, for any specific matter on which Members are entitled to vote, a Majority Vote of the Members at a meeting at which a Member Quorum is present shall constitute a vote of the Members. In accordance with Section 209.0059 of the Act, no Member may be disqualified from voting at a meeting of the Residential Association held to elect Directors or held to vote on any matter concerning the rights or responsibilities of Residential Owners.

Section 5.3 Membership List and Minute Book. The Secretary shall keep, or cause to be kept, at the principal office of the Residential Association, a current register of Members (the "Membership List") showing the following: (i) the names of the current Directors; (ii) the names and addresses of all Members; (iii) the Residential Lot that is owned by each Member; and (iv) the number of votes per Residential Lot. The Membership List shall be open to inspection by all Members pursuant to the Records Policy. The Secretary, or its agent who has been delegated such duties pursuant to Section 8.6 of these Bylaws, shall also keep current and retain custody of the Minute Book.

Section 5.4 Proxies and Ballots. Votes may be cast by written proxy or by ballot at a meeting, or by written consent in the absence of a meeting, pursuant to Section 6.6 of these Bylaws. Written proxies may be submitted through delivery: (a) by United States mail to the office of the Residential Association, (b) in person to the office of the Residential Association, (c) directly to the Secretary, in person or by United States mail, or (d) in such other manner as directed by the Residential Board, including, but not limited to, email delivery to the email address specified by the Residential Association for submission of proxies. A proxy vote shall be defined as a written vote submitted and signed by a Member that either (i) states the specific vote of the Member with respect to the issues, resolutions or election being voted on by the Members at the annual or special meeting, or (ii) grants written permission for the Residential Board or a specific Director to exercise the Member's vote as the Residential Board or the specific Director sees fit. A proxy shall be valid for the meeting specified in the proxy or any valid continuation of such meeting. No proxy will be valid after 11 months from the date of its execution unless otherwise provided therein. Each proxy shall be revocable unless otherwise expressly provided therein to be irrevocable, but a Member may not revoke a proxy except by giving written notice of revocation to the individual presiding over the meeting.

ARTICLE VI

Meetings of the Members of the Residential Association

Section 6.1 Place of Annual and Special Meetings. All annual and special meetings of the Members of the Residential Association will be held at a suitable and convenient place permitted by Legal Requirements, including by electronic means using Electronic Systems, hereinafter defined, determined by the Residential Board of Directors from time to time and designated in the meeting notices. Pursuant to Section 22.002 of TBOC, a meeting of the Members may be held by means of conference telephone or similar communications system and equipment, another suitable electronic communications system, including videoconferencing technology or the Internet, or any combination of these or similar electronic means (each, an "Electronic System" and collectively, "Electronic Systems") so long as Members attending a meeting have access to and use of the Electronic System utilized for the meeting and can communicate concurrently with other Members and Persons participating in the meeting. If voting is to take place at the Member meeting held and/or attended by use of Electronic Systems, the Residential Association must implement reasonable measures to verify that every Member voting at the meeting by means of Electronic Systems is sufficiently identified, and a record of all of such electronic votes is kept in the Residential Association records.

Section 6.2 Date of Annual Meetings. Annual meetings of the Members of the Residential Association shall be held in January, or in a month and on a date as otherwise fixed by the Residential Board

by written notice to the Members. The Members may transact any business that may properly come before the meeting.

Section 6.3 Notice of Annual Meetings. The Secretary, or such other person the Secretary may designate in accordance with these Bylaws, shall deliver notices of annual meetings to each Member in accordance with Section 22.156 of TBOC. Notices mailed to the most recent post office address provided to the Residential Association by such Member, as shown on the records of the Residential Association, by regular mail, postage prepaid, shall be deemed delivered when deposited into any depository under the control or management of the United States Postal Office. Notices of annual meetings shall be delivered not less than ten (10) or more than sixty (60) days before the date of the annual meeting and shall state the date, time and place of the meeting, including if the meeting will be held, or may be attended, by using an Electronic System and any information necessary to access and utilize the Electronic System, the purpose or purposes of the meeting, and the items on the agenda, including the specific nature of any proposed amendment or change to the Residential Governing Documents, if applicable. Notices described in this Section 6.3 may be transmitted by electronic message to an email address provided by a Member for purposes of receiving notice and shall be deemed delivered when sent to the respective Member. Failure by any Member to register or keep its email current with the Residential Association may result in such Member not receiving Member meeting notices.

Section 6.4 Special Meetings. A special meeting of the Members of the Residential Association may be called by the President, by a Majority Vote of the Residential Board, or upon presentation to the Secretary of a petition stating the specific purpose of the special meeting, which petition has been signed by Members having not less than ten percent (10%) of the aggregate votes entitled to be cast at a special meeting.

Section 6.5 Notice of Special Meetings. The Secretary shall deliver notice of any special meeting of the Members to each Member in the same manner and stating the same items as required for notices for annual meetings, as provided in Section 6.3 of these Bylaws. No business shall be transacted at any special meeting except business that is stated in the notice for such special meeting.

Section 6.6 Email Notice for Board Meetings. Notice to Members for Residential Board meetings, as described in Section 7.6 below, may be delivered by email, and email addresses for Members may be required in connection with electronic voting, granting of consents and casting ballots pursuant to Section 6.7 below. In accordance with the Residential Rules, each Member is required to register and keep current with the Residential Association an email address for such Residential Owner. Failure by any Member to register or keep its email current with the Residential Association may result in such Member not receiving notices for Residential Board meetings, such Member's vote not being validated or Member's ballots or consent not being counted or recognized. Registration of email addresses for Members must be carried out by Members in strict accordance with the Residential Rules, and the Residential Association has no duty or obligation to obtain or update Member email addresses even in the event any Member's email address becomes known to the Residential Association to no longer be valid through the Residential Association's receipt of any failed delivery or undeliverable message after emailing any Member.

Section 6.7 Member Action without Meeting by Written Consent. Any action that may be taken by a vote of the Members at an annual or special meeting, except for the election of Directors, may be taken without a meeting and without prior notice to Members if done in compliance with relevant provisions of the Act and TNCL. If an action of the Members is to be taken without a meeting, the Secretary shall distribute a written consent to every Member entitled to vote on the matter no later than twenty (20) days before the latest date on which a written consent may be submitted to be counted. Written consents may be distributed and collected electronically pursuant to, and must comply with requirements outlined in, Section 209.00592 of the Act. The consent shall set forth the proposed action, provide an opportunity to specify approval or disapproval

of any proposal, and provide a reasonable time and manner within which to return the written consent to the Residential Association. Approval by written consent shall be valid only when the number of votes cast by written consent within the time period specified equals or exceeds the Member Quorum necessary to take that action at an annual or special meeting of the Members, and the number of Member approvals equals or exceeds the number of votes that would be required to approve the action at such annual or special meeting. Votes cast electronically (i.e., by email, facsimile or website posting) pursuant to this Section 6.7 shall constitute written and signed consents. Written consents shall be filed in the Minute Book of the Residential Association and shall have the same force and effect as a vote of the Members at an annual or special meeting. Within ten (10) days after an action by written consent has been approved or denied, the Secretary shall give written notice to all Members entitled to vote, summarizing the material features of the action that was approved or notifying the Members that the action was not approved.

ARTICLE VII

The Residential Board of Directors

Section 7.1 Authority; Number of Directors.

(a) Authority. The affairs of the Residential Association shall be governed by the Residential Board.

(b) Number of Directors. The initial Residential Board shall be three in number and shall be those Directors named in the Residential Certificate, or such other Directors appointed by the Residential Declarant during the Residential Declarant Control Period subject to Section 5.1(d) of the Residential Declaration. Upon the termination of the Residential Declarant Control Period, the Residential Board of Directors shall be five in number and be comprised of Class A Members. Election of Directors upon termination of the Residential Declarant Control Period is described in Section 7.3 below.

Section 7.2 Residential Board Advisory Committee. After the termination of the Residential Declarant Control Period, the Residential Board may, in its sole discretion and without obligation, appoint a number of Members to one or more advisory committees; provided, however, these committees and the Members serving on the committees will not have any powers or authority of the Residential Board pursuant to Section 22.219 of the TBOC (each a "Residential Board Advisory Committee"). Any Residential Board Advisory Committee established according to this Section 7.2 shall not be deemed to be, or have any obligations or powers of, a "Management Committee" described in Section 22.218 of TBOC. This Section 7.2 shall have no application to the Residential Declarant Advisory Committee which may be established exclusively by Residential Declarant according to Section 5.3 of the Residential Declaration prior to the termination of the Residential Declarant Control Period.

Section 7.3 Director Election; Term of Directors and Compensation. Upon the termination of the Residential Declarant Control Period, and pursuant to Article V of the Residential Declaration, Directors shall be elected by Members at the annual meeting of the Members. At least 10 days before the date the Residential Association disseminates ballots to Members for purposes of voting in an election for Directors to serve on the Residential Board, the Residential Association must deliver notice to Members soliciting candidates interested in running for open Director positions in compliance with Section 209.00593 of the Act. Directors elected to serve on the Residential Board immediately following the termination of the Residential Declarant Control Period will serve staggered terms. The two Directors elected to serve on the Residential Board which received the highest number of votes will each serve for a term of two years each. The remaining three Directors elected to serve on the Residential Board will each serve for a term of one year each. Thereafter, at each annual meeting of the Members, Members shall elect Directors only for those Director positions on the

Residential Board that are open as a result of the expiration of a Director's term, and each Director that is elected shall serve for a term of two years until his or her successor is elected. If a Director position is open by any other means, the open position is filled pursuant to Section 7.4 of these Bylaws. Directors may serve an unlimited number of successive terms. Directors shall serve without compensation for such service.

Section 7.4 Vacancies on the Residential Board; Organizational Meeting. If Director positions on the Residential Board become vacant by reason of death, resignation, disability, or otherwise, the Residential Board shall timely elect replacement Directors by Majority Vote of the remaining Directors, regardless of whether the number of remaining Directors constitutes a Director Quorum. Successor Directors shall fill the unexpired terms of the vacated Director positions. At the expiration of the term that each successor Director filled; such Director position will be filled by election in accordance with Section 7.3 of these Bylaws. No later than twenty (20) days following each annual meeting of the Members of the Residential Association, the Residential Board shall hold a regular meeting for organization, to elect officers and to transact other business. Notice of this organizational meeting shall be given to all Directors in accordance with Section 7.9 of these Bylaws.

Section 7.5 Director Qualifications; Removal of Directors by Residential Board. Upon the termination of the Residential Declarant Control Period, Directors shall be Members; provided however, if a Member is a trust, a Director may be a beneficiary of such trust, or if a Member is an entity, the Director may be an officer or other duly qualified authorized representative of the entity Member. Directors may be removed by Majority Vote of the remaining Directors, regardless of whether the number of remaining Directors constitutes a Director Quorum, whenever in the judgement of the Residential Board the best interest of the Residential Association would be served by such removal. A Person may not run for any open Director position or serve on the Residential Board if such Person cohabits the same Residential with another current member of the Residential Board. A Director may be immediately ineligible to serve on the Residential Board and considered automatically removed if the Residential Board is presented with written documented evidence obtained through a database or records maintained by a Governmental Authority that show a Director has been convicted of a felony or crime involving moral turpitude not more than ten years before the date the Residential Board is presented with such evidence; and, any such Director shall be prohibited from future service on the Residential Board, until such time has passed that the conviction is then more than ten years in the past. Upon any removal of a Director, a successor Director shall be duly elected by the Residential Board in accordance with Section 7.4 of these Bylaws.

Section 7.6 Open Board Meetings; Executive Sessions. Meetings of the Residential Board shall be open to Members pursuant to the Act, and Members shall be given prior notice of such meetings in accordance with the Act which notice will be in the same manner as notice for regular and special meetings of the Members described in Section 6.3. The Residential Board may establish and enforce reasonable rules for the conduct of all meetings of the Residential Board and the Members. The Residential Board shall keep a record of each regular and special meeting in the form of written minutes of the meeting, which will be recorded in the Minute Book and will be available to Members for inspection pursuant to the Records Policy. Pursuant to Section 209.0051(c) of the Act, at any regular or special meeting of the Residential Board, the Residential Board shall have the right to adjourn such meeting and reconvene in a closed executive session to consider actions involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, confidential communications with the legal counsel of the Residential Association, matters involving the invasion of privacy of individual Residential Owners, or matters that are to remain confidential by request of the affected parties and agreement of the Residential Board. Following an executive session, any decision made in the executive session, and a general explanation of expenditures approved in the executive session, if any, must be summarized orally, *in general terms*, without breaching the privacy of individual Residential Owners, violating any privilege, or disclosing information that was to remain confidential at the request of the

affected parties, and such general oral description shall be placed in the minutes of the meeting contained in the Minute Book.

An open meeting of the Residential Board includes only those meetings at which a Director Quorum is present, where Residential Association business is considered, and the Residential Board takes formal action. No other gathering of the Directors, including at any social function or otherwise, where no formal action is considered or taken shall be subject to this Section 7.6. Further, pursuant to Section 209.0051(h) of the Act, the Residential Board may also meet without providing notice to Members in certain instances where the Residential Board is to consider routine and administrative matters or when an unforeseen emergency or an urgent necessity arises that requires the Residential Board's immediate attention and action. Any actions taken by the Residential Board at a meeting where notice was not provided to Members must be summarized orally and documented in the Minute Book in the minutes of the next regular or special meeting of the Residential Board. Notwithstanding the foregoing, Section 209.0051 of the Act shall have limited application to the Residential Board during the Residential Declarant Control Period, as further provided in Section 209.0051(i) of the Act.

Section 7.7 Member Notice of Open Meetings of the Residential Board. Notices to Members of open meetings of the Residential Board shall include the date, hour, place, and general subject of the regular or special meeting, including a general description of any matter to be brought up for deliberation in executive session. Notice of Residential Board meetings held by Electronic Systems per Section 7.11 must include instructions for Members to access the Electronic System to be utilized by the Directors at the respective meeting. Notice to Members of open Residential Board meetings must either be: (i) mailed by United States mail to each Member not later than ten (10) days or earlier than sixty (60) days before the date of the meeting; or (ii) provided to Members at least 144 hours before the start of a regular Residential Board meeting or 72 hours before the start of a special Residential Board meeting by (A) posting the notice in a conspicuous manner in a place located on the Common Areas of the Residential Property or on any Internet website maintained by the Residential Association; and (B) sending the notice by email to each Member who has registered an email address with the Residential Association. Each Member must keep the Residential Association updated with his or her current email address in accordance with the information registration rules outlined in the Residential Rules. Additionally, notices to Members may also be, but are not required to be, personally delivered to each Residential Lot.

Section 7.8 Regular Meetings of the Residential Board. Regular meetings of the Residential Board may be held at any time and place permitted by Legal Requirements as may be determined by the Residential Board. Notice of meetings to Directors shall be given to each Director personally, by telephone, email, or by United States mail, with postage prepaid, directed to him or her at his or her last known telephone number, email address, or post office address, as applicable, containing notice information as it appears in the records of the Residential Association.

Section 7.9 Special Meetings of the Residential Board. Special meetings of the Residential Board may be called by (a) the President on his or her own accord, or (b) the President or the Secretary upon the written request of any two Directors. Notice of special meetings to Directors will be provided at least three (3) days before the date of the special meeting to Directors personally, by email, or by United States mail, with postage prepaid, to his or her last known post office address.

Section 7.10 Waiver of Notice by Directors. With respect to any meeting of the Residential Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to giving the required notice. All written waivers shall be filed in the Minute Book as a part of the minutes of the meeting. Participation by a Director at any meeting of the Residential Board shall likewise constitute an

automatic waiver by him or her of the required notice unless the participation is for the express purpose of objecting to the transaction of business at the meeting on the grounds that the meeting has not been lawfully called or convened. If all Directors are present at any meeting of the Residential Board, no notice of the meeting to Directors shall be required, and any business may be transacted at the meeting except as prohibited by Legal Requirements or these Bylaws.

Section 7.11 Place of Meetings. All meetings of the Residential Board may be held at the principal office of the Residential Association or at any other place designated by the Residential Board. Any meeting of the Residential Board may be held by any means of communication, including by Electronic Systems so long as each Director attending such meeting has access to and use of the Electronic System utilized for the meeting, can hear and be heard and can communicate concurrently with each other Director during the meeting, and all Members in attendance at such meeting may hear all of the Directors.

Section 7.12 Directors Quorum. At all duly convened meetings of the Residential Board, a Majority of the Directors must be present in person, including attendance by Electronic Systems, to constitute a quorum for the transaction of business ("Director Quorum"). In accordance with Section 22.213(b) of TBOC, a Director present by proxy only at a meeting may not be counted toward a Director Quorum. The Majority Vote of the Directors present at the meeting at which a Director Quorum is present shall be the act of the Residential Board.

Section 7.13 Consent in Writing. Except for the matters included in Section 209.0051(h) of the Act, any action by the Residential Board may be taken without a meeting and without prior notice to Members if a written consent, specifically authorizing the proposed action, is signed by the number of Directors necessary to take that action at a meeting at which all of the Directors are present and voting. Such consent must state the date of each Director's signature, and a copy of such consent shall be kept in the Minute Book of the Residential Association. Written consent may be in the form of facsimiles or emails sent by each Director, as applicable, approving the action. Prompt notice of the taking of an action by Directors by written consent shall be given to each Director who did not consent in writing to the action, if any. Actions authorized by consent shall be orally summarized, including an explanation of any known actual or estimated expenditures approved thereunder, if applicable, at the next open regular or special meeting of the Residential Board.

Per Section 209.0051(h) of the Act, the Residential Board may not take an action by written consent concerning fines, property damage assessments, increases in Assessments, initiation of foreclosure actions, enforcement actions (excluding temporary restraining orders or violations involving a threat to health or safety), increases in Assessments, levying Special Assessments, appeals from a denial of architectural control approval, suspension of a right of a particular Member before the Member has the right to be heard as permitted by the Act, lending or borrowing money, adoption or amendment of a dedicatory instrument, approval of a Budget or approval of an increase in the Budget by more than ten percent, sale or purchase of real property, filling a Director vacancy on the Residential Board, construction of capital improvements other than the repair, replacement, or enhancement of existing capital improvements, or election of an officer.

Section 7.14 Residential Association Records. The Residential Board shall cause the Minute Book, a complete record of all of the Residential Board's acts, and a complete record of the financial and corporate affairs of the Residential Association (collectively, the "Residential Association Records") to be kept in accordance with these Bylaws, the Records Policy, the TNCL and the Act, as may be applicable. The Residential Association Records shall be open to and reasonably available for examination by the Members in accordance with the Records Policy and the Act.

Section 7.15 Powers and Duties. Subject to the Residential Governing Documents, the Residential Board of Directors shall have and may exercise all powers and duties necessary for the proper administration of the affairs of the Residential Association and management of the Common Areas in the Residential Property. Each Director individually, and the Residential Board collectively, shall perform the duties and powers of the Residential Board in good faith as a fiduciary of the Residential Association, in a manner that the Director believes to be in the best interest of the Residential Association, and with the care of an individual of ordinary prudence under similar circumstances, including, but not limited to, reasonable inquiry, skill and diligence. Except for those contracts described in and permitted by Section 209.0052 of the Act, the Residential Board shall be prohibited from engaging in any act of "self-dealing" as such term is defined in Section 4941(d) of the Code. The powers and duties of the Residential Board include, but are not limited to, the following:

(a) Duties:

(i) provide for the operation, maintenance, management, insurance, cleaning, sanitation, renewal, replacement, care and upkeep of the Common Areas in the Residential Property and all property, real or personal, of the Residential Association unless the duties and obligations of such other real or personal property owned by the Residential Association have been expressly assumed by a third party in a written agreement between the Residential Association and such third party;

(ii) determine Assessments and any other charges and fees, including comprising the operating expenses and working capital of the Residential Association (including, without limitation, reasonable fees for the preparation and delivery of any documentation or certificates as may be required of the Residential Association by the Act, Chapter 207 of the Texas Property Code or other Legal Requirements), establish the amount of Assessments, including any increase or decrease, and levy Assessments against the Members in accordance with the provisions of the Residential Declaration, these Bylaws and any other Governing Document, as applicable;

(iii) levy and collect Assessments whenever the Residential Board is of the opinion it is necessary to do so because of (A) increased operating or maintenance costs or additional capital expenses, or (B) emergencies subject to any limitations specified in the Residential Declaration;

(iv) use and expend any sums collected from Assessments for the operation, maintenance, renewal, care and upkeep of the Common Areas in the Residential Property and all property, real or personal, of the Residential Association subject to any limitations specified in the Residential Declaration and notwithstanding any operation, maintenance, renewal, care and upkeep of real or personal property owned by the Residential Association expressly assumed by a third party in a written agreement between the Residential Association and such third party;

(v) pay all taxes and assessments levied or assessed against any property that may be owned by the Residential Association, exclusive of any taxes or assessments levied against any Member or otherwise properly chargeable to a Member;

(vi) in accordance with the Delinquent Assessments Policy set forth in the Residential Rules and other Residential Governing Documents, collect delinquent Assessments, abate any nuisance, and enforce the terms of the Residential Declaration or the observance of the Residential Rules by injunction or other legal action or means that the Residential Board may deem necessary or appropriate subject to any notice and hearing requirements set forth in the Act;

(vii) establish operating, escrow and other accounts in the name of the Residential Association as the Residential Board may deem appropriate from time to time and as may be consistent with GAAP;

(viii) adopt a Budget for each fiscal year that shall contain estimates of the Common Expenses and any other costs and expenses of the Residential Association;

(ix) cause a complete review of the Minute Book and any other books and accounts of the Residential Association to be made at the end of any fiscal year and at any other time deemed necessary;

(x) maintain accounting records in accordance with GAAP; and

(xi) establish, adopt, post and record rules and policies to assist in the enforcement of and compliance with the Residential Governing Documents relative to the operation, use and occupancy of the Residential Property, including, but not limited to, penalties and fines to be levied for violations of the Residential Governing Documents, and to amend any Residential Governing Documents from time to time, all of which shall be binding on the Members and their successors in title and assigns. A copy of the Residential Governing Documents and copies of any amendments shall be made available to each Member promptly upon adoption and recordation, as may be applicable and required under the Residential Declaration and the Act.

(b) Powers:

(i) employ and dismiss personnel of the Residential Association, and purchase or arrange for those services, machinery, equipment, tools, materials and supplies as, in the opinion of the Residential Board, may from time to time be necessary for the proper operation and maintenance of the Common Areas of the Residential Property and all real or personal property of the Residential Association unless such powers for other real or personal property owned by the Residential Association have been expressly assigned to a third party in a written agreement between the Residential Association and such third party;

(ii) subject to Section 7.19 of these Bylaws, enter into contracts for professional management of the Common Areas of the Residential Property and administration of the Residential Association, at such prices and upon such terms as may be determined by the Residential Board, to perform those duties and services that the Residential Board may lawfully delegate;

(iii) employ or retain and receive advice from professional counsel and consultants, including, but not limited to, landscape architects, architects, engineers, planners, lawyers and accountants, that the Residential Board may deem necessary for any proper purposes of the Residential Association and property owned by the Residential Association, and fix the compensation for professional advice or services. The Residential Board shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following: (A) one or more officers or employees of the Residential Association whom the Residential Board reasonably believes to be reliable and competent in the matter presented; and (B) counsel, public accountants or other Persons as to the matters that the Residential Board reasonably believes to be within the professional or expert competence of such Person. The Residential Board shall not be considered to be acting in good faith if it has knowledge concerning the matter in question that would cause this reliance to be unwarranted;

(iv) name as an insured, on behalf of the Residential Association, the Residential Association's authorized representative, including any trustee with which the Residential Association may enter into any insurance trust agreement or any successor to this trustee (each of which shall be referred to herein as the "Insurance Trustee"), to be given exclusive authority to negotiate losses under any policy providing property or liability insurance coverage. The Residential Association or any Insurance Trustee designated by the Residential Association shall have the exclusive power to act as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including the collection and appropriate disposition of the proceeds thereof, the negotiation of losses, execution of releases of liability and the execution of all documents and the performance of all other acts necessary to accomplish these purposes;

(v) establish depositories for the funds of the Residential Association with the bank or banks as shall be designated from time to time by the Residential Board and in which monies of the Residential Association shall be deposited. Withdrawal of monies shall be only by check signed by those Persons who are authorized by the Residential Board to sign checks on behalf of the Residential Association;

(vi) invest monies of the Residential Association in any investments that the Residential Board deems to be reasonably prudent;

(vii) borrow and repay monies and give notes, mortgages or other security upon the terms that are deemed reasonable by the Residential Board;

(viii) acquire, by purchase, gift, annexation or lease, real or personal property, if, at any time in the future, the Residential Board deems it to be proper and not inconsistent with the terms hereof to do so;

(ix) grant and reserve easements, leases, licenses or concessions, where necessary or desirable for utilities, routes of ingress and egress, or for any other purpose the Residential Board determines is in the best interest of the Residential Association, over the Common Areas of the Residential Property and any other property of the Residential Association and to amend the Residential Governing Documents to be consistent therewith, if necessary;

(x) establish a form of estoppel certificate acceptable to the Residential Association for delivery to prospective purchasers and lenders and an appropriate charge for furnishing such certificate; and

(xi) do all things incidental and necessary to the accomplishment of the foregoing and take any other action necessary to comply or enforce compliance with the provisions set forth in the Residential Governing Documents.

The duties and powers imposed on the Residential Board by this Section 7.15 shall not be amended so as to reduce, eliminate or expand any duties or powers of the Residential Board without the Majority Vote of the Members voting at a meeting called to consider such amendment.

Section 7.16 Liability; Conduct of Directors and Officers. In addition to the limitations of liability set forth in the Residential Certificate, a Director, officer and other representatives of the Residential Association on the Residential Board shall not be personally liable to the Residential Association for monetary damages for any act or omission in his or her capacity as a Director, officer or authorized representative except

to the extent otherwise expressly provided by these Bylaws and Legal Requirements. Any repeal or modification of this Section 7.16 shall be prospective only and shall not adversely affect any limitation of the personal liability of a Directors officer or other authorized representative existing at the time of the repeal or modification.

Section 7.17 Annual Budget and Assessments. Copies of the Budget for the upcoming fiscal year shall be prepared by the Residential Board, and the Residential Board will notify the Members of Assessments and any adjustments made to Assessments per Article VI of the Residential Declaration based on the terms of the Budget. Subject to the provisions of Article VI of the Residential Declaration, nothing herein contained shall be construed as restricting the right of the Residential Board, at any time and in its sole discretion, to levy a Special Assessment permitted by the Act to pay for costs and expenses in the event that the Budget as adopted appears to be insufficient to cover the costs of the operation and management of the Residential Property, or as may be necessary or appropriate in the judgement of the Residential Board.

Section 7.18 Management Certificate. The (a) Residential Board, or (b) Residential Manager, if the Residential Board determines to hire a Residential Manager under the authority of Section 7.19 of these Bylaws, shall record in the County a management certificate that complies with Section 209.004 of the Act, and any amendments thereto. An amended certificate shall be recorded within thirty (30) days after the Residential Association receives notice of a change in any of the information set forth in the management certificate.

Section 7.19 Residential Manager. To facilitate the management of the Common Areas of the Residential Property and the administration of the Residential Association, the Residential Board may delegate to a Residential Manager responsibility for matters of a routine nature, renewable by agreement of the parties for successive one-year periods, or such other time period as may be set forth in the written agreement of the parties, and subject to termination by either party without cause.

ARTICLE VIII

Officers

Section 8.1 Officers. The officers of the Residential Association shall be President, one or more Vice Presidents, Secretary, and Treasurer. Two or more offices may be held by the same person, except that the same person shall not be President and Secretary.

Section 8.2 Election of Officer Positions. Except as otherwise set forth in this Article VIII, the officers of the Residential Association shall be elected annually by the Residential Board, promptly after the annual meeting of the Members, and shall hold office for a term of one year; provided that each officer may be removed, either with or without cause, whenever the Residential Board deems such removal to be in the best interest of the Residential Association, and the officer's successor will be elected by Majority Vote of the Residential Board at any meeting called for that purpose. Officers may serve an unlimited number of consecutive terms. Any officer may resign at any time by giving written notice to the Residential Board, the President, or the Secretary. Any resignation shall take effect as of the date of the receipt of the written resignation or any later time specified in the resignation; unless specified in the resignation, the acceptance of a written resignation shall not be necessary to make it effective.

Section 8.3 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled by election by Majority Vote of the Residential Board at any regular or special meeting of the Residential Board.

Section 8.4 President. The President shall have the general powers and duties usually vested in the office of the president of a nonprofit corporation and Residential Association. The President shall execute deeds, contracts and other instruments, in the name of and on behalf of the Residential Association, except when these documents are required or permitted by law to be otherwise executed, and except when the signing and execution thereof shall be delegated by the Residential Board to another officer or agent of the Residential Association.

Section 8.5 Vice President. If the President is absent or is unable or refuses to act, a Vice President shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all of the restrictions upon the President. Any Vice President shall also have those powers and duties as the Residential Board may from time to time prescribe or as the officers may from time to time delegate.

Section 8.6 Secretary. The Secretary shall attend all meetings of the Residential Board and all meetings of the Members and record all votes and the minutes of all meetings and proceedings, including resolutions, in the Minute Book. The Secretary shall also perform the same duties for any Advisory Committee if required. The Secretary shall have charge of the Minute Book, any other records of the Residential Association, and any papers that the Residential Board shall direct the Secretary to keep. The Secretary shall perform all duties incident to the office of Secretary, including, but not limited to, the sending of notices of meetings to the Members, the Directors and members of any Advisory Committee, as applicable, and shall perform any other duties that may be prescribed by these Bylaws, the Residential Board, or the officers. The Secretary shall also have custody of the corporate seal, if one is available, and shall affix the corporate seal to any instrument requiring it when authorized by the Residential Board, including attestation or certification of the corporate seal when appropriate. The Secretary shall keep, or cause to be kept, at the principal office of the Residential Association, a current Membership List, as described in Section 5.3 of these Bylaws. Nothing shall prohibit the functions of the Secretary to be delegated to an agent of the Residential Association provided this delegation is approved by resolution of the Residential Board. The delegation of the duties of the Secretary shall not relieve the Secretary from any responsibility related to overseeing and reviewing any duties performed by the agent.

Section 8.7 Treasurer. The Treasurer shall have the responsibility for the Residential Association's funds and securities, shall keep full and accurate accounts of receipts and disbursements in books belonging to the Residential Association, and shall deposit all monies, checks and other valuable effects in the name of and to the credit of the Residential Association in those depositories that may be designated from time to time by the Residential Board. The Treasurer shall disburse the funds of the Residential Association, as the Treasurer may be ordered to do from time to time by the Residential Board or by the President, and shall render to the President and the Directors at the regular meetings of the Residential Board, or whenever the President, the Residential Board, or both shall require, an account of his or her transactions as Treasurer and of the financial condition of the Residential Association. Nothing shall prohibit the functions of the Treasurer to be delegated to an agent of the Residential Association provided this delegation is approved by resolution of the Residential Board. The delegation of the duties of the Treasurer shall not relieve the Treasurer from any responsibility related to overseeing and reviewing any duties performed by the agent.

ARTICLE IX

Indemnification of Directors, Officers and Authorized Representatives

Section 9.1 Validity. Except for Section 9.8 of these Bylaws, this Article IX is only valid to the extent it is consistent with Chapter 8 of the TBOC.

Section 9.2 Mandatory and Court-Ordered Indemnification under Sections 8.051 and 8.052 of the TBOC. The Residential Association must indemnify a Governing Person or Former Governing Person (i) against reasonable Expenses actually incurred by such Governing Person or Former Governing Person, as applicable, in connection with a Proceeding in which such Governing Person or Former Governing Person, as applicable, is a Respondent because such Person is or was a Governing Person, if such Person is wholly successful, on the merits or otherwise, in the defense of the Proceeding, or (ii) to the extent the court determines that such Governing Person or Former Governing Person, as applicable, is fairly and reasonably entitled to indemnification in view of all the relevant circumstances per Section 8.052 of the TBOC.

Section 9.3 Permissive Indemnification under Section 8.101 of the TBOC. The Residential Association may indemnify a Governing Person or Former Governing Person who was, is or is threatened to be made a Respondent in any Proceeding to the extent permitted by Section 8.102 of the TBOC if it is determined in accordance with Section 9.4 of these Bylaws that:

(a) the Person: (i) acted in good faith; (ii) reasonably believed: (A) in the case of conduct in the Person's Official Capacity, that the Person's conduct was in the Residential Association's best interests, and (B) in any other case, that the Person's conduct was not opposed to the Residential Association's best interests; and (iii) in the case of a criminal Proceeding, did not have a reasonable cause to believe the Person's conduct was unlawful;

(b) with respect to Expenses, the amount of Expenses other than a Judgement is reasonable; and

(c) indemnification should be paid.

A Person does not fail to meet the standard under Section 9.3(a) solely because of the termination of a Proceeding by Judgement, order, settlement, conviction, or a plea of nolo contendere or its equivalent.

Section 9.4 Determination of Permissive Indemnification under Section 8.101 of the TBOC.

(a) Except as provided by Sections 9.4(b) and (c), the determinations required under Section 9.3 of these Bylaws must be made by:

(i) a Majority Vote of the Directors who at the time of the vote are disinterested and independent, regardless of whether the Directors who are disinterested and independent constitute a Director Quorum;

(ii) a Majority Vote of a committee of the Residential Association if the committee is (A) designated by a Majority Vote of the Directors who at the time of the vote are disinterested and independent, regardless of whether the Directors who are disinterested and independent constitute a Director Quorum; and (B) composed solely of one or more Governing Persons who are disinterested and independent;

(iii) special legal counsel selected by the Directors or selected by a committee of the Residential Association by vote in accordance with Section 9.4(a)(i) or (ii) above;

(iv) a Majority Vote of the Members entitled to vote, which vote excludes the membership interests held by each Governing Person who is not disinterested and independent; or

(v) a unanimous vote of the Members.

(b) If special legal counsel determines under Section 9.4(a)(iii) that a Person meets the standard under Section 9.3(a) of these Bylaws, the special legal counsel shall determine whether the amount of Expenses other than a Judgment is reasonable under Section 9.3(b) of these Bylaws but may not determine whether indemnification should be paid under Section 9.3(c). Such determination whether indemnification should be paid under Section 9.3(c) of these Bylaws must be made in a manner specified by Section 9.4(a)(i), (ii), (iv), or (v) above.

(c) A provision contained in Residential Governing Documents, a resolution of the Members or the Residential Board of Directors, or an agreement that requires the indemnification of a Person who meets the standard under Section 9.3(a) of these Bylaws constitutes a determination under Section 9.3(c) hereof (that indemnification should be paid) even though such provision, resolution or agreement may not have been adopted or authorized in the same manner as required under Section 9.4(a) above. The determinations required under Sections 9.3(a) and 9.3(b) of these Bylaws must be made in a manner provided by Section 9.4(a) above.

Section 9.5 Advancing Expenses to Governing Persons under Section 8.104 of the TBOC.

(a) The Residential Association may pay or reimburse reasonable Expenses incurred by a present Governing Person who was, is, or is threatened to be made a Respondent in a Proceeding in advance of the final disposition of the Proceeding without making the determinations required under Section 9.3 above after the Residential Association receives:

(i) a written affirmation by the Person of the Person's good faith belief that the Person has met the standard of conduct necessary for indemnification under this Article IX; and

(ii) a written undertaking by or on behalf of the Person to repay the amount paid or reimbursed in the form of an unlimited general obligation of the Person, that may be secured or unsecured, if the final determination is that (A) the Person has not met the standard of conduct necessary for indemnification under this Article IX; or (B) that indemnification is prohibited by this Article IX.

(b) A provision in the Residential Governing Documents, a resolution of the Members or the Directors, or an agreement that requires the payment or reimbursement permitted under this Section 9.5 authorizes that payment or reimbursement after the Residential Association receives an affirmation and undertaking described by Section 9.5(a)(i) and (ii).

Section 9.6 Advancing Expenses to Persons other than Governing Persons under Section 8.105 of the TBOC.

(a) To the extent consistent with Legal Requirements and this Article IX, the Residential Association may indemnify and advance Expenses to a Person who is not a Governing Person, including an officer, employee, or agent of the Residential Association, as provided by (i) the Residential Governing Documents; (ii) general or specific action of the Residential Board of Directors; (iii) resolution of the Members; (iv) contract; or (v) common law.

(b) The Residential Association shall indemnify an officer of the Residential Association to the same extent that indemnification is required under these Bylaws for a Governing Person.

(c) A Person who is not a present Governing Person may seek indemnification or advancement of Expenses from the Residential Association to the same extent that a Governing Person may seek

indemnification or advancement of Expenses hereunder. Notwithstanding any authorization or determination specified in the TBOC, the Residential Association may pay or reimburse, in advance of the final disposition of a Proceeding and on terms the Residential Association considers appropriate, reasonable Expenses incurred by:

(i) a Former Governing Person who was, is, or is threatened to be made a Respondent in the Proceeding; or

(ii) a present or former employee, agent, or officer of the Residential Association who is not a Governing Person of the Residential Association and who was, is, or is threatened to be made a Respondent in the Proceeding.

(d) A determination of indemnification for a Person who is not a Governing Person, including an officer, employee, or agent of the Residential Association, is not required to be made in accordance with Section 9.4 of these Bylaws.

Section 9.7 Witness Expenses under Section 8.106 of the TBOC. Notwithstanding any other provision of this Article IX, the Residential Association may pay or reimburse reasonable Expenses incurred by (a) a Governing Person; (b) an officer, employee, or agent of the Residential Association; or (c) any other Person, in connection with such Person's appearance as a witness or other participation in a Proceeding at a time when such Person is not a Respondent in the Proceeding.

Section 9.8 Insurance Authorized under Section 8.151 of the TBOC. The Residential Association may purchase and maintain insurance or another arrangement to indemnify or hold harmless any Governing Person, Former Governing Person, officer, employee, or agent of the Residential Association against any liability asserted against and incurred by such Person in its capacity or arising out of such Person's status in that capacity. The insurance or other arrangement established under this Section 9.8 may insure or indemnify against the liability described in this Section 9.8 without regard to whether the Residential Association otherwise would have had the power to indemnify such Person against that liability under this Article IX. Insurance or another arrangement that involves self-insurance or an agreement to indemnify made with the Residential Association or a Person that is not regularly engaged in the business of providing insurance coverage may provide for payment of a liability with respect to which the Residential Association does not otherwise have the power to provide indemnification only if the insurance or arrangement is approved by the Members. For the benefit of Persons to be indemnified by the Residential Association, the Residential Association may, in addition to purchasing or procuring or establishing and maintaining insurance or another arrangement (a) create a trust fund; (b) establish any form of self-insurance, including a contract to indemnify; (c) secure the Residential Association's indemnity obligation by grant of a security interest or other lien on the assets of the Residential Association; or (d) establish a letter of credit, guaranty, or surety arrangement. Insurance or another arrangement established under this Section 9.8 may be purchased or procured or established and maintained within the Residential Association; or with any insurer or other Person considered appropriate by the Residential Board of Directors. The Residential Board of Directors' decision as to the terms of the insurance or other arrangement and the selection of the insurer or other Person participating in an arrangement is conclusive. The insurance or arrangement is not voidable and does not subject the Governing Persons approving the insurance or arrangement to liability, on any ground, regardless of whether the Governing Persons participating in approving the insurance or other arrangement are beneficiaries of the insurance or arrangement; provided, however, that the foregoing does not apply in cases of actual fraud.

Section 9.9 Reports of Indemnification and Advances under Section 8.152 of the TBOC. The Residential Association shall report in writing to the Members any indemnification of or advance of expenses

to a Governing Person no later than the earlier to occur of the (a) first anniversary of the date of the indemnification or advance; (b) notice or waiver of notice of the next meeting of the Members; or (c) next submission to the Members of a consent to action without a meeting.

Section 9.10 Indemnification Prohibited. Notwithstanding any provision of this Article IX to the contrary, no indemnification shall be authorized by or provided under this Article IX for any act in violation of any Legal Requirements.

ARTICLE X

Residential Association Books and Records

The Residential Association shall keep or cause to be kept books and records of the Residential Association, including the Minute Book, in accordance with these Bylaws, the Records Policy, the TNCL and the Act. Books and records that may be open to and available for examination by a Residential Owner or a Residential Owner representative designated in writing and signed by a Residential Owner, including an attorney or public accountant, include those Residential Association Records set forth in the Records Policy and the Act. All financial books and records of the Residential Association shall be kept in accordance with GAAP, consistently applied, and shall be audited at least once every three years by an independent certified public accountant.

ARTICLE XI

Winding Up and Termination

Upon winding up of the Residential Association, the real and personal property of the Residential Association shall be distributed pursuant to the provisions of the Residential Certificate or, if no such provisions are made, distributed to one or more organizations which are exempt from taxation under Section 501(c)(3) of the Code.

ARTICLE XII

Miscellaneous

Section 12.1 Fiscal Year. The fiscal year of the Residential Association shall be the calendar year unless the Residential Board shall determine otherwise.

Section 12.2 Amendments to Bylaws. These Bylaws may be amended from time to time by Majority Vote of the Residential Board at a meeting called to consider such amendment. Members must be given notice of any meeting of the Residential Board held for the purpose of amending these Bylaws in accordance with the Act. Any such notice shall include the specific amendment or other change proposed to be made to these Bylaws. An amendment shall be effective upon its recording in the Real Property Records of the County and will include a certification by the Residential Board that the amendment was duly approved by the Residential Board.

Section 12.3 Construction. Number and gender as used in these Bylaws shall extend to and include both singular and plural and all genders as the context and construction require.

Section 12.4 Working Capital Fund. The Working Capital Fund shall be maintained in a segregated account separate from the Residential Association's operating account(s).

Adopted to be effective as of June 24, 2022.

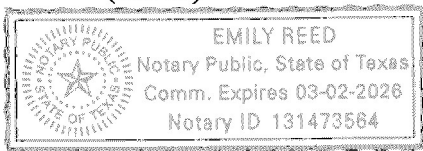
Indigo Residential Community Association, Inc.
a Texas nonprofit corporation


By: 
Clayton Garrett, Secretary

THE STATE OF TEXAS §
 §
COUNTY OF Harris §

This instrument was acknowledged before me on the 27th day of June, 2022, by Clayton Garrett, Secretary of Indigo Residential Community Association, Inc. a Texas nonprofit corporation, on behalf of said corporation.

(SEAL)




Notary Public - State of Texas