

**BYLAWS
OF
PINNACLE MASTER ASSOCIATION, INC.
(Dated March 1, 2019)**

IMPORTANT NOTICES

EACH OWNER OF A LOT WITHIN THE PINNACLE SUBDIVISION IS AUTOMATICALLY A MEMBER OF THE PINNACLE MASTER ASSOCIATION, INC. AND IS OBLIGATED TO PAY ASSESSMENTS AS SET FORTH HEREIN AND IN THE ASSOCIATION DOCUMENTS. THE PINNACLE MASTER ASSOCIATION, INC. IS GOVERNED BY THESE BYLAWS AND THE ASSOCIATION DOCUMENTS.

IN ADDITION, ALL PROPERTY WITHIN THE PINNACLE SUBDIVISION IS LOCATED IN A PUBLIC IMPROVEMENT DISTRICT AUTHORIZED BY THE CITY OF AMARILLO IN RESOLUTION No. 08-01-17-1. **THE PUBLIC IMPROVEMENT DISTRICT IS SEPARATE AND APART FROM THE PINNACLE MASTER ASSOCIATION.** THE PUBLIC IMPROVEMENT DISTRICT WAS CREATED AND IS AUTHORIZED BY THE CITY OF AMARILLO TO CONSTRUCT, INSTALL, AND MAINTAIN ENHANCED PUBLIC IMPROVEMENTS WITHIN THE SUBDIVISION, WHICH ARE IN ADDITION TO THE PUBLIC IMPROVEMENTS AND SERVICES THAT NORMALLY WOULD BE PROVIDED BY THE CITY. THE COSTS OF THE ENHANCED PUBLIC IMPROVEMENTS WILL BE PAID FROM PID ASSESSMENTS LEVIED BY THE CITY AGAINST LOTS LOCATED IN THE PUBLIC IMPROVEMENT DISTRICT. **THE PID ASSESSMENTS ARE SEPARATE FROM AND IN ADDITION TO THE ASSESSMENTS THAT ARE PAYABLE TO THE PINNACLE MASTER ASSOCIATION, INC.** UNTIL CHANGED BY THE CITY OF AMARILLO, THE PID ASSESSMENTS FOR THE PUBLIC IMPROVEMENT DISTRICT WILL BE BASED UPON THE NUMBER OF SQUARE FEET IN A LOT. AN OWNER OF A LOT MAY NOT AVOID PAYMENT OF THE PID ASSESSMENTS FOR THE PUBLIC IMPROVEMENT DISTRICT.

EACH OWNER'S ATTENTION IS DIRECTED TO THE MASTER DECLARATION FOR THE SPECIFIC TERMS APPLICABLE TO AN OWNER PURSUANT TO THE MASTER DECLARATION. THE RECORDING OF THE MASTER DECLARATION IN THE OFFICIAL PUBLIC RECORDS OF RANDALL COUNTY, TEXAS, SERVES AS CONSTRUCTIVE NOTICE TO ALL PERSONS THAT THE SUBDIVISION IS SUBJECT TO THE ASSOCIATION DOCUMENTS INCLUDING, BUT NOT LIMITED TO, THESE BYLAWS OF PINNACLE MASTER ASSOCIATION, INC. ALL PERSONS ARE CONSIDERED TO HAVE NOTICE OF THE CONTENTS CONTAINED IN SUCH DOCUMENTS REGARDLESS OF WHETHER SUCH PERSONS HAVE EXAMINED SUCH DOCUMENTS. **IF YOU DO NOT UNDERSTAND THE EFFECT OF THE**

CONTENTS OF SUCH DOCUMENTS, CONSULT AN ATTORNEY BEFORE PURCHASING ANY PROPERTY IN THE SUBDIVISION.

EACH LOT IS SUBJECT TO THE ASSESSMENT LIEN DESCRIBED IN ARTICLE 3 OF THE MASTER DECLARATION.

EACH OWNER OF A LOT IS ADVISED THAT SECTION 202.004 OF THE TEXAS PROPERTY CODE AUTHORIZES COURTS TO ASSESS CIVIL DAMAGES FOR THE VIOLATION OF RESTRICTIVE COVENANTS IN AN AMOUNT NOT TO EXCEED \$200.00 FOR EACH DAY OF THE VIOLATION.

**Article 1.
NAME AND LOCATION**

1.1 These Bylaws provide for the administration of Pinnacle Master Association, Inc., a Texas nonprofit corporation (the "Association"), whose Members consist of the owners of Lots in Pinnacle Subdivision located in Randall County, Texas, which is covered by the Master Declaration. The registered office of the Association will be as designated with the Secretary of State of the State of Texas, as it may be changed from time to time. The principal office of the Association will be located in Randall County, Texas.

**Article 2.
DEFINITIONS**

The use of any of the following defined terms in their capitalized form will have the meaning designated below, while the use of any of the following defined terms in their uncapitalized form will indicate the words have their normal meaning:

2.1 "**Architectural Control Committee**" or "**ACC**" means a committee composed in accordance with Section 9.3 and which has the authority to grant or withhold architectural control approval in accordance with the provisions set forth in the Restrictions.

2.2 "**Assessments**" has the meaning set forth in Section 3.1 of the Master Declaration.

2.3 "**Association**" means the Pinnacle Master Association, Inc., a Texas nonprofit corporation.

2.4 "**Association Documents**" means these Bylaws, the Master Declaration, the Restrictions, the Certificate of Formation of the Association, any resolutions adopted by the Board or Association, and any Rules adopted by the Board.

2.5 "**Board**" means the Board of Directors of the Association.

2.6 "**Board Meeting**" means a deliberation between a quorum of the voting Board of the Association, or between a quorum of the voting Board and another person, during which the Association's business is considered and the Board takes formal action. The term "Board

Meeting” does not include the gathering of a quorum of the Board at a social function unrelated to the business of the Association or the attendance by a quorum of the Board at a regional, state, or national convention, ceremonial event, or press conference, if formal action is not taken and any discussion of Association business is incidental to the social function, convention, ceremonial event, or press conference.

2.7 “**Bylaws**” means these Bylaws of Pinnacle Master Association, Inc.

2.8 “**City**” means the City of Amarillo, Texas.

2.9 “**Common Areas**” means the areas designated as “Common Areas” on Plats of the Property.

2.10 “**Declarant**” means Rockrose Development, LLC, a Texas limited liability company, and its successors and/or assigns to whom any of those rights and powers that are expressly reserved to Declarant in the Association Documents are conveyed or assigned in writing, whether in whole or in part, but excluding any Person merely purchasing one or more Lots from Declarant.

2.11 “**Declarant Director**” means an officer or designated representative of Declarant.

2.12 “**Development Period**” means the period beginning on the date of this Declaration and ending on the date when Declarant owns less than 5.0% of the residential Lots and less than 5.0% of the land to be developed for residential use within the Property.

2.13 “**Director**” means a member of the Board of Directors.

2.14 “**Enhanced Public Improvements**” means the public improvements constructed, installed, and maintained by the PID in the Common Areas including, but not limited to, the following:

- (a) planting grass, trees, shrubbery, ground cover, and other vegetation;
- (b) turf maintenance, which includes fertilizing, mowing, edging, trimming, and application of herbicides, as required;
- (c) horticultural maintenance;
- (d) installation and maintenance of irrigation systems and management of seasonal watering;
- (e) seasonal planting in Common Areas;
- (f) tree care, which includes fertilization, pruning, and insect disease control;
- (g) water and electricity;
- (h) installation and maintenance of ground lighting;

- (i) construction, repair, and maintenance of enhanced drainage areas, fences, brick walls, park benches, park lighting, architectural and landmark features;
- (j) other services incidental to the installation and maintenance of landscaping; and
- (k) installation, maintenance, and repair of special fencing and entrance features.

2.15 “**Lot**” means each Lot (each “**a Lot**” and collectively “**Lots**”) shown on the Plats, as amended from time to time, including improvements located on a Lot, except for the Common Areas. The definition of “Lot” expressly excludes any unplatted portions of the Property.

2.16 “**Majority Vote of Members**” means, at the time a vote is taken, a vote of more than one-half of the total votes represented at a meeting (whether represented in person, by legitimate proxy in a form approved by the Board, or by an absentee or electronic ballot in a form approved by the Board) at which a Quorum of Members is present, taking into consideration the number of votes attributable to Class A Members and Class B Members as set forth in Section 2.2 of the Master Declaration.

2.17 “**Master Declaration**” means that certain Pinnacle Master Declaration recorded in the Official Public Records of Randall County, Texas, under Document No. 2019005996 and any amendments or modifications thereto filed in the Official Public Records of Randall County, Texas.

2.18 “**Member**” has the meaning set forth in Section 2.1 of the Master Declaration.

2.19 “**Nomination Committee**” means a committee composed of the following:

- (a) an officer, director, shareholder, member, or owner of Declarant, unless Declarant waives its right, in writing, to have a person on the Nomination Committee;
- (b) the president of the Association; and
- (c) the immediate past president of the Association if he or she is a Member.

2.20 “**Non-Member Owner**” has the meaning set forth in Section 2.1 of the Master Declaration.

2.21 “**Owner**” means each Person who is a record owner of a fee simple interest in any Lot, but excluding (i) any Non-Member Owner and (ii) any Person who holds only a lien or interest in the Lot as security for the performance of any obligation.

2.22 “**Person**” means any natural person, corporation, partnership, limited liability company, trust, or other legal entity.

2.23 “**PID**” means the Pinnacle Public Improvement District authorized by the City in Resolution No. 08-01-17-1 adopted by the City Council on August 1, 2017.

2.24 “**PID Assessments**” has the meaning set forth in Section 3.8 of the Master Declaration.

2.25 “**Plats**” mean all Plats (each “**a Plat**” and collectively “**Plats**”) of real estate included in the PID recorded at any time in the Official Public Records of Randall County, Texas.

2.26 “**Property**” means the real estate described in Exhibit “A” of the Master Declaration and all other real estate included in the PID.

2.27 “**Quorum of Members**” has the meaning set forth in Section 4.3 below.

2.28 “**Regular Assessments**” has the meaning set forth in Section 3.3 of the Master Declaration.

2.29 “**Restrictions**” means all Declarations of Covenants, Conditions, and Restrictions placed on any portion of the Property at any time and any amendments or modifications thereto.

2.30 “**Rules**” has the meaning set forth in Section 4.3(1) of the Master Declaration.

2.31 “**Subdivision**” means all portions of the Property covered by a Plat and any other property made subject to this Declaration.

2.32 “**Verified Mail**” means any method of mailing for which evidence of mailing is provided by the United States Postal Service or a common carrier.

Capitalized terms used in these Bylaws, to the extent not defined herein, have the same meanings given to such terms in the Master Declaration.

Article 3. PURPOSES

3.1 **Purpose.** The Association is organized to perform the functions of a property owners association in connection with the Property and will be operated to act as agent for the Owners of the Property pursuant to these Bylaws and the Master Declaration. The Associations’ purposes include:

- (a) To provide an organization consisting of owners of Lots, and to provide for the management, maintenance, preservation, and architectural control of the Subdivision;
- (b) To make and/or collect PID Assessments if:

- (1) no assessments or inadequate assessments are levied against the Property by the City to pay for the costs of the Enhanced Public Improvements;
 - (2) the PID is dissolved, terminated, or otherwise fails to function;
 - (3) the City fails to approve the annual budgets recommended by the PID;
 - (4) the annual budgets recommended by the PID are inadequate;
- and/or
- (5) the City fails or refuses to collect PID Assessments; and
- (c) To enforce and carry out the terms of the Association Documents and to enjoin and seek damages from any Owner for violation of such provisions; and
 - (d) To exercise all the rights, powers, and privileges and to perform all the duties and obligations of the Association as set forth in the Association Documents; and
 - (e) To fix, levy, collect, and enforce payment of, by any lawful means, all charges or Association Assessments provided for in the Association Documents, and as agent, to pay all expenses in connection therewith and all office and other expenses incident to conducting the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the property of the Association, if any; and
 - (f) To make disbursements, expenditures, and payments on behalf of the Owners as required by the Association Documents; and
 - (g) To hold, as agent for Owners, reserves for periodic repairs and improvements to be made as directed by Owners acting through the Board; and
 - (h) To enter into and perform any contract and to exercise all powers which may be necessary or convenient to the operation, management, maintenance, and administration of the affairs of this Association according to the Association Documents; and
 - (i) Insofar as permitted by law, to do any other thing that, in the opinion of the Board, will promote the common benefit and enjoyment of Owners and occupants of the Property, or for operation or protection of the Association or for enforcement of the Association Documents; and

- (j) To have and to exercise any and all powers, rights, and privileges that a non-profit Association organized under the Texas Business Organizations Code by law may now, or at a later time, have or exercise.

3.2 **Use of Facilities.** All Persons who use the facilities on the Property are subject to these Bylaws. The acquisition, lease, or rental of any Lot or the act of occupancy of any Lot will signify that these Bylaws are accepted, approved, and ratified and will be complied with.

Article 4. MEMBERSHIP AND VOTING

4.1 **Membership and Voting Rights in the Association.** Matters dealing with membership and voting rights are set forth in Article 2 of the Master Declaration, and those matters are incorporated herein as if repeated verbatim.

4.2 **Notice of Election or Vote of Members to be Taken at a Meeting.** For an election or vote to be taken at a meeting of the Members, not later than the 10th day or earlier than the 60th day before the date of the election or vote, whether such vote or election will occur at the annual meeting or a special meeting of the Members, the Association shall give written notice of the election or vote to each Member of the Association, which shall be delivered either personally, by mail, or by electronic media.

4.3 **Quorum and Voting.** Members (as such term is defined in Section 2.1 of the Master Declaration) holding 25.0% of the aggregate votes entitled to be cast by all Members (taking into consideration the number of votes entitled to be cast by Class A Members and Class B Members as set forth in Section 2.2 of the Master Declaration)—all of whom must be represented at a meeting of the Members in person, by legitimate proxy in a form approved by the Board, or by an absentee or electronic ballot in a form approved by the Board—will constitute a quorum (a “**Quorum of Members**”) for voting on matters brought before the Members at meetings of the Association (provided that an absentee or electronic ballot may be counted as a Member present and voting for the purpose of establishing a Quorum of Members only if it satisfies the requirements set forth in Section 4.9). If a Quorum of Members is not present at a meeting, the meeting may be held with respect to all matters that do not require a vote; however, no votes shall be taken at any meeting at which a Quorum is not present. If a Quorum is not present for voting at a meeting, another meeting may be set for voting on the same matter or matters, in which case, notice of the meeting shall be given to the Members in the same manner as was required for the initial meeting. If a subsequent meeting (1) is set for not fewer than 10 days nor more than 30 days after the date of the previous meeting, and (2) has on the agenda the same items to be voted upon as were on the agenda for the previous meeting, the notice of such meeting may advise the Members that a Quorum of Members was not present at the previous meeting and that the requirements for a Quorum of Members at the next meeting will be 5.0% less. A Majority Vote of the Members will be the act of the Members.

4.4 **Signed Ballots.** Except for uncontested races in an Association election and except as provided in Section 4.5, a vote cast by a Member must be in writing and signed by the Member if the vote is cast:

- (a) outside of a meeting;
- (b) in an election to fill a position on the Board;
- (c) on a proposed adoption or amendment of any governing instrument covering the establishment, maintenance, and operation of the Subdivision, including these Bylaws, the Master Declaration, the Restrictions, the Certificate of Formation of the Association, and any Rules of the Association;
- (d) on a proposed increase in the amount of a Regular Assessment or the proposed adoption of a Special Group Assessment; or
- (e) on the proposed removal of a Director.

Further, if the Board elects to use a ballot for a vote on a matter other than one of the matters described in Subsections 4.4 (a) through (e), the ballot must be either (i) in writing and signed by the Member, or (ii) cast by secret ballot in accordance with Section 4.5 below.

4.5 Voting by Secret Ballot. The Board may adopt rules to allow Members to vote at a meeting by secret, unsigned ballots so long as reasonable measures are taken to ensure that:

- (a) a Member cannot cast more votes than the Member is eligible to cast in an election or vote;
- (b) the Association counts every vote cast by a Member that is eligible to cast a vote; and
- (c) in any election for the Board, each candidate may name one person to observe the counting of the ballots, provided that this does not entitle any observer to see the name of the person who cast any ballot, and that any disruptive observer may be removed.

4.6 Manner of Voting. So long as Members are, at a minimum, allowed to vote by either proxy or absentee ballot, the Board may authorize votes to be cast or given by any or all of the following methods:

- (a) in person at a meeting of the Association;
- (b) by proxy in accordance with Section 4.8;
- (c) by absentee ballot in accordance with Sections 4.9 and 4.10; or
- (d) by electronic ballot in accordance with Sections 4.9 and 4.11.

4.7 Solicitation of Nominations Prior to Distribution of Ballots. If the Subdivision is composed of more than 100 Lots, then at least 10 days before the date any absentee, electronic, or other ballots are disseminated to Members for purposes of voting in an election of Directors,

the Association must provide notice to the Members soliciting candidates interested in running for a position on the Board. The notice must contain instructions for an eligible candidate to notify the Association of the candidate's request to be placed on the ballot and the deadline to submit the candidate's request. The deadline may not be earlier than the 10th day after the date the notice soliciting candidates is disseminated to the Members. The notice soliciting candidates must be:

- (a) mailed to each Member; or
- (b) provided by:
 - (1) posting the notice in a conspicuous manner reasonably designed to provide notice to Members: (i) in a place located on the Association's Common Areas, or (ii) on any Internet website maintained by the Association or other Internet media; and
 - (2) sending the notice by email to each Member who has a registered email address with the Association. (It is each Member's duty to keep an updated email address registered with the Association.)

The Association shall include on each ballot for an election of Director(s), the name of each eligible candidate from whom the Association received a request to be placed on the ballot in accordance with this section. The Association shall also include on each ballot for an election of Director(s) the name of each eligible candidate nominated by the Nomination Committee in accordance with Section 9.2.

4.8 Proxy Voting. If the Board elects to allow voting by proxy, it shall be in a form acceptable to the Board and executed in writing by the Member or by his duly authorized attorney-in-fact. No proxy will be valid after five months from the date of its execution unless otherwise provided in the proxy. Each proxy will be revocable unless expressly provided therein to be irrevocable, and in no event will it remain irrevocable for more than five months from the date of its execution. A Member may not vote by proxy unless it is delivered to the secretary or other designated officer or designated representative of the Association before the business of the meeting begins. The secretary or other person taking the minutes of the meeting will record in the minutes the name of the person who executed the proxy and the name of the person authorized to exercise the proxy. If a Member who has duly executed a proxy personally attends a meeting, the proxy will not be effective for that meeting.

4.9 Counting of Absentee or Electronic Ballots. If the Board elects to allow voting by absentee and/or electronic ballots, an absentee or electronic ballot:

- (a) shall be counted as a Member present and voting for the purpose of establishing a Quorum of Members only for items appearing on the absentee or electronic ballot;
- (b) shall not be counted, even if properly delivered, if the Member attends any meeting to vote in person, so that any vote cast at a meeting by a Member

supersedes any vote submitted by absentee or electronic ballot previously submitted for that proposal; and

- (c) shall not be counted on the final vote of a proposal if the motion was amended at the meeting to be different from the exact language on the absentee or electronic ballot.

For purposes of determining whether a vote by absentee or electronic ballot shall be counted, a nomination taken from the floor in an election of Director(s) is *not* considered an amendment to the proposal for the election.

4.10 Solicitation for Votes by Absentee Ballot. A solicitation for votes by absentee ballot must include:

- (a) an absentee ballot that contains each proposed action and provides an opportunity to vote for or against each proposed action;
- (b) instructions for delivery of the completed absentee ballot, including the delivery location; and
- (c) the following language: “By casting your vote via absentee ballot you will forgo the opportunity to consider and vote on any action from the floor on these proposals, if a meeting is held. This means that if there are amendments to these proposals your votes will not be counted on the final vote on these measures. If you desire to retain this ability, please attend any meeting in person. You may submit an absentee ballot and later choose to attend any meeting in person, in which case any in-person vote will prevail.”

4.11 Electronic Ballot. “Electronic ballot” means a ballot:

- (a) given by: (i) email; (ii) facsimile; or (iii) posting on an Internet website;
- (b) for which the identity of the Member submitting the ballot can be confirmed; and
- (c) for which the Member may receive a receipt of the electronic transmission and receipt of the Member’s ballot.

If an electronic ballot is posted on an Internet website, a notice of the posting shall be sent to each Member that contains instructions on obtaining access to the posting on the website.

4.12 Tabulation of Votes. Tabulation of votes shall be in accordance with the following:

- (a) A person who is a candidate in an Association election or who is otherwise the subject of an Association vote, or a person related to that person within the third degree by consanguinity or affinity, as determined

under Chapter 573, Government Code, may not tabulate ballots, perform a recount of votes, or otherwise be given access to the ballots cast in that election or vote except as provided by this section.

- (b) A person other than a person described by Subsection 4.12(a) may tabulate votes in an Association election or vote.
- (c) A person who tabulates votes under Section 4.12(b) or who performs a recount of votes under Section 4.13 may not disclose to any other person how a Member voted.
- (d) Notwithstanding anything to the contrary, only a person who tabulates votes under Subsection 4.12(b) or who performs a recount under Section 4.13 may be given access to the ballots cast in the election or vote.
- (e) This section may not be construed to affect a person's obligation to comply with a court order for the release of ballots or other voting records.

4.13 **Recount of Votes.** A Member may request a recount of votes in accordance the following:

- (a) Any Member may, not later than the 15th day after the later of (i) the date of any meeting of Members at which the election or vote was held or (ii) the date of the announcement of the results of the election or vote, require a recount of the votes. A demand for a recount must be submitted in writing either:
 - (1) by Verified Mail or by delivery by the United States Postal Service with signature confirmation service to the Association's mailing address as reflected on the latest management certificate; or
 - (2) in person to the Association's managing agent as reflected on the latest management certificate or to the address to which absentee and proxy ballots are mailed.
- (b) The Association shall estimate the costs for performance of the recount by a person qualified to tabulate votes under Subsection 4.13(d) and send an invoice for the estimated costs to the requesting Member at the Member's last known mailing address according to Association records not later than the 20th day after the date the Association receives the Member's demand for the recount. The Member demanding the recount must pay such invoice in full to the Association on or before the 30th day after the date the invoice is sent to the Member. If the invoice is not paid by such deadline, the Member's demand for a recount is considered withdrawn and a recount is not required.
- (c) If the estimated costs under Subsection 4.13(b) are lesser or greater than the actual costs, the Association must send a final invoice to the Member

on or before the 30th business day after the date the results of the recount are provided. If the final invoice includes additional amounts owed by the Member, any additional amounts not paid to the Association before the 30th business day after the date the invoice is sent to the Member may be added to the Member's account as an assessment. If the estimated costs exceed the final invoice amount, the Member is entitled to a refund. The refund shall be paid to the Member at the time the final invoice is sent under this subsection.

(d) Following receipt of payment from the Member under Subsection 4.13(b), the Association shall, at the expense of the Member requesting the recount, retain for the purpose of performing the recount, the services of a person qualified to tabulate votes under this subsection. The Association shall enter into a contract for the services of a person who:

(1) is not a Member of the Association or related to a member of the Board within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code; and

(2) is:

(A) a current or former:

i. county judge;

ii. county elections administrator;

iii. justice of the peace; or

iv. county voter registrar; or

(B) a person agreed on by the Association and each person requesting the recount.

(e) On or before the 30th day after the date of receipt of payment for a recount in accordance with Subsection 4.13(b), the recount must be completed and the Association must provide each Member who requested the recount with notice of the results of the recount. If the recount changes the results of the election, the Association shall reimburse the requesting Member for the cost of the recount not later than the 30th day after the date the results of the recount are provided. Any action taken by the Board in the period between the initial election vote tally and the completion of the recount is not affected by any recount.

4.14 **No Cumulative Voting.** There will be no cumulative voting.

4.15 **Consent Without Meeting.** Any action required by statute to be taken at a meeting of the Members or any action which may be taken at a meeting of the Members may be

taken without a meeting if a written consent setting forth the action to be taken is signed by at least 75.0% of the Members entitled to vote with respect to the subject matter thereof. To be effective, (1) all Members shall be given notice of the election or vote under consideration not later than the 20th day before the latest date on which a written consent may be submitted to be counted, (2) the written consent must include the date of each Member's signature and must be delivered to the Association within sixty days from the date of the earliest signature, and (3) within 30 days of the receipt of a written consent, the Association must notify each Member who did not sign the written consent of the action that is the subject of the written consent. Such consent will have the same force as the required affirmative vote of Members.

4.16 Solicitation of Votes. Members shall not use Association-sponsored forum communication vehicles or medium (*e.g.*, the Association's website) to solicit support for or preannounce voting preferences on any matter to be voted on at a meeting or to transmit any part of a ballot except as may be specified in the voting instructions provided with each ballot.

Article 5. MEETINGS OF MEMBERS

5.1 Administration. The Members will constitute the Association which has the responsibility of administering and enforcing the Association Documents. If there is a dispute or disagreement between any Members, other than Declarant, relating to the Property or a question of interpretation or application of the provisions of the Association Documents, such dispute, disagreement, or question will be submitted to the Board except as otherwise provided in the Master Declaration, and the Board may, in its discretion, issue a decision with respect to the dispute, disagreement, or question. Any decision issued by the Board will be binding on all Members.

5.2 Place of Meetings of Members. Meetings of the Members will be held in Amarillo, Potter or Randall County, Texas, at such location as stated in the notice of the meeting or in a duly executed waiver of notice.

5.3 Annual Meetings of Members. Annual meetings of Members will be held in September or October of each year, on a weekday at 7:00 p.m., or at another time designated by the Board.

5.4 Election. At the annual meeting of the Members, the Directors who are up for election shall be elected by a Majority Vote of the Members and other business may be transacted as is properly brought before the meeting. The persons receiving the largest number of votes will be elected. Cumulative voting is not permitted.

5.5 Mandatory Election Required After Failure to Call Annual Meeting. If the Board does not timely call an Annual Meeting of the Members, a Member may demand that a meeting of the Members be called not later than the thirtieth (30th) day after the date of the Member's demand. The Member's demand must be made in writing and sent by certified mail return receipt requested, to the registered agent of the Association and to the Association at the address for the Association according to the most recently filed management certificate. A copy of the notice must be sent to each Member. If the Board does not call a meeting of the

Association on or before the thirtieth (30th) day after the date of a demand, three or more Members may form an election committee. The election committee shall file written notice of the committee's formation with the county clerk of each county in which the Property is located. A notice filed by an election committee must contain: (1) a statement that an election committee has been formed to call a meeting of the Association for the sole purpose of electing Board members; (2) the name and residential address of each committee member; and (3) the name of the Property over which the Association has jurisdiction. Each committee member must sign and acknowledge the notice before a notary or other official authorized to take acknowledgments. The county clerk shall enter on the notice the date the notice is filed and record the notice in the county's real property records. Only one committee in the Association may operate under this section at one time. If more than one committee in the Association files a notice, the first committee that files a notice, after having complied with all other requirements of this section, is the committee with the power to act under this section. A committee that does not hold or conduct a successful election within four (4) months after the date the notice is filed with the county clerk is dissolved by operation of law. An election held or conducted by a dissolved committee is ineffective for any purpose under this section. The election committee may call meetings of the Members of the Association for the sole purpose of electing Board members. Notice, quorum, and voting provisions contained in these Bylaws apply to any meeting called by the election committee.

5.6 Special Meetings. Special meetings of the Members may be called by the president or by any two Directors and shall be called by the secretary upon written request of Members entitled to cast one-fourth of all the aggregate votes of the Members.

5.7 Purpose of Special Meetings. Business transacted at any special meeting of the Members must be confined to the purposes stated in the notice thereof.

5.8 Notice of Meetings of Members. Written notice to each Member stating the place, day, and hour of all meetings of Members and the purpose for which the meeting is called shall be delivered not later than the 10th day or earlier than the 60th day before the date of the meeting, either personally, by mail, or by electronic media, by or at the direction of the president, the secretary, or the officer or person calling the meeting.

5.9 List of Members. The officer or agent having charge of the corporate books will make a complete list of the Members entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order, with the address of each. The list will be available at the offices of the Association for inspection by each Member at least five days before such meeting. Such list will also be produced and kept open at the time and place of the meeting and will be subject to the inspection of any Member during the whole time of the meeting.

5.10 Record Date. The Board may fix in advance a date, not exceeding 60 days before the date of any meeting of Members, as a record date for the determination of the Members entitled to notice of and to vote at any meeting and any adjournment thereof. Only the Members who are Members of record on the date so fixed will be entitled to notice. Only Members may vote at the meeting and at any meeting after adjournment thereof, notwithstanding any change of membership on the books of the Association after the record date.

5.11 **Order of Business.** The order of business at all meetings of the Members will be as follows:

- (a) roll call and certifying proxies;
- (b) announcement of a quorum;
- (c) proof of notice of meeting or waiver of notice;
- (d) reading, or waiver thereof, and approval of the minutes of the previous meeting;
- (e) reports of officers;
- (f) reports of committees;
- (g) election of Directors;
- (h) unfinished business;
- (i) new business; and
- (j) adjournment.

Article 6. BOARD OF DIRECTORS

6.1 **Number of Directors.** The number of Directors of the Association will be three until the second annual meeting of the Members. At or at any time following the second annual meeting of the Members, the Members may vote to increase or decrease the number of Directors; provided, however, in no event will the number of Directors be less than three or more than nine. During the Development Period, the Declarant Director must be one of the members of the Board of Directors unless Declarant waives its right, in writing, to have a Declarant Director on the Board. Except for the Declarant Director, the Directors whose terms have expired must be elected at the annual meeting of the Members by a Majority Vote of the Members except as provided in Section 6.4 and subject to Texas Property Code Section 209.00591(c), which requires at least one-third of the Directors to be elected by Owners other than Declarant not later than the 10th anniversary of the date of the recording of the Master Declaration. All Directors must be Members (or an officer or designated representative of a Member that is not a natural person), except (i) the initial three Directors named in the Certificate of Formation, (ii) the Declarant Director, and (iii) as otherwise required by law. Each Director shall hold office until a successor is elected and qualified, but if a Director, other than a Declarant Director or one of the initial three Directors, ceases to be a Member, his or her directorship shall automatically terminate.

6.2 **Term of Directors.** The Directors named in the Certificate of Formation shall hold office until the second annual meeting of the Members and until their successors are elected and qualified. At the second annual meeting of the Members, there shall be elected up to eight

Directors who shall serve in addition to the Declarant Director and who shall be divided into three classes. There shall be up to two Directors in the first class, who shall hold office until the first annual meeting of Members after their election and until their successors are elected and qualified; there shall be up to three Directors in the second class, who shall hold office until the second annual meeting of Members after their election and until their successors are elected and qualified; and there shall be up to three Directors in the third class, who shall hold office until the third annual meeting of Members after election and until their successors are elected and qualified. At each annual meeting of Members thereafter, Directors shall be elected for the class whose term of office expires at that meeting, and the newly-elected Directors shall hold office until the third annual meeting of Members after their election and until their successors are elected and qualified. Once the Development Period ends, the class consisting of up to two Directors may be increased to up to three Directors.

6.3 **Qualifications.** In order to be qualified to serve as a Director, a person may not have been convicted of a felony or a crime involving moral turpitude within the twenty years before the date the person begins serving as a Director. If a Board is presented with written, documented evidence from a database or other record maintained by a governmental law enforcement authority that a Director was convicted of a felony or crime involving moral turpitude not more than 20 years before the date the Board is presented with the evidence, the Director is immediately ineligible to serve on the Board, automatically considered removed from the Board, and prohibited from future service on the Board.

6.4 **Vacancy and Removal.** Any vacancy occurring in the Board may be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board. A Director elected to fill a vacancy will be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of Directors must be filled at an annual meeting of the Members or at a special meeting of the Members entitled to vote called for that purpose. Any Director may be removed from the Board, with or without cause, by a Majority Vote of the Members at an annual meeting of the Members or at a special meeting of the Members called for that purpose.

6.5 **No Compensation.** The Directors of the Association will serve without compensation; however, Directors may be reimbursed for actual expenses reasonably incurred in the performance of their duties.

6.6 **Management.** The business of the Association will be managed by its Board of Directors. The Board may exercise all powers of the Association and do all lawful acts and things except those that are directed or required by statute or by the Association Documents to be exercised and done by the Members. The Board, by resolution, may hire a management company to manage the day-to-day affairs of the Association. Further, the Board, by resolution, may hire a management company to manage any obligations and rights the Association may have with respect to the PID, including, but not limited to, any right of the Association to make recommendations to the PID board of directors regarding the hiring of a Person to maintain the Enhanced Public Improvements.

6.7 **General Powers and Duties of the Board of Directors.** Article 4 of the Master Declaration sets forth the general powers and duties of the Board which are incorporated herein as if repeated verbatim.

6.8 **Delegating Duties.** Directors may select advisors and delegate duties and responsibilities to them, such as the full power to buy or otherwise acquire stocks, bonds, securities, and other investments on the Association's behalf, and to sell, transfer, or otherwise dispose of the Association's assets and properties at a time and for a consideration that the advisor deems appropriate. The Directors have no liability for actions taken or omitted by the advisor if the Board acts in good faith and with ordinary care in selecting the advisor. The Board may remove or replace the advisor at any time and without any cause whatsoever.

6.9 **Duties of Directors.** Directors will discharge their duties, including any duties as committee members, in good faith, with ordinary care, and in a manner they reasonably believe to be in the Association's best interest. In this context, the term "ordinary care" means the care that ordinarily prudent persons in similar positions would exercise under similar circumstances. In discharging any duty imposed or power conferred on Directors, Directors may, in good faith, rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Association or another person that has been prepared or presented by a variety of persons, including officers and employees of the Association, professional advisors or experts such as accountants or legal counsel. A Director is not relying in good faith if he or she has knowledge concerning a matter in question that renders reliance unwarranted.

Directors are not deemed to have the duties of trustees of a trust with respect to the Association or with respect to any property held or administered by the Association, including property that may be subject to restrictions imposed by the donor or transferor of the property.

6.10 **Duty To Avoid Improper Distributions.** Directors who vote for or assent to improper distributions are jointly and severally liable to the Association for the value of improperly distributed assets, to the extent that, as a result of the improper distribution or distributions, the Association lacks sufficient assets to pay its debts, obligations, and liabilities. Any distribution made when the Association is insolvent, other than in payment of Association debts, or any distribution that would render the Association insolvent, is an improper distribution. A distribution made during liquidation without payment and discharge of or provision for payment and discharge of all known debts, obligations, and liabilities is also improper. Directors present at a Board Meeting at which the improper action is taken are presumed to have assented, unless they dissent in writing. The written dissent must be filed with the secretary of the Association before adjournment of the meeting in question or mailed to the secretary by Verified Mail immediately after adjournment.

A Director is not liable if, in voting for or assenting to a distribution, the Director (1) relies in good faith and with ordinary care on information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by one or more officers or employees of the Association; legal counsel, public accountants, or other persons as to matters the Director reasonably believes are within the person's professional or expert competence; or a committee of the Board of which the Director is not a member; (2) while acting

in good faith and with ordinary care, considers the Association's assets to be at least that of their book value; or (3) in determining whether the Association made adequate provision for paying, satisfying, or discharging all of its liabilities and obligations, relied in good faith and with ordinary care on financial statements or other information concerning a person who was or became contractually obligated to satisfy or discharge some or all of these liabilities or obligations. Furthermore, Directors are protected from liability if, in exercising ordinary care, they acted in good faith and in reliance on the written opinion of an attorney for the Association.

Directors held liable for an improper distribution are entitled to contribution from persons who accepted or received the improper distributions knowing they were improper. Contribution is in proportion to the amount received by each such person.

6.11 Interested Directors. Contracts or transactions between Directors, officers, or Members who have a financial interest in the matter are not void or voidable solely for that reason. Nor are they void or voidable solely because the Director, officer, or Member is present at or participates in the meeting that authorizes the contract or transaction, or solely because the interested party's votes are counted for the purpose. However, every Director with any personal interest in the transaction must disclose all material facts concerning the transaction, including all potential personal benefit and potential conflicts of interest, to the other members of the Board or other group authorizing the transaction. The transaction must be approved by a majority of the uninterested Directors or other group with the authority to authorize the transaction.

Article 7.
MEETINGS OF THE BOARD OF DIRECTORS

7.1 Place of Meeting of Board. Meetings of the Board will be held in Amarillo, Potter or Randall County, Texas, at such location as stated in the notice of the meeting or in a duly executed waiver of notice. A meeting of the Board may also be held exclusively by electronic or telephonic means provided that:

- (a) each Director may hear and be heard by every other Director;
- (b) except for any portion of the meeting conducted in executive session or action taken by the Board in accordance with Section 7.9 below:
 - (1) all Members in attendance at the meeting may hear all Directors; and
 - (2) Members are allowed to listen using any electronic or telephonic communication method used or expected to be used by a Director to participate; and
- (c) the notice of meeting provided in accordance with Section 7.7 below includes instructions for Members to access any communication method required to be accessible under Subsection 7.1(b)(2).

7.2 Open Board Meetings. With the exception of action taken by the Board in accordance with Section 7.9 below, all Board Meetings shall be open to Members, subject to the

right of the Board to adjourn a Board 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 Association's attorney(s), matters involving the invasion of privacy of individual Members, or matters that are to remain confidential by the request of the affected parties and agreement of the Board. Following an executive session, any decision made in the executive session must be summarized orally and placed in the minutes, in general terms, without breaching the privacy of the individual Member, violating any privilege, or disclosing information that was to remain confidential at the request of the affected parties. The oral summary must include a general explanation of expenditures approved in the executive session.

7.3 First Meeting. The first meeting of each newly elected Board will be held at the time and place as fixed by the vote of the Board.

7.4 Annual Meetings of Board. Annual meetings of the Board will be held in Randall or Potter County, Texas, at the location of and immediately following the annual meeting of the Members or at such other place and hour as may be designated by the Board. Written notice of annual meetings of the Board must be given to each Director in accordance with Section 7.6 below and to each Member in accordance with Section 7.7 below.

7.5 Special Meetings. Special meetings of the Board will be held when called by the president or by any two Directors. Written notice of special meetings of the Board must be given to each Director in accordance with Section 7.6 below and to each Member in accordance with Section 7.7 below.

7.6 Notice of Board Meetings to Directors. With the exception of Board Meetings held in accordance with Section 7.8 or action taken by the Board in accordance with Section 7.9 below, Directors shall be given notice of the date, hour, place and general subject of an annual, regular, or special Board Meeting, including a general description of any matter to be brought up for deliberation in an executive session. The notice shall be:

- (a) Mailed to each Director not later than the 10th day or earlier than the 60th day before the date of the meeting; or
- (b) Provided at least 72 hours before the start of the meeting by sending the notice by email to each Director.

7.7 Notice of Board Meetings to Members. With the exception of Board Meetings held in accordance with Section 7.8 or action taken by the Board in accordance with Section 7.9 below, Members shall be given notice of the date, hour, place, and general subject of an annual, regular, or special Board Meeting, including a general description of any matter to be brought up for deliberation in an executive session. The notice shall be:

- (a) Mailed to each Member not later than the 10th day or earlier than the 60th day before the date of the meeting; or
- (b) Provided at least 72 hours before the start of the meeting by:

(1) Posting a notice in a conspicuous manner reasonably designed to provide notice to Members: (i) in a place located on the Association's Common Areas, or (ii) on any Internet website maintained by the Association; and

(2) Sending the notice by email to each Member who has a registered email address with the Association. (It is each Member's duty to keep an updated email address registered with the Association.)

7.8 Recess of Board Meeting. If the Board recesses a Board Meeting to continue the following regular business day, the Board is not required to provide notice of the continued meeting if the recess is taken in good faith and not to circumvent the requirement of notice. If a Board Meeting is continued to the following regular business day, and on that following regular business day the Board continues the Board Meeting to another day, the Board shall give notice of the continuation (a) to the Members in at least one manner prescribed by Section 7.7 within two hours after adjourning the Board Meeting being continued, and (b) to the Directors in at least one manner prescribed by Section 7.6.

7.9 Certain Board Actions Not Requiring Notice to Members. With the exception of those matters listed in Section 7.10 below, the Board may take action outside of a meeting—including voting by electronic or telephonic means or by a written consent setting forth the action taken and signed by a majority of the Directors, one of which must be the Declarant Director—without giving prior notice to Members under Section 7.7, if each Director is given a reasonable opportunity to express the Director's opinion to all other Directors and to vote. Any action taken without notice to Members must be (i) summarized orally, including an explanation of any known or actual or estimated expenditures approved through such action, and (ii) documented in the minutes of the next Board Meeting.

7.10 Certain Votes Requiring Notice to Members. The Board may not, unless done in an open meeting for which prior notice was given to Members in accordance with Section 7.7, consider or vote on:

- (a) fines;
- (b) damage assessments;
- (c) initiation of foreclosure actions;
- (d) initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety;
- (e) increases in Association Assessments;
- (f) levying of Special Group Assessments or Special Owner Assessments;
- (g) appeals from a denial of architectural control approval;

- (h) a suspension of a right of a particular Member before that Member has an opportunity to attend a Board Meeting to present such Member's position including any defense on the issue;
- (i) lending or borrowing money;
- (j) the adoption or amendment of any governing instrument covering the establishment, maintenance, and operation of the Subdivision, including these Bylaws, the Master Declaration, the Restrictions, the Certificate of Formation of the Association, and any Rules of the Association;
- (k) the approval of an annual budget or the approval of an amendment of an annual budget that increases the budget by more than 10 percent;
- (l) the sale or purchase of real property;
- (m) the filling of a vacancy on the Board;
- (n) the construction of capital improvements other than the repair, replacement, or enhancement of existing capital improvements; or
- (o) the election of an officer.

7.11 Board Meetings During Development Period. Notwithstanding anything to the contrary contained herein, for Board Meetings held during the Development Period, the requirements for open meetings and notice to members set forth in Sections 7.2, 7.7, and 7.10 need not be followed unless the Board Meeting is conducted for the purpose of:

- (a) adopting or amending any governing instrument covering the establishment, maintenance, and operation of the Subdivision, including these Bylaws, the Master Declaration, the Restrictions, the Certificate of Formation of the Association, and any Rules of the Association;
- (b) increasing the amount of Annual Membership Dues or Regular Assessments of the Association or adopting or increasing a Special Group Assessment;
- (c) electing Directors, other than a Declarant Director, or establishing a process by which non-Declarant Directors are elected; or
- (d) changing the voting rights of Members of the Association.

7.12 Quorum. A majority of the Directors will constitute a quorum for the transaction of business. The act of the majority of the Directors present at a meeting at which a quorum is present will be the act of the Board. If a quorum is not present at any meeting of the Board, the Directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

7.13 **Participation in Meetings by Telecommunications.** Directors may participate in and vote at any meeting of the Board that is held in person through the use of a conference telephone, video conferencing system, or other communications equipment by means of which all persons participating in the meeting, including any Members in attendance at the Board Meeting, can hear and be heard by every other person participating in the meeting. Participation in such meetings shall constitute attendance and presence in person at the meeting of the person or persons so participating.

7.14 **Voting Procedures.** At Board Meetings, Directors may vote in elections for Officers, representatives to Committees, and with respect to other matters brought before the Directors either by electronic ballot, in person, or via a telecommunication method set forth in Section 7.13. If voting is in-person or via a telecommunication method set forth in Section 7.13, voting may be by voice unless the President shall order or any Director shall demand that voting be by ballot. Acceptance of votes shall be in accordance with the applicable provisions of this Article 7. For electronic ballots, the identity of the person submitting the ballot must be able to be confirmed, which may be in the form of an email response from the Director or other appointed officer or agent of the Director. Directors shall not use Association-sponsored forum communication vehicles or medium (*e.g.*, the Association's website) to solicit support for or pre-announce voting preferences on any matter to be voted on at a Board of Directors meeting or to transmit any part of a ballot except as may be specified in the voting instructions provided with each ballot.

Article 8. OFFICERS

8.1 **Officers.** The officers of the Association must always be Directors and will consist of a president, one or more vice presidents, a secretary, and a treasurer, each of whom must be elected by the Board. The same person may hold any two or more offices, except that the offices of president and secretary may not be held by the same person. To be an officer of the Association, a person must (i) be an Owner, or (ii) have an ownership interest in an Owner, or (iii) be an officer of a corporate Owner, or (iv) be a Declarant Director.

8.2 **Other Officers.** Other officers and assistant officers deemed necessary may be elected or appointed by the Board.

8.3 **Election of Officers.** The Board shall elect the officers of the Association at its first meeting after each annual meeting of Members.

8.4 **Term of Office.** Each officer will hold office until a successor is duly selected and qualifies.

8.5 **No Compensation.** All officers of the Association will serve without compensation.

8.6 **President.** The president is the Association's chief executive officer. He or she will supervise and control all of the Association's business and affairs and will preside at all meetings of the Association and of the Board. The president may execute any deeds, mortgages, bonds, contracts, or other instruments that the Board authorizes to be executed. However, the

president may not execute instruments on the Association's behalf if this power is expressly delegated to another officer or agent of the Association by the Board, these Bylaws, or statute. The president will perform other duties prescribed by the Board and all duties incident to the office of president.

8.7 Vice President. When the president is absent, cannot act, or refuses to act, a vice president will perform the president's duties. When acting in the president's place, the vice president has all the powers of—and is subject to all the restrictions on—the president. A vice president will perform other duties as assigned by the president or Board.

8.8 Treasurer. The treasurer will directly or indirectly:

- (a) Have charge and custody of—and be responsible for—all the Association's funds and securities.
- (b) Receive and give receipts for moneys due and payable to the Association from any source.
- (c) Deposit all moneys in the Association's name in banks, trust companies, or other depositories as these Bylaws provide or as the Board or president directs.
- (d) Write checks and disburse funds to discharge the Association's obligations. However, funds may not be drawn from the Association or its accounts for amounts greater than \$5,000.00 without the signature of the president or a vice president in addition to that of the treasurer.
- (e) Maintain the Association's financial books and records.
- (f) Prepare quarterly financial reports including, but not limited to, a balance sheet and a profit and loss statement.
- (g) Perform other duties as assigned by the president or the Board.
- (h) If the Board requires, give a bond for faithfully discharging his or her duties in a sum and with a surety as determined by the Board.
- (i) Perform all of the duties incident to the office of treasurer.

8.9 Secretary. The Secretary will directly or indirectly:

- (a) Give all notices as provided in the Bylaws or as required by law.
- (b) Take minutes of the meetings of the Association and the Board and keep the minutes as part of the corporate records.
- (c) Maintain custody of the corporate records and seal.
- (d) Affix the corporate seal to all documents as authorized.

- (e) Keep a register of the mailing address of each Member, Director, officer, and employee of the Association.
- (f) Perform duties as assigned by the president or the Board.
- (g) Perform all duties incident to the office of secretary.

Article 9.
COMMITTEES

9.1 **Establishment of Committees.** The Board may adopt a resolution establishing one or more committees, delegating specified authority to a committee, and appointing or removing members of a committee. A committee shall include one or more Directors and may include persons who are not Directors. A committee shall consist of at least three (3) and no more than five (5) members. If the Board delegates any of its authority to a committee, the majority of the committee shall consist of Directors. The Board may establish qualifications for membership on a committee. The Board may delegate to the president of the Association its power to appoint and remove members of a committee that has not been delegated any authority of the Board. The establishment of a committee or the delegation of authority to it shall not relieve the Board, or any individual Director, of any responsibility imposed by the Bylaws or otherwise imposed by law. No committee shall have the authority of the Board to:

- (a) amend the Certificate of Formation;
- (b) adopt a plan of merger or a plan of consolidation with another corporation;
- (c) authorize the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Association;
- (d) authorize the voluntary dissolution of the Association;
- (e) revoke proceedings for the voluntary dissolution of the Association;
- (f) adopt a plan for the distribution of the assets of the Association;
- (g) amend, alter, or repeal the Bylaws;
- (h) elect, appoint, or remove a member of a committee or a Director or officer of the Association;
- (i) approve any transaction to which the Association is a party and that involves a potential conflict of interest;
- (j) make a decision or take any action with respect to the those items listed in Section 7.10 above; or
- (k) take any action outside the scope of authority delegated to it by the Board.

9.2 **Nomination Committee.** There shall be a Nomination Committee, which shall meet before the annual meeting of the Members to nominate Directors to run for election to serve on the Board. Nominations may also be made in accordance with Section 4.7 and from the floor at the annual meeting. The Nomination Committee shall make as many nominations for election to the Board as it shall in its discretion determine but not less than the number of vacancies that are to be filled. The persons nominated must be Members.

9.3 **Architectural Control Committee.** There shall be an Architectural Control Committee, which shall have the authority to grant or withhold architectural control approval in accordance with the provisions set forth in the Restrictions. Notwithstanding anything to the contrary, during the Development Period, the ACC shall be composed of one to five members (with the number of members being determined by Declarant in its sole discretion) who shall be appointed by Declarant and may be removed or replaced by Declarant at any time. Once the Development Period ends, control of the ACC shall be transferred to the Association, and the ACC shall then consist of at least three and no more than five members, who shall be appointed by the Board. The persons appointed by the Board to serve on the committee must be Members.

Further, during the Development Period, Declarant may, in its sole discretion, elect to transfer control of the ACC to the Association with respect to all or only a portion of the Property and with any limitations and restrictions Declarant desires. Such transfer of control by Declarant during the Development Period must be in writing, will be effective only as to those portions of the Property described, and will be subject to any limitations and restrictions set forth therein. For example, Declarant may elect to transfer control of the ACC to the Association with respect to Unit No. 3 of the Property but maintain control of the ACC with respect to the remainder of the Property. In such case, the Association committee consisting of three to five members appointed by the Board shall have all of the authority and duties of the ACC with respect to the portion of the Property over which Declarant transfers control to the Association, and the committee consisting of one to five members appointed by Declarant shall maintain all of the authority and duties of the ACC with respect to the remainder of the Property.

9.4 **Authorization of Specific Committees.** There may also be the following committees, if established by the Board: Bylaws, Deed Restriction Enforcement, Neighborhood Action, Website Development, and any other committee deemed necessary by the Board. The Board shall define the activities and scope of authority of each committee by resolution.

9.5 **Term of Office.** Each member of a committee shall continue to serve on the committee until the next annual meeting of the Members of the Association and until a successor is appointed. However, the term of a committee member may terminate earlier if the committee is terminated or if the member dies, ceases to qualify, resigns, or is removed as a member. A vacancy on a committee may be filled by an appointment made in the same manner as an original appointment. A person appointed to fill a vacancy on a committee shall serve for the unexpired portion of the terminated committee member's term.

9.6 **Chair and Vice-Chair.** One member of each committee shall be designated as the chair of the committee and another member of each committee shall be designated as the vice-chair. The chair and vice-chair shall be appointed by the president of the Association. The chair shall call and preside at all meetings of the committee. When the chair is absent, is unable

to act, or refuses to act, the vice-chair shall perform the duties of the chair. When a vice-chair acts in place of the chair, the vice-chair shall have all the powers of and be subject to all the restrictions upon the chair.

9.7 Notice of Committee Meetings. Written or printed notice of a committee meeting shall be delivered to each member of a committee via email, mail, facsimile, or personal delivery not less one (1) or more than ten (10) days before the date of the meeting. The notice shall state the place, day, and time of the meeting, and the purpose or purposes for which the meeting is called.

9.8 Notice of Meetings to Members. If a committee is granted the authority to take action without the approval of the Board, the committee must comply with the same notice and open meeting provisions that govern the Board set forth in Article 7.

9.9 Quorum. One half of the number of members of a committee shall constitute a quorum for the transaction of business at any meeting of the committee. The committee members present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough committee members leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of committee members required to constitute a quorum. If a quorum is present at no time during a meeting, the chair may adjourn and reconvene the meeting one time without further notice.

9.10 Actions of Committees. Committees shall try to take action by consensus. However, the vote of a majority of the committee members present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the committee unless the act of a greater number is required by law or the Bylaws. A committee member who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the act of the committee.

9.11 Proxies. A committee member may vote by proxy executed in writing by the committee member. No proxy shall be valid after two months from the date of its execution.

9.12 Rules. Each committee may adopt rules for its own operation not inconsistent with the Bylaws, the Pinnacle Master Declaration, Texas law, or with any Rules adopted by the Board.

9.13 Meetings by Telecommunications. Committee members may participate in and vote at any meeting of the committee through the use of a conference telephone, video conferencing system, emails to the chair or vice-chair or other communications equipment by means of which all persons participating in the meeting can communicate with each other. Participation in such meetings shall constitute attendance and presence in person at the meeting of the person or persons so participating.

9.14 Voting Procedures. Voting in elections for any matters brought before the committee may be by electronic ballot, by mail, or in person. If voting by electronic ballot or mail, voting may be initiated at any time and must be concluded by the date set forth in the motion. If voting is in-person, voting may be by voice unless the chair or vice-chair shall order

or any committee member shall demand that voting be by ballot. Acceptance of votes shall be in accordance with the applicable provisions of this Article 9, and for electronic voting, the signatory requirement may be in the form of an email response from the committee member. Committee members shall not use Association-sponsored forum communication vehicles or mediums (*e.g.*, the Association's website) to solicit support for or pre-announce voting preferences on any matter to be voted on at a meeting or to transmit any part of a ballot except as may be specified in the voting instructions provided with each ballot.

9.15 **Compensation.** Committee members may not receive salaries or any other form of remuneration for their services as committee members.

9.16 **Removal and Dissolution.** Any committee member may be removed and any committee may be dissolved, with or without good cause, by a vote of the Directors.

Article 10. ASSESSMENTS

10.1 **Association Assessments.** Matters dealing with Association Assessments are set forth in Article 3 of the Master Declaration, and those matters are incorporated herein as if repeated verbatim.

Article 11. NOTICES

11.1 **Form of Notice.** Except as otherwise provided herein, any required or permitted notices to Directors, committee members, and Members must be in writing and delivered personally, mailed, or transmitted by facsimile or electronic message to the Directors, committee members, or Members. Notice by mail will be deemed to be given when deposited in the United States mail addressed to the Member or Director at his address as it appears on the books of the Association, with postage prepaid. Notice given by facsimile will be deemed to be given when the facsimile is transmitted to a facsimile number provided by the person, or to which the person consents, for the purpose of receiving notice, and a confirmation of transmittal of the facsimile is received. Notice by electronic message will be deemed to be given when the electronic message is transmitted to an electronic message address provided by the person, or to which the person consents, for the purpose of receiving notice.

11.2 **Waiver of Notice.** When any notice is required to be given to a Member, Director, or committee members under the provisions of any statute or the Association Documents, a waiver thereof in writing signed by the person entitled to such notice, whether before or after the time stated therein, will be equivalent to the giving of such notice.

11.3 **Attendance - Waiver.** Attendance of any Member, Director, or committee member at a meeting will constitute a waiver of notice of such meeting, except when a Member, Director, or committee member 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 12.
GENERAL PROVISIONS

12.1 **Fiscal Year.** The fiscal year of the Association will coincide with the calendar year beginning on January 1.

12.2 **Owner Information.** Except for those Owners who purchase Lots from Declarant, any Person, on becoming an Owner of a Lot, must furnish to the Association a true and correct copy of the original of the recorded instrument vesting that Person with an interest or ownership in the Lot. A Person will not be deemed to be a Member or be entitled to vote at any annual or special meeting of Members unless this requirement is first met. Each Owner must furnish to the Association written notice of a mailing address and an email address for receiving notices pursuant to the Association Documents. Each Owner must notify the Association in writing of the name and address of all Persons occupying any Lot in which the Owner has an interest. It is the responsibility of the Owner and any occupant of a Lot to keep the required information current and to advise the Association of any changes. Absent any other written notice of an address from an Owner, notices to an Owner may be sent to the street address of the Lot owned by such Owner.

Article 13.
BOOKS AND RECORDS

13.1 The Board shall adopt and record in the Official Public Records of Randall County, Texas, a Records Production and Copying Policy.

Article 14.
CONFLICTING OR INVALID PROVISIONS; NO WAIVER OF RIGHTS

14.1 **Conflicts.** Notwithstanding anything contained herein to the contrary, should all or part of these Bylaws be in conflict with the Texas Business Organizations Code, the Texas Property Code, or any other Texas law, such Act or law will control. Should any part of these Bylaws be invalid or inoperative for any reason, the remaining parts, so far as is possible and is reasonable, will be valid and operative. Any conflict between these Bylaws and the Master Declaration will be resolved in favor of the provisions in the Master Declaration.

14.2 **No Waiver of Rights.** The omission or failure of the Association or any Member to enforce the Association Documents will not constitute or be deemed a waiver, modification, or release thereof, and the Association will have the right to enforce the same thereafter.

14.3 **Nonprofit.** The Association is a nonprofit corporation, without capital stock, organized solely for the purposes specified in Section 3.1. No part of the net income of the Association will inure to the benefit of any Member or individual and no dividend will be paid and no part of the income of the Association will be distributed to its Directors or officers. No Member, Director, officer, or person from whom the Association may receive any property or funds will receive or will be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event will any part of the funds or assets for the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any Member, Director, or officer; but:

- (a) a reasonable compensation may be paid to any Member, Director, or officer while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association; and
- (b) any Member, Director, or officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

14.4 **No Loans.** No loans will be made by the Association to its officers and Directors, and any Director voting for or assenting to the making of any loan, and any officer participating in the making thereof, will be jointly and severally liable to the Association for the amount of the loan until repayment thereof.

**Article 15.
AMENDMENTS**

15.1 These Bylaws may be altered, amended, or repealed at any meeting of the Members by a Majority Vote of the Members, but during the Development Period, no alteration, amendment, or repeal of these Bylaws will be effective without the written approval of Declarant. If it is intended that these Bylaws be altered, amended, or repealed at a meeting of the Members, notice of such proposed action must be contained in the notice of meeting. Further, the Board of Directors, in an open meeting for which prior notice was given to Members in accordance with Section 7.7, may, by a majority vote of the Directors represented at a Board Meeting at which a quorum of Directors is present, amend these Bylaws solely to (i) correct or clarify errors, omissions, mistakes, or ambiguities contained herein, (ii) make changes required by any governmental agency, and/or (iii) bring them into compliance with any changes in Texas law that are required to be followed by the Association; provided, however, during the Development Period, no amendment of these Bylaws will be effective without the written approval of Declarant.

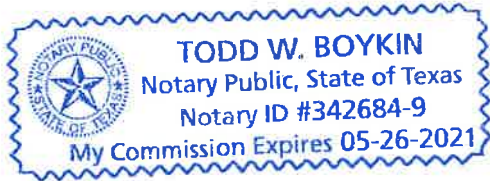
Dated the 1st day of March, 2019.

PINNACLE MASTER ASSOCIATION, INC.

By: 
Matt Griffith, President

THE STATE OF TEXAS §
 §
COUNTY OF Randall §

This instrument was acknowledged before me on this the 1 day of March, 2019, by Matt Griffith, President of Pinnacle Master Association, Inc., a Texas non-profit corporation, on behalf of said corporation.




Notary Public