

**2011 AMENDED AND RESTATED BYLAWS  
OF  
THE HOMEOWNERS ASSOCIATION OF SOUTHERN WOODS  
(A NON-PROFIT TEXAS CORPORATION)**

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**ARTICLE ONE  
CORPORATE CHARTER AND OFFICES**

**1.01 CORPORATE CHARTER PROVISIONS**

Each provision of the Corporation's Charter shall be observed until amended by Restated Articles or Articles of Amendment duly filed with the Texas Secretary of State.

**1.02 REGISTERED OFFICE AND AGENT--REQUIREMENT OF FILING CHANGES WITH SECRETARY OF STATE**

The registered agent or office may be changed by filing a Statement of Change of Registered Agent or Office or Both with the Texas Secretary of State, and not otherwise. Such filing shall be made promptly with each change. Arrangements for each change in registered agent or office shall ensure that the Corporation is not exposed to the possibility of a default judgment. Each successive registered agent shall be of reliable character and well informed of the necessity of immediately furnishing the papers of any lawsuit against the Corporation to its attorneys.

**1.03 INITIAL BUSINESS OFFICE**

The Corporation may have additional business offices within the State of Texas, and where it may be duly qualified to do business outside of Texas, as the Board of Directors may designate or the business of the Corporation may require.

**1.04 AMENDMENT OF BYLAWS**

In the event that the Board of Directors wishes to amend, alter, or repeal any or all Bylaws, the Board of Directors shall vote on the proposed changes and recommend those changes if passed by a simple majority of the board present. If so recommended, these changes must be submitted to the Members at a General Members meeting. These changes will then be adopted if a simple majority of Members present, and eligible to vote, in person or by proxy at the meeting so approve.

In the event that the Board of Directors wishes to present the proposed Bylaw changes to the Members, then the Members must receive notice of the proposed changes content pursuant to the rules of annual meeting notices in article 3.12.

**ARTICLE TWO  
DIRECTORS AND DIRECTORS' MEETINGS**

**2.01 POWERS**

The business and affairs of the Corporation and all corporate powers shall be exercised by or under authority Board of Directors, subject to the limitations imposed by Articles of Incorporation, and these Bylaws.

**2.02 VACANCIES**

Vacancies on the Board of Directors shall exist upon: (a) the failure of the Members to elect the full authorized number of Directors to be voted for at any Member's meeting at which any Director is to be elected; (b) a declaration of vacancy under Section 2.02(a) of these Bylaws; or (c) the death, resignation, or removal of any Director.

**2.02(a) DECLARATION OF A VACANCY**

A majority of the Board of Directors may declare the office of a Director vacant if the Director is adjudged incompetent by a court; is convicted of a crime involving moral turpitude; or fails to accept the office of Director, either by a letter of acceptance or by attending a meeting of the Board of Directors within thirty (30) days of notice of election.

#### **2.02(b) FILLING VACANCIES BY DIRECTORS**

Any vacancy on the Board of Directors shall be temporarily filled by majority vote of the remaining Directors present, though less than a quorum, or by a sole remaining Director. Each Director so elected shall hold office until a successor is elected at the next Members' meeting. Vacancies reducing the number of Directors to less than three shall be filled before the transaction of any other business.

#### **2.03 REMOVAL OF DIRECTORS**

The entire Board of Directors or any individual Director maybe removed from office by a vote of a majority of Members entitled to vote at an election of Directors. However, if less than the entire Board is to be removed, and the Members are given the right to cumulate votes in the Articles of Incorporation, no one of the Directors may be removed if the votes cast against his removal would be sufficient to elect him if then voted at an election of the entire Board of Directors. If any or all Directors are so removed, their replacements may be elected at the same meeting.

#### **2.04 ACTION BY CONSENT OF BOARD WITHOUT MEETING**

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting and shall have the same force and effect as a unanimous vote of Directors if all of the Directors consent to the action in writing or electronically through e-mail. Such consent may be given individually or collectively.

#### **2.05 PLACE OF MEETINGS**

Meetings of the Board of Directors shall be held at any locations agreed upon in advance within ten (10) miles of Southern Woods subdivision as may be designated by the Board.

#### **2.06 REGULAR MEETINGS**

Regular meetings of the Board of Directors shall be held, without call or notice, immediately following each annual Members' meeting, and at any other regularly repeating times as may be designated by the Board.

#### **2.07 SPECIAL MEETINGS**

Special meetings of the Board of Directors for any purpose may be called at any time by the President or, if the President is absent or unable or refuses to act, by the Vice President or any two Directors. Written notice of the special meeting, stating the time and place of the meeting, shall be mailed ten (10) days before, or personally delivered so as to be received by each Director not later than two (2) days before, the day appointed for the meeting. The notice may include a tentative agenda, but the meeting shall not be confined to any agenda included with the notice, and none is required.

Upon providing notice, the Secretary or other officer sending notice shall sign and file in the Corporate Record Book a statement of the details of the notice given to each Director. If such statement should later not be found in the Corporate Record Book, due notice shall be presumed.

#### **2.08 QUORUM**

The presence throughout any Directors' meeting, or adjournment thereof, of a majority of the

authorized number of Directors shall be necessary to constitute a quorum to transact any business, except to adjourn. If a quorum is present, every act done or resolution passed by a majority of the Directors present and voting shall be the act of the Board of Directors, unless the act of a greater number is required by law, the Articles of Incorporation, or these Bylaws. Directors present by proxy shall not be counted toward a quorum.

## **2.09 ADJOURNMENT AND NOTICE OF ADJOURNED MEETINGS**

A quorum of the Directors may adjourn any Directors' meeting to meet again at a stated hour on a stated day. Notice of the time and place where an adjourned meeting will be held need not be given to absent Directors if the time and place are fixed at the adjourned meeting. In the absence of a quorum, a majority of the Directors present may adjourn to a set time and place if notice is duly given to the absent members, or until the time of the next regular meeting of the Board.

## **2.10 CONDUCT OF MEETINGS**

The President shall chair all meetings of the Board of Directors. In the President's absence, the Vice President or a Chairman chosen by a majority of the Directors present shall preside. The Secretary of the Corporation shall act as Secretary of the Board of Directors' meetings. When the Secretary is absent from any meeting, the Chairman may appoint any person to act as Secretary of that meeting.

## **2.11 NUMBER OF DIRECTORS**

The number of Directors of this Corporation shall be not less than three, nor more than seven, all of whom need to be Members in good standing. Any decrease in the total number of Directors shall not have the effect of reducing the total number of Directors below three, nor of shortening the tenure which any incumbent Director would otherwise enjoy.

## **2.12 TERM OF OFFICE**

Directors shall be entitled to hold office until removed or their successors are elected and qualified. Election for all Director positions, vacant or not, shall occur at each annual Members' meeting and may be held at any special Members' meeting called specifically for that purpose.

## **2.13 COMPENSATION**

Directors as such shall not receive salaries for their services in this capacity. This policy does not preclude any Director from serving the Corporation in any other capacity and receiving compensation for such additional service.

## **2.14 INDEMNIFICATION OF DIRECTORS AND OFFICERS**

The Corporation shall indemnify all officers, Directors, employees, and agents to the extent required by law. The Board of Directors may, by separate resolution, provide for additional indemnification as allowed by law.

## **2.15 INSURING DIRECTORS, OFFICERS, AND EMPLOYEES**

The Corporation may purchase and maintain insurance, or make any other arrangement, on behalf of any person as permitted by Article 2.22A(R) of the Texas Non-Profit Corporation Act, whether or not the Corporation has the power to indemnify that person against liability for any acts.

## **2.16 BOARD COMMITTEES--AUTHORITY TO APPOINT**

The Board of Directors may designate one or more committees to conduct the business and

affairs of the Corporation to the extent authorized. Each Board committee shall contain at least two (2) members, a majority of whom must be Directors. The Board shall have the power to change the powers and membership of, fill in vacancies in, and dissolve any committee at any time. Members of any committee shall receive such compensation as the Board of Directors may from time to time provide. The designation of any committee and the delegation of authority thereto shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed by law. The Board may also elect or appoint Members' committees, but these committees shall not conduct the business of the Corporation.

## **2.17 PROXIES**

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

## **2.18 ARCHITECTURAL CONTROL COMMITTEE**

The Board of Directors shall appoint the three persons from the Board who will comprise the Architectural Control Committee to oversee the construction and placement of structures on the lots in Southern Woods, pursuant to the Declaration of Covenants, Conditions and Restrictions for Southern Woods, and any amendments thereto, Architectural Control Committee members shall serve one year terms from the date of appointment unless removed from the Board of Directors pursuant to Article 2.03. Notwithstanding the foregoing, the initial Architectural Control Committee members appointed shall be entitled to serve on the Committee until the earlier of (i) the date that Declaring, as defined in the Declaration of Covenants, Conditions and Restrictions for Southern Woods, no longer own any interest in any lot, or (ii) December 31, 1997. Midterm Vacancies on the Architectural Control Committee may be filled, for the balance of any unexpired term, at any time by appointment of the Board of Directors. Each and any appointment to the Architectural Control Committee shall require a majority vote of the Directors present at the designated yearly Board of Directors' meeting where the ACC is elected.

# **ARTICLE THREE MEMBERS AND MEMBERS' MEETINGS**

## **3.01 MEMBERSHIP**

The Homeowners Association of Southern Woods (Association) shall have one class of Members. Every record owner of a fee interest in a platted lot ("lot") within Southern Woods Subdivision and only such persons or entities shall be Members of the Association. If there is more than one owner of a lot, then such owners shall designate one of their number as a Member of the Association, which designation shall be made in writing to the Board of Directors. After an owner is so designated as the Member of the Association, the Board shall have the right to rely on such designation until a written notice signed by a majority of said Owners revoking such appointment is received by the Board. In the event that such Owners are unable to agree upon one of their number to be designated as the Member of the Association, then none of such Owners shall have any vote, fractional or otherwise, in the Association. Ownership of a Lot shall be the sole qualification for membership in the Association. Membership in the Association is not transferable or assignable other than by transferring the Member's fee interest in a Lot.

### **3.02 VOTING RIGHTS**

Members of any class(es) entitled to vote shall have one vote on each matter submitted to a vote of the Members. Each Member shall be entitled to one vote per Lot owned on each and every matter submitted to a vote of the Members.

### **3.03 TERMINATION OF MEMBERSHIP**

The Board of Directors, by two-thirds affirmative vote, may suspend or expel a Member of the Association for cause after notice and hearing and may, by a majority vote, terminate the membership of any Member who becomes ineligible for membership, or suspend voting rights of or expel any Member of the Association who shall be in default in the payment of assessments for the period fixed in Article Seven of these Bylaws. No such expulsion, termination or suspension of voting rights of a Member shall relieve such Member of the obligation to pay assessments or other charges theretofore or thereafter accrued, and unpaid.

### **3.04 REINSTATEMENT**

Upon written request signed by a former Member of the Association and filed with the Secretary, the Board of Directors may, by two-thirds affirmative vote, reinstate such former Member on such terms as the Board of Directors may deem appropriate.

### **3.05 RESIGNATION**

Any Member of the Association may resign by filing a written resignation with the Board of Directors, but such resignation shall not relieve the Member so resigning of the obligation to pay any dues, assessments, or other charges theretofore or thereafter accrued and unpaid. A member's resignation does not remove the contracted commitment to abiding by the bylaws and covenants.

### **3.06 ANNUAL MEETINGS**

The time, place, and date of the annual meeting of the Members of the Corporation, for the purpose of electing Directors and for the transaction of any other business as may come before the meeting, shall be set by a majority vote of the Board of Directors. If the day fixed for the annual meeting is a legal holiday in the State of Texas, such meeting shall be held on the next succeeding business day. If the election of Directors is not held on the day thus designated for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Members as soon thereafter as possible.

### **3.07 ACTION WITHOUT MEETING**

Any action that may be taken at a meeting of the Members under any provision of the Texas Non-Profit Corporation Act may be taken without a meeting if authorized by a consent or waiver signed by all of the persons who would be entitled to vote on that action at a meeting and filed with the Secretary of the Corporation. Each such signed consent, or a true copy thereof, shall be placed in the Corporate Record Book.

### **3.08 PLACE OF MEETINGS**

Members' meetings shall be held at any place within ten miles of Southern Woods subdivision as may be designated by the Board of Directors.

### **3.09 TELEPHONE MEETINGS**

Subject to the notice provisions required by these Bylaws and by the Texas Non-Profit Corporation Act, Members may participate in and hold a meeting by means of conference telephone or similar communications equipment by which all persons participating can hear each other. Participation in such a meeting shall constitute presence in person at such meeting, except participation for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

### **3.10 FAILURE TO HOLD ANNUAL MEETING**

If, within any thirteen (13) month period, an annual Members' Meeting is not held, any Member may demand, by registered mail to any officer, that the meeting be held within a reasonable time. If the meeting is not held within sixty (60) days of the demand, any Member may compel the meeting by legal action against the Board of Directors.

### **3.11 CONDUCT OF MEETING**

Members' meetings shall be chaired by the President, or, in the President's absence, the Vice President or any other person chosen by a majority of the Members present in person or by proxy and entitled to vote. The Secretary of the Corporation, or, in the Secretary's absence, an Assistant Secretary, shall act as Secretary of the Members' meetings. In the absence of the Secretary or Assistant Secretary, the Chairman of the meeting shall appoint another person to act as Secretary of the meeting.

### **3.12 NOTICE OF MEETINGS**

The officer or persons giving notice of a Members' meeting shall deliver written notice to each Director and to each Member entitled to vote at the meeting at least ten (10) but not more than fifty (50) days before the date of the meeting. If mailed, any notice required under this article shall be deemed to be delivered when deposited in the United States Mail addressed to the Member at the Member's address as it appears in the records of the Homeowners Association, postage prepaid. If Meetings notices are e-mailed, any notice required under this article shall be deemed to be delivered when sent to the email addressed to the Member at the Member's address as it appears in the records of the Homeowners Association. Such notice shall state the place, day, and hour of the meeting, and, in case of a special meeting, the purpose or purposes for which the meeting is called. The notice may be given personally, by mail, or by other means. The notice shall be addressed to each recipient at such address as appears in the corporation's records or as the recipient has given to the Corporation for the purpose of notice. Meetings provided for in these Bylaws shall not be invalid for lack of notice if all of the persons entitled to notice consent to the meeting in writing or are present at the meeting in person or by proxy and do not object to the notice given. Consent may be given either before or after the meeting. Notice of the reconvening of an adjourned meeting is not necessary unless the meeting is adjourned more than thirty (30) days past the date stated in the consent of all persons entitled to vote at a Members' meeting. Any meeting is valid wherever held if written consent to the meeting is given by all persons entitled to vote at the meeting.

### **3.13 SPECIAL MEETINGS**

A special Members' meeting may be called at any time by the President, the Board of Directors, or one or more Members holding at least six or more of all the votes entitled to vote at the meeting. Such meeting may be called for any purpose. The party calling the meeting may do so only by written request sent by certified mail or delivered in person to the President or Secretary. The officer receiving the written request shall cause notice of the meeting to be sent to all the Members entitled to vote at the meeting. If the officer does not give notice of the meeting within ten (10) days after receipt of the written request, the person or persons calling the meeting may fix the time of the meeting and give the notice. The notice shall be sent pursuant to Section 3.12 of these Bylaws. The notice of a special Members' meeting must state the purpose or purposes of the meeting and, absent consent of every Member to the specific action taken, shall be limited to purposes plainly stated in the notice, notwithstanding other provisions herein.



**3.14(a) QUORUM OF MEMBERS**

As to each item of business to be voted on, the presence (in person or by proxy) of the persons who are entitled to vote at least one-fifth of the Members' votes on that matter shall constitute the quorum necessary for the consideration of the matter at a Members' meeting. If a quorum is present, every act done or resolution passed by a majority of the Members present shall be the act of the Members.

**3.14(b) ADJOURNMENT FOR LACK OF QUORUM**

No business may be transacted in the absence of a quorum, or upon the withdrawal of enough Members to leave less than a quorum, other than to adjourn the meeting from time to time by the vote of a majority of the votes represented at the meeting.

**3.15 VOTING BY VOICE OR BALLOT**

Elections for Directors need not be by ballot unless a Member demands election by ballot before the voting begins.

**3.16 PROXIE**

A Member may vote either in person or by proxy executed in writing by the Member or his or her duly authorized attorney in fact. At a minimum, the proxy must provide (I) the name(s) of the person allowed to act in their stead, and (II) any specific and/or all topics the appointed proxy is allowed to vote on. The written proxy must also be dated and signed by the Member either personally or electronically. Each member's proxy shall be revocable and shall be valid only at the single members meeting at which it was originally presented.

**ARTICLE FOUR  
OFFICERS**

**4.01 TITLE AND APPOINTMENT**

The officers of the Corporation shall be a President, a Vice President, a Secretary, and such other officers as the Board may designate. Any two or more offices, except President and Secretary, may be held by the same person. All officers shall be elected by and hold office at the pleasure of the Board of Directors. The Board of Directors may delegate this power to appoint officers to any officer or committee, and such officer or committee shall have full authority over the officers they appoint, subject to the power of the Board as a whole. Election or appointment of an officer shall not of itself create contract rights. The officers of the Homeowners Association shall be elected annually by the Board of Directors at the first Board of Directors' meeting following the Members' regular annual meeting. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as may be convenient. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his or her successor has been duly elected, unless an officer's resignation has been tendered to the Board of Director's prior to any such election

**4.02 REMOVAL AND RESIGNATION**

Any officer may be removed, with or without cause, by vote of a majority of the Directors at any meeting of the Board, or, except in case of an officer chosen by the Board of Directors, by any committee or officer upon whom that power of removal may be conferred by the Board. Such removal shall be without prejudice to the contract rights, if any, of the person removed. Any officer may resign at any time

by giving written notice to the Board of Directors, the President, or the Secretary of the Corporation. Any resignation shall take effect upon receipt or at any later time specified therein. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

#### **4.03 VACANCIES**

Should any vacancy occur in any office of the Corporation, the Board of Directors may elect an acting successor to hold office for the unexpired term or until a permanent successor is elected.

#### **4.04 COMPENSATION**

No member of the Board of Directors or officer shall receive any stated salary for his or her services in this capacity.

#### **4.05 PRESIDENT**

The President shall be the chief executive officer of the Corporation, subject to the control of the Board of Directors. The President shall have general supervision, direction, and control of the business and officers of the Corporation; shall have the general powers and duties of management usually vested in the office of the President of a corporation; shall have such other powers and duties as may be prescribed by the Board of Directors or the Bylaws; and shall be *ex officio* a member of all standing committees, including the executive committee, if any. In addition, the President shall preside at all meetings of the Members and Board of Directors.

#### **4.06 VICE PRESIDENT**

The Vice President shall have such powers and perform such duties as from time to time may be prescribed by these Bylaws, the Board of Directors, or the President. In the absence or disability of the President, the Vice President shall perform all the duties of the President, pending action by the Board. While so acting, the Vice President shall have the powers of, and be subject to all the restrictions on, the President.

#### **4.07 SECRETARY**

The Secretary shall:

(A) See that all notices are duly given as required by law, the Articles of Incorporation, or these Bylaws. In case of the absence or disability of the Secretary, or the Secretary's refusal or neglect to act, notice may be given and served by an Assistant Secretary or by the President, Vice President, or Board of Directors.

(B) Be custodian of the minutes of the Corporation's meetings, its Corporate Record Book, its other records, and any seal which it may adopt. When the Corporation exercises its right to use a seal, the Secretary shall see that the seal is embossed upon all documents authorized to be executed under seal in accordance with these Bylaws.

(C) Maintain, in the Corporate Record Book, a record of all Members of the Corporation, together with their current mailing addresses, e-mails, and phone numbers.

(D) In general, perform all duties incident to the office of Secretary, and such other duties as from time to time may be required by Article Six of these Bylaws, by these Bylaws generally, by the President, by the Board of Directors, or by law.

#### **4.08 TREASURER**

The Treasurer shall:

(A) Have charge and custody of, and be responsible for, all funds and securities of the

Corporation, and deposit all funds in the name of the Corporation in those banks, trust companies, or other depositories as the Board of Directors select.

(B) Receive, and give receipt for, monies due and payable to the Corporation.

(C) Disburse or cause to be disbursed the funds of the Corporation as may be directed by the Board of Directors, taking proper vouchers for those disbursements.

(D) In general, perform all the duties incident to the office of the Treasurer, and such other duties as from time to time may be assigned to the Treasurer by Article Six of these Bylaws, by these Bylaws generally, by the President, by the Board of Directors, or by law.

## **ARTICLE FIVE AUTHORITY TO EXECUTE INSTRUMENTS**

### **5.01 NO AUTHORITY ABSENT SPECIFIC AUTHORIZATION**

These Bylaws provide certain authority for the execution of instruments. The Board of Directors, except as otherwise provided in these Bylaws, may additionally authorize any officer(s) or agent(s), to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances. Unless expressly authorized by these Bylaws or the Board of Directors, no officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or engagement nor to pledge its credit nor to render it liable pecuniary for any purpose or in any amount.

### **5.02 EXECUTION OF CERTAIN INSTRUMENTS**

Formal contracts, promissory notes, deeds, deeds of trust, mortgages, pledges, and other evidences of indebtedness of the Corporation, other corporate documents, and certificates of ownership of liquid assets held by the Corporation shall be signed or endorsed by the President or any vice President and by the Secretary or the Treasurer, unless otherwise specifically determined by the Board of Directors or otherwise required by law.

## **ARTICLE SIX CORPORATE RECORDS AND ADMINISTRATION**

### **6.01 MINUTES OF CORPORATE MEETINGS**

The Corporation shall keep at the principal office, or such other place as the Board of Directors may order, a Corporate Record Book containing minutes of all meetings of the Corporation's Members, Directors, and committees. The minutes shall show the time and place of each meeting, whether the meeting was regular or special, a copy of the notice given or written waiver thereof, and, if it is a special meeting, how the meeting was authorized. The minutes of all meetings shall further show the proceedings and the names of those present. Minutes of Member meetings shall also show the number of votes present or represented.

### **6.02 BOOKS OF ACCOUNT AND ANNUAL REPORTS**

The Corporation shall maintain current true and accurate financial records with full and correct entries made with respect to all financial transactions, including all income and expenditures, in accordance with generally accepted accounting practices. Based on these records, the Board of Directors shall annually prepare or approve a report of the Corporation's financial activity for the preceding year.

The report must conform to accounting standards as promulgated by the American Institute of Certified Public Accountants and must include a statement of support, revenue, expenses, and changes in fund balances, a statement of functional expenses, and balance sheets for all funds. All records, books, and annual reports of the financial activity of the Corporation shall be kept at its principal office for at least three years after the closing of each fiscal year and shall be available to the public for inspection and copying there during normal business hours. The corporation may charge for the reasonable expense of preparing a copy of a record or report.

### **6.03 MEMBERSHIP REGISTER**

The Corporation shall keep, at the principal office, a membership register showing the names of the Members, their addresses, the date they became a Member, and the date any former Member's membership terminated. The above-specified information may be kept on an information storage device, such as electronic data processing equipment, provided that the equipment is capable of reproducing the information in clearly legible form for the purposes of inspection by any Member, Director, officer, or agent of the Corporation during regular business hours.

### **6.04 CORPORATE SEAL**

The Board of Directors may at any time adopt, prescribe the use of, or discontinue the use of, such corporate seal as it deems desirable, and the appropriate officers shall cause such seal to be affixed to such documents as the Board of Directors may direct.

### **6.05 FISCAL YEAR**

The fiscal year of the Corporation shall be the calendar year and approved by the Internal Revenue Service.

### **6.06 MANAGEMENT OF FUNDS**

All institutional and endowment funds shall be handled pursuant to the Institutional Funds Act Uniform Management of (Texas Property Code Sections 163.001 et seq.)

### **6.07 LOANS TO OFFICERS AND DIRECTORS**

The Corporation shall not loan money to any of its Directors.

### **6.08 WAIVER OF NOTICE AND CONSENT TO ACTION**

Meetings provided for in these Bylaws shall not be invalid for lack of notice if all persons entitled to notice either waive notice or consent to the meeting, in writing, or are present and do not object to the notice given. Waiver or consent may be given either before or after the meeting.

Attendance at a meeting shall constitute a waiver of notice of such meeting, except where a person attends a 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.

## **ARTICLE SEVEN DUES**

### **7.01 MAINTENANCE FUND**

Pursuant to the declaration of Covenants, Conditions and Restrictions for Southern Woods recorded in the Real Property Records of Rays County, a maintenance fund will be established for the acquisition, construction, management, maintenance, and care of the private drives known as Southern and West Way Drives, the street lights thereon, and the subdivision entrances.

### **7.02. PAYMENT OF MAINTNENCE EXPENSES**

Each Member shall contribute to the Maintenance Fund a pro rata portion of the general annual maintenance and administrative expenses of the Corporation, including the maintenance fund described in paragraph 7.01 to be applied toward the expenses and administration of the Corporation. Each Member's pro rata portion shall equal a fraction, the numerator of which is the total number of Lots owned by such Member located within the Property and the denominator of which is the total amount of Lots located within the Property. The maintenance and administrative expense charges shall be assessed to the Members in the manner hereinafter set forth. No Member is or shall be exempt from such obligation.

### **7.03 ESTABLISHMENT OF MAINTENANCE EXPENSE CHARGE & MAINTENANCE FUND**

Upon formation of the Corporation, the initial Board shall meet and establish a budget for the operation and maintenance of the Corporation for that portion of the fiscal year then remaining, which budget shall set forth the Board's reasonable estimate of all expenses. The budget shall contain a reasonable allowance for contingencies and reserves for maintenance, repairs and replacements. After the adoption of this initial budget, the Board shall meet in the last quarter of each fiscal year to establish such a budget for the following fiscal year. Copies of each budget shall be maintained by the Corporation and made available for inspection by Members. After each budget is adopted by the Board, the Board shall determine the maintenance and administrative expense charge allocable to each member, such allocation to be made based upon the Lots owned by each Member within the Property as described above. Each Member shall be obligated to pay quarterly, the portion of the maintenance and administrative expense charge so allocated to each such Member.

### **7.04 SPECIAL ASSESTMENTS**

If the Board at any time, or from time to time, determines that the maintenance and administrative expense charge addressed for any period is insufficient to provide for the continued operation of the Corporation and the maintenance of Corporation Property, then the Board shall have the Authority to levy such special assessments as it shall deem necessary to provide for the continued maintenance and operation of the Corporation. Without limiting the generality of the foregoing, special assessments may be made because of casualty, condemnation or other loss or to make up for any deficiencies caused by non-payment of maintenance and administrative expense charges by members. Prior to the election date, special assessments may be made by the Board. After the Election Date, no special assessments shall be effective unless approved by at least a majority of the votes of the Members in the Corporation present at a Members' meeting.

### **7.05 PAYMENT OF MAINTENANCE EXPENSE CHARGE**

The portion of the maintenance and administrative expense charge assessed against each Member shall be due and payable in advance during the first month of each quarter of each fiscal year for which

the maintenance and administrative expense charge in question has been assessed. Any amount not paid by the 30th day of the first month of each quarter shall be deemed delinquent, and shall bear interest at the rate of 18% per annum thereafter until paid.

To secure payment of the maintenance and administrative expense charges, and any other debt or obligation owed by the Member, a vendor's lien and superior title to each Lot shall be retained and reserved by and in favor of the Corporation which vendor's lien and superior title shall be enforceable through appropriate judicial proceedings by the Corporation, and such vendor's lien and superior title may be enforced by foreclosure by the Corporation in the defaulting Member's Lot in like manner as a mortgage on real property upon the recording of notice or claim thereof. In any such foreclosure, the Member shall be required to pay the cost and expenses of such foreclosure proceedings, the cost and expenses for filing notices and all reasonable attorney's fees. The Member shall also be required to pay to the Corporation a reasonable rental for the Lot during the period of foreclosure and the Corporation shall be entitled to have a receiver appointed to collect the same.

The vendor's lien and superior title herein retained and reserved shall be subordinate in all respects to any Mortgage recorded prior to the time that any delinquent payments were due. Sale or transfer of any Lot shall not affect vendor's lien and superior title herein reserved and retained; provided, however, that any Mortgage, or the acceptance by and mortgage of a deed in lieu of foreclosure thereon, shall extinguish the maintenance and administrative expense charge payments thereof due and owing prior to such sale or transfer and vendor's lien and superior title securing the same.

The maintenance and administrative expense charge shall also be the personal obligation of each Member, and no sale or transfer shall relieve such Member from liability for delinquent maintenance and administrative expense charges previously assessed, nor shall any such sale or transfer relieve the subsequent Member from his or her obligation for the payment of future assessments.

In addition to the vendor's lien and superior title herein reserved and retained, there is also hereby placed upon each Lot within the Property a lien to secure the payment of the maintenance and administrative expense charge. In the event of non-payment by any Member of such Member's portion of the maintenance and administrative expense charge, the Corporation may (except in the situation regarding Mortgagees as set forth above in this paragraph), upon ten (10) days prior written notice to the non-paying Member, pursue any remedy available at law or in equity in addition to or in lieu of the remedies set forth above.

#### **7.06 DEFAULT AND TERMINATION OF MEMBERSHIP**

In addition to remedies listed above when any Member shall be in default of the payment of any maintenance expense or special assessments for a period of one (1) calendar months from beginning of the period for which such expense or assessment became payable, his or her voting rights may thereupon be suspended by the Board of Directors in a manner provided in Article II of these Bylaws.

#### **7.07 EXCESS ASSESSMENTS**

Assessments collected during the year which are subsequently found by the Board to be in excess of the reasonable future needs of the Corporation may be returned to the Members or applied against the Members' following year assessment. Whether the fee is rebated or applied to the following year's assessment shall be within the sole discretion of the Board.

Any such rebate or carry-over shall not be considered an expenditure within the meaning of Sections 528 (c) (1) (B) (C) and 528 (c) (1) (B) (D) of the Internal Revenue Code of 1954.

#### **7.08 DEFINITIONS**

The terms "Member" and "Corporation" as used herein are synonymous with the terms "Owner" and "Association," respectively, as used in Article IV of said Declaration of Covenants, Conditions, and

Restrictions.

**ARTICLE EIGHT  
ADOPTION OF AMENDED AND RESTATED BYLAWS**

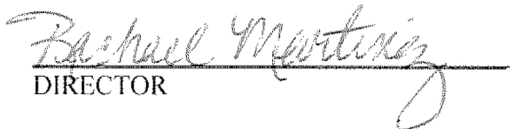
The foregoing bylaws were adopted by the Board of Directors of Southern Woods HOA on January 26, 2011

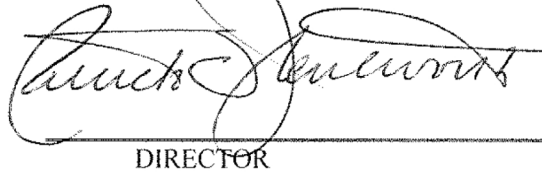
  
PRESIDENT

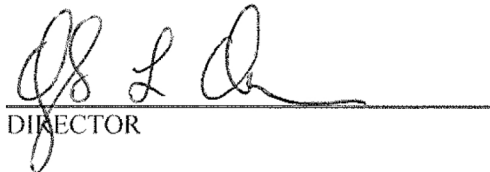
  
DIRECTOR

  
DIRECTOR

  
DIRECTOR

  
DIRECTOR

  
DIRECTOR

  
DIRECTOR

Attested to, and certified by:

  
SECRETARY

SEAL OF THE  
CORPORATION