

**B Y L A W S**

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**TANGLEWOOD ESTATES PROPERTY OWNERS ASSOCIATION, INC.**

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**ADOPTED: March 3, 2021**

**CERTIFICATE OF SECRETARY**

I hereby certify that the Bylaws of Tanglewood Estates Property Owners Association, Inc. attached hereto were adopted by the Board of Directors of Tanglewood Estates Property Owners Association, Inc. to be effective as of, although not necessarily on, March 3, 2021.

  
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**Aaron McMillan,**  
**Secretary**

**TANGLEWOOD ESTATES PROPERTY OWNERS ASSOCIATION, INC.**

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**BYLAWS**

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**ARTICLE I**

**DEFINITIONS**

The following words when used in these Bylaws, unless a different meaning or intent clearly appears from the context, shall have the following meanings.

(a) **“Association”** shall mean Tanglewood Estates Property Owners Association, Inc., a non-profit corporation organized pursuant to the Texas Business Organizations Code, as amended. The Association is a property owners’ association as such term is defined in Section 202.001(2) of the Texas Property Code, as amended.

(b) **“Board of Directors” or “Board”** shall mean the governing body of the Association elected or appointed pursuant to the Bylaws of the Association.

(c) **“Certificate”** shall mean and refer to the Certificate of Formation of the Association, as amended or restated, filed in the office of the Secretary of State of the State of Texas.

(d) **“Common Area”** shall mean the Common Area and Facilities as defined in the Declaration.

(e) **“Declaration”** shall mean and refer to that certain Declaration of Protective Covenants, Conditions and Restrictions dated on or about the date hereof pertaining to the Subdivision and recorded or to be recorded in the Official Public Records of McLennan County, Texas, and as the same may be amended or supplemented from time to time as therein provided, applicable to the Subdivision.

(f) **“Declarant Control Period”** means and refers to the period of time described below during which Declarant controls the operation and management of the Association by appointing at least a majority of the Board of Directors of the Association pursuant to the rights and reservations contained in the Declaration or the governing documents of the Association to the fullest extent and for the maximum duration permitted by applicable law. The Declarant Control Period shall commence on the date of the recording of the Declaration in the Official Public Records of McLennan County, Texas, and shall continue thereafter until the tenth (10th) anniversary of the date of recording of the Declaration in the Official Public Records of McLennan County, Texas. No act, statement or omission by the Association may effect termination of the Declarant Control Period.

(g) **“Developer” or “Declarant”** shall mean WDA Development, LLC, a Texas limited liability company, and its successors and assigns.

(h) **“Lot”** shall mean and refer to a Lot as defined in the Declaration.

(i) **“Member”** shall mean and refer to every person or entity who holds a membership in the Association.

(j) **“Mortgage”** shall mean a first lien deed of trust, as well as a first lien mortgage, on one or more Lots, but specifically excluding a first lien deed of trust or first lien mortgage securing payment of a home equity loan in accordance with Section 50(a)(6) of Article XVI of the Texas Constitution. The term

(k) **“Mortgagee”** shall mean a beneficiary under or holder of a Mortgage who has given to the Association written notice that it is the beneficiary under or holder of a Mortgage affecting all or any part of the Subdivision. The term “Mortgagee” specifically excludes a person or entity which has loaned or advanced money to an Owner pursuant to Section 50(a)(6) of Article XVI of the Texas Constitution.

(l) **“Owner”** shall mean and refer to the record owner of fee simple title to any Lot situated in the Subdivision or to the purchaser under a contract for a Lot subject to a purchase contract with Developer. Notwithstanding any applicable theory of mortgages, the term “Owner” shall not mean or refer to any Mortgagee unless and until such Mortgagee has acquired title to one or more Tracts pursuant to foreclosure or any proceeding in lieu of foreclosure.

(m) **“Subdivision”** shall mean and refer to as Tanglewood Estates Addition, Phase 1A, an to the City of Woodway, McLennan County, Texas, according to the Map or Plat thereof recorded on March 1, 2021, as McLennan County Clerk’s Document No. 2021007211 in the Official Public Records of McLennan County, Texas, and shall cover and include the real property described on **Exhibit A** attached hereto, together with such additional property as may hereafter be added thereto in accordance with Article 4 of the Declaration.

## ARTICLE II

### OFFICES

**Section 1. Principal Office.** The principal office of the Association shall be located in McLennan County, Texas.

**Section 2. Other Offices.** The Association may also have offices at such other places, within and without the State of Texas, as the Board of Directors may from time to time determine or as the business of the Association may require.

## ARTICLE III

### MEMBERSHIP; ASSESSMENTS

**Section 1. Membership.** Every Owner of a fee or undivided fee interest in a Lot holds a membership in the Association. The foregoing is not intended to include persons or entities who hold an interest in a Lot merely as security for the performance of an obligation. Membership is appurtenant to and may not be separated from ownership of a Lot, except as to a lessee. Any Mortgagee who acquires title to any Lot through judicial or non-judicial foreclosure will be a Member of the Association as a result of such Mortgagee’s status as the Owner of such Lot.

**Section 2. Payment of Assessments.** The rights of membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against the Owner of and becomes a lien upon each Lot against which such assessments are made as provided by Article 8 of the Declaration which Article 8 is incorporated herein and made a part hereof for all purposes.

**Section 3. Effect of Nonpayment of Assessments; Remedies of the Association.** Any assessments or charges which are not paid when due are delinquent. If an annual assessment is not paid by February 1 of the year in which it is due or if any other assessment or charge is not paid within thirty (30) days after the due date, such Owner shall pay a late fee of **\$25.00** for each assessment or charge not paid when due and such assessment shall bear interest from the due date at the rate of eighteen percent (18%) per annum or the maximum non-usurious rate, whichever is less, and the Association may bring an action at law against the Member personally obligated to pay the same, or foreclose the lien herein retained against the Lot. Interest, court costs and reasonable attorneys’ fees incurred in any such action may be added to the amount of such assessment or charge. Pursuant to the Declaration, Declarant has reserved for the benefit of Declarant and the Association, a lien against each Lot to secure payment of any assessments or charges imposed by the Association against an Owner or a Lot. Each Owner, by such Owner’s acceptance of a deed to a Lot, hereby

expressly vests in the Association or its agents, the right and power to bring all actions against such Owner personally for the collection of such assessments and charges as a debt and to enforce the aforesaid lien by all methods available at law or in equity, including, by judicial foreclosure or by non-judicial foreclosure permitted by and in accordance with applicable law, including, Chapter 51 of the Texas Property Code, as amended; provided, however, such actions, including, collection efforts shall be conducted in accordance with the procedures set forth in Chapter 209 of the Texas Residential Property Owners Protection Act, including, the procedures set forth in Sections 209.006, 209.0063 and 209.0092 of the Texas Property Code, as amended, to the extent applicable. No Owner may waive or otherwise avoid liability for the assessments provided for herein by non-use of the Common Area or abandonment of Owner's Lot.

#### **ARTICLE IV**

##### **PROPERTY RIGHTS; RIGHTS OF ENJOYMENT**

Each Member, such Member's tenants, and the individuals who reside with either of them in any improvements located on any Lot owned by such Member, shall be entitled to the use and enjoyment of the Common Area in accordance with and subject to the terms and conditions set forth in the Declaration, the Bylaws, and any rules and regulations adopted from time to time by the Board of Directors. The rights and privileges of any such tenant or other individual are subject to suspension to the same extent as those of the Member. Any Member may also delegate the aforementioned rights of enjoyment to such Member's guests, subject to the provisions of the Declaration and any applicable rules and regulations that may be adopted from time to time by the Board of Directors of the Association.

#### **ARTICLE V**

##### **BOARD OF DIRECTORS; APPOINTMENT; ELECTION; TERM OF OFFICE**

**Section 1. Number; Qualifications.** The affairs of the Association shall be managed by a Board of Directors. The Board of Directors of the Association shall consist of not less than three (3) nor more than five (5) members. During the Declarant Control Period, the Board of Directors shall consist of three (3) members appointed or designated by Declarant. During the Declarant Control Period, the Board of Directors shall be appointed or designated solely by Declarant. After the expiration of the Declarant Control Period, the Board shall be expanded to consist of five (5) members, who shall be elected by the Members. Directors need not be residents of the State of Texas. During the Declarant Control Period, Directors need not be Members. After the expiration of the Declarant Control Period, members of the Board of Directors shall be Owners or spouses of Owners. If an Owner is a partnership, corporation or limited liability company, any partner, officer or member thereof shall qualify as an Owner and if elected, may serve as a member of the Board.

**Section 2. Term.** Directors shall serve for a term of two (2) years and until their respective successors are appointed or elected, or until their death, resignation or removal; provided, that if, after the expiration of the Declarant Control Period, any director ceases to be an Owner or the spouse of an Owner, such director's membership on the Board shall thereupon terminate.

**Section 3. Death, Resignation and Removal; Filling Vacancies.** Any member of the Board of Directors of the Association may resign at any time by giving written notice to the other members of the Board of Directors of the Association and, after the expiration of the Declarant Control Period, any director may be removed from membership on the Board by the vote of Members entitled to cast a majority of the votes represented at a meeting of the Members at which a quorum is present. Prior to the expiration of the Declarant Control Period, any vacancy on the Board caused by the death, resignation or removal of a director shall be filled only by persons designated or appointed solely by Declarant. After the expiration of the Declarant Control Period, any vacancy on the Board caused by the death, resignation or removal of a Director shall be filled by persons designated by the remaining directors, provided, that, the Members, acting at a meeting called within thirty (30) days after the occurrence of the vacancy, may fill the vacancy.

**Section 4. Compensation.** Directors shall serve without pay unless expressly approved by the Members entitled to cast a majority of the votes in each class of membership in the Association. However, a director may be reimbursed for such director's actual expenses incurred in the performance of such director's duties.

**Section 5. Action Taken Without a Meeting.** The Board of Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the Board.

## ARTICLE VI

### MEETINGS OF DIRECTORS

**Section 1. Place of Meetings.** Except as provided in Section 8 of this Article VI below, meetings of the Board of Directors, regular or special, may be held either within or without the State of Texas.

**Section 2. First Meeting.** The first meeting of each newly elected Board of Directors shall be held at such time and place as shall be fixed by the vote of the Members at the annual meeting and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, providing a quorum shall be present. In the event of the failure of the Members to fix the time and place of such first meeting of the newly elected Board of Directors, or in the event such meeting is not held at the time and place so fixed by the Members, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meeting of the Board of Directors, or as shall be specified in a written waiver signed by all of the directors.

**Section 3. Regular Meetings.** Regular meetings of the Board of Directors (in addition to the first meeting provided in Section 2 above) may be held without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should the day so fixed be a legal holiday, then the meeting shall be held at the same time on the next day not a legal holiday.

**Section 4. Special Meetings.** Special meetings of the Board of Directors may be called by the president and shall be called by the secretary on the written request of two (2) directors of the Board. Written notice of special meetings of the Board of Directors shall be given to each director at least three (3) days before the date of the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

**Section 5. Quorum.** A majority of the directors shall constitute a quorum for the transaction of business and the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless a greater number is required by the Certificate. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

**Section 6. Notice; Open Meetings.** Except to the extent compliance is not required by applicable law during the Declarant Control Period or the Development Period (as defined in the Declaration), the Board of Directors shall comply with the terms and provisions of Section 209.0051, Section 209.0056, Section 209.0057, Section 209.0058, Section 209.0059 and Section 209.0014 of the Texas Property Code, as amended, to the extent applicable. Except to the extent compliance is not required by applicable law during the Declarant Control Period or the Development Period (as defined in the Declaration), regular and special meetings of the Board shall be open to the Members to the extent required by applicable law.

**Section 7. Executive Session.** The Board may adjourn a regular or special meeting and reconvene in closed executive session to consider actions involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, confidential communications with the Association's attorney, matters involving the invasion of privacy of individual Owners, or matters that are to remain confidential by request



of the affected parties and agreement of the Board. Following an executive session, any decision made in the executive session shall be summarized orally and placed in the minutes, in general terms, without breaching the privacy of individual Owners, 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 executive session.

**Section 8. Location of Meetings.** Except for a meeting held by electronic or telephonic means, Board meetings shall be held in McLennan County or in a county adjacent to McLennan County.

**Section 9. Notice; Regular or Special Board Meeting.** To the extent required by applicable law, Members shall be given notice of the date, hour, place, and general subject of a regular or special Board meeting, including a general description of any matter to be brought up for deliberation in executive session. The notice shall be:

(a) mailed to each Owner not later than the tenth (10th) day or earlier than the sixtieth (60th) day before the date of the meeting; or

(b) provided at least seventy-two (72) hours before the start of the meeting by:

(i) posting the notice in a conspicuous manner reasonably designed to provide notice to the Association's Members:

(A) in a place located on the Association's Common Area or, with the Owner's consent, on other conspicuously located privately owned property within the Subdivision; or

(B) on any Internet website maintained by the Association or other Internet media; and

(ii) sending the notice by e-mail to each Owner who has registered an email address with the Association.

(A) It is an Owner's duty to keep an updated email address registered with the Association.

(B) If the Board recesses a regular or special Board meeting to continue the following regular business day, the Board is not required to post notice of the continued meeting if the recess is taken in good faith and not to circumvent the open meeting provision of the Texas Property Code, as amended. If a regular or special Board meeting is continued to the following regular business day, and on that following day the Board continues the meeting to another day, the Board shall give notice of the continuation in at least one manner prescribed by Section 9(b)(i) above within two (2) hours after adjourning the meeting being continued.

(C) The Board may meet by any method of communication, including electronic and telephonic, without prior notice to Owners under this Section 9, if each director may hear and be heard by every other director, or the Board may take action by unanimous written consent to consider routine and administrative matters or a reasonably unforeseen emergency or urgent necessity that requires immediate Board action. Any action taken without notice to owners under this Section 9 must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting, and documented in the minutes of the next regular or special Board meeting. The Board may not, without prior notice to Owners under Section 9, consider or vote on:

- (1) fines;
- (2) damage assessments;
- (3) initiation of foreclosure actions;
- (4) initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety;
- (5) increases in assessments;
- (6) levying of special assessments;
- (7) appeals from a denial of architectural control approval;
- (8) a suspension of a right of a particular Owner before the Owner has an opportunity to attend a Board meeting to present the Owner's position, including any defense, on the issue;
- (9) lending or borrowing money;
- (10) the adoption or amendment of a dedicatory instrument;
- (11) the approval of an annual budget or the approval of an amendment of an annual budget that increases the budget by more than ten percent (10%);
- (12) the sale or purchase of real property;
- (13) the filling of a vacancy on the Board;
- (14) the construction of capital improvements other than the repair, replacement or enhancement of existing capital improvements; or
- (15) the election of an officer.

The provisions of this Section 9 apply to a meeting of the Board during the Declarant Control Period or the Development Period (as defined in the Declaration) only if the meeting is conducted for the purpose of (a) adopting or amending the governing documents of the Association, including, declarations, bylaws, rules and regulations of the Association; (b) increasing the amount of regular assessments of the Association or adopting or increasing a special assessment; (c) electing non-developer members of the Board of the Association or establishing a process by which those members are elected; or (d) changing the voting rights of Members of the Association.

**Section 10. Notice of Election or Association Vote.**

(a) Not later than the tenth (10th) day or earlier than the sixtieth (60th) day before the date of an election or vote, the Association shall give written notice of the election or vote to:

- (i) Each Owner in the Subdivision for purposes of an Association wide election or vote; or



- (ii) each Owner in the Subdivision entitled under the Declaration to vote in a particular representative election, for purposes of a vote that involves election of representatives of the Association who are vested under the Declaration with the authority to elect or appoint Board members of the Association.

**Section 11. Recount of Votes.**

(a) Any Owner may, not later than the fifteenth (15th) day after the date of the meeting at which the election was held, require a recount of the votes. A demand for a recount must be submitted in writing either:

- (i) by certified mail, return receipt requested, 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 filed; or
- (ii) in person to the Association's managing agent as reflected on the latest management certificate filed or to the address to which absentee and proxy ballots are mailed.

(b) The Association shall, at the expense of the Owner 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:

- (i) is not a member of the Association or related to a member of the Board of the Association within the third degree by consanguinity or affinity, as determined under Chapter 573 of the Texas Government Code; and
- (ii) is:
  - (A) a current or former:
    - (1) county judge;
    - (2) county elections administrator;
    - (3) justice of the peace;
    - (4) county voter registrar; or
  - (B) a person agreed on by the Association and the persons requesting the recount.

(c) Any recount under this Section 11 must be performed on or before the thirtieth (30th) day after the date of receipt of a request and payment for a recount in accordance with Section 11(a) and (b). If the recount changes the results of the election, the Association shall reimburse the requesting Owner for the cost of the recount. The Association shall provide the results of the recount to each Owner who requested the recount. 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.

**Section 12. Ballots.**

(a) Any vote cast in an election or vote by a Member shall be in writing and signed by the Member.

- (b) Electronic votes cast under Section 13 constitute written and signed ballots.
- (c) In an Association-wide election, written and signed ballots are not required for uncontested races.

**Section 13. Voting; Quorum.**

- (a) The voting rights of an Owner may be cast or given:
  - (i) in person or by proxy at a meeting of the Association;
  - (ii) by absentee ballot in accordance with this Section 13;
  - (iii) by electronic ballot in accordance with this Section 13; or
  - (iv) by any method of representative or delegated voting provided by a governing document.
- (b) An absentee or electronic ballot:
  - (i) may be counted as an Owner present and voting for the purpose of establishing a quorum only for items appearing on the ballot;
  - (ii) may not be counted, even if properly delivered, if the Owner attends any meeting to vote in person, so that any vote cast at a meeting by an Owner supersedes any vote submitted by absentee or electronic ballot previously submitted for that proposal; and
  - (iii) may 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.
- (c) A solicitation for votes by absentee ballot must include:
  - (i) an absentee ballot that contains each proposed action and provides an opportunity to vote for or against each proposed action;
  - (ii) instructions for delivery of the completed absentee ballot, including the delivery location; and
  - (iii) 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.”
- (d) For the purposes of this Section 13, “electronic ballot” means a ballot:
  - (i) given by:
    - (A) email;
    - (B) facsimile; or

(C) posting on an Internet website;

(ii) for which the identity of the Owner submitting the ballot can be confirmed; and

(iii) for which the Owner may receive a receipt of the electronic transmission and receipt of the Owner's ballot.

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

**Section 14. Tabulation of and Access to Ballots.**

(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 of the Texas Government Code, may not tabulate or otherwise be given access to the ballots cast in that election or vote except as provided by this Section 14.

(b) A person other than a person described by Section 14 may tabulate votes in an Association election or vote, but may not disclose to any other person how an individual voted.

(c) A person other than a person who tabulates votes under Section 14(b), including a person described by Section 14, may be given access to the ballots cast in the election.

**ARTICLE VII**

**NOMINATION AND ELECTION OF DIRECTORS**

**Section 1. Nomination.** Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members in which directors are to be elected, to serve from the close of such annual meeting until the close of the next annual meeting in which directors are to be elected, and such appointment shall be announced at each such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

**Section 2. Election.** Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast as many votes as they are entitled to exercise. Elections shall be conducted in compliance with the Texas Residential Property Owners Protection Act, including, Section 209.0055, Section 209.0056, Section 209.0057, and Section 209.0058 of the Texas Property Code, as amended, to the extent applicable.

**Section 3. Applicability.** The provisions of this Article VII shall not apply during the Declarant Control Period or the Development Period (as defined in the Declaration).

**ARTICLE VIII**

**POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

**Section 1. Powers and Duties.** The affairs of the Association shall be conducted by the Board of the Association which shall be selected in accordance with the Certificate of Formation and Bylaws of the Association. The Board, for the benefit of the Common Area and the Owners, shall have the following powers and provide and shall provide and pay out of the assessments provided for in Article IV of the Declaration the following:

- (a) adopt and amend the certificate of formation, bylaws and other governing documents of the Association;
- (b) adopt and amend budgets for revenues, expenditures and reserves and levy and collect regular assessments or special assessments for common expenses from Owners;
- (c) hire and terminate managing agents and other employees, agents and independent contractors;
- (d) institute, defend, intervene in, settle or compromise litigation or administration proceedings on matters affecting the Subdivision;
- (e) make contracts and incur liabilities relating to the operation of the Subdivision and the Association;
- (f) regulate the use, maintenance, repair, replacement, modification and appearance of the Subdivision;
- (g) make additional improvements to be included as part of the Common Area;
- (h) grant easement, leases, licenses and concessions through or over the Common Area;
- (i) impose and receive payments, fees or charges for the use, rental or operation of the Common Area and for services provided to Owners;
- (j) impose interest, late charges and, if applicable, returned check charges for late payments of regular assessments or special assessments;
- (k) if notice and opportunity to be heard are given, collect reimbursement of actual attorneys' fees and other reasonable costs incurred by the Association relating to violations of the Subdivision's restrictions, including, the Declaration or the Association's bylaws, rules and policies;
- (l) charge costs to an Owner's assessment account and collect the costs in any manner provided in the restrictions, rules or policies for the collection of assessments;
- (m) adopt and amend rules regulating the collection of delinquent assessments and the application of payments;
- (n) impose reasonable charges for preparing, recording or copying amendments to the restrictions, resale certificates or statements of unpaid assessments;
- (o) purchase insurance and fidelity bonds, including, directors' and officers' liability insurance, that the Board considers appropriate or necessary;
- (p) except as specifically provided in the Declaration to the contrary, assess an annual increase in the maximum regular assessment without a vote of the Owners annually or accumulate and assess the increase after a number of years;
- (q) subject to the requirements of the Texas Nonprofit Corporation Law (Chapters 20 and 22 and applicable portions of Title 1 of the Texas Business Corporations Code, as amended) and by majority vote of the Board, indemnify a director or officer of the Association who was, is or may be made a named defendant or respondent in a proceeding because the person is or was a director or officer of the Association;

- (r) implement written architectural control guidelines for use by the Board or the Architectural Committee (as defined in the Declaration) and modify such guidelines as the needs of the Subdivision change, from time to time;
- (s) exercise other powers conferred upon the Board by the Declaration or the Association's certificate of formation, bylaws and other governing documents;
- (t) exercise other powers that may be exercised in the State of Texas by a corporation of the same type as the Association;
- (u) exercise other powers necessary and proper for the governance and operation of the Association; and
- (v) without limiting the foregoing, the following powers and actions as may, from time to time, be determined to be necessary or appropriate by the Board:
  - (i) caring for and preserving the Common Area and furnishing and upkeep of any desired personal property for use in the Common Area. Expending for the repair or installation of capital improvements, not included in the annual maintenance budget from any reserve fund contemplated by Section 3.08 of the Declaration.
  - (ii) caring for and maintaining the landscaping, masonry screening walls, wooden screening walls and ornamental fencing and entry features which may be constructed by the Association on the Common Area or on private property. Maintenance includes all repair or rebuilding required and cleaning as required to remove graffiti, obscenities and other matters.
  - (iii) retaining the services of a person or firm to operate and manage the Association, the Subdivision, or any separate portion thereof, to the extent deemed advisable by the Board, and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board or by the manager selected by the Board.
  - (iv) obtaining legal and accounting services or any other materials, supplies, furniture, labor, services, maintenance, repairs, alterations, taxes or assessments which the Board is required to obtain or pay for pursuant to the terms of the Declaration or by law or which in the opinion of the Board's opinion shall be necessary or proper for the operation or protection of the Association, the Subdivision or the enforcement of the Declaration.
  - (v) to execute all declarations of ownership for tax assessment purposes and to pay all taxes with regard to the Common Area.
  - (vi) to enter into agreements or contracts with insurance companies, taxing authorities and the holders of mortgage liens on the individual Tracts with respect to: (i) taxes on the Common Area, and (ii) insurance coverage of the Common Area, as they relate to the assessment, collection and disbursement process envisioned by the Declaration.
  - (vii) to borrow funds to pay costs of operations secured by assignment or pledge of rights against delinquent Owners, if the Board sees fit.
  - (viii) to enter into contracts, maintain one or more bank accounts, and generally, to have all the powers necessary, appropriate or incidental to the operation and management of the Association and the Common Area.

- (ix) if, as and when the Board, in its sole discretion, deems necessary, the Board may take action (A) to protect or defend the Common Area from loss or damage by suit or otherwise, (B) to sue or defend in any court of law on behalf of the Association, and (C) to provide adequate reserves for repairs and replacements.
- (x) to make and adopt reasonable rules, policies and regulations for the use and operation of the Subdivision, the Association and the Common Area and to amend them from time to time.
- (xi) to make available to each Owner at each annual meeting of the Members, an annual report containing such financial and other information as the Board may determine in the Board's sole discretion pertaining to the condition and operation of the Subdivision, the Association and the Common Area.
- (xii) to adjust the amount, collect and use any insurance proceeds to repair damage or replace damaged or lost property and if proceeds are insufficient to repair damage or replace damaged or lost property, to assess the Members in proportionate amounts to cover the deficiency.
- (xiii) if, as and when the Board, in its sole discretion, deems necessary or appropriate, take such action to enforce the provisions of the Declaration and any rules, policies and regulations made hereunder and to enjoin or seek damages from any Owner for violation of such rules, policies and regulations.

**Section 2. Board Powers.** From and after the date on which the title to or any easement or other interest in the Common Area has been conveyed to the Association, the Board shall have the exclusive right to contract for all goods, services and insurance, and the exclusive right and obligation to perform the functions of the Board, except as otherwise provided herein. The Board shall be responsible for the affairs of the Association and shall have all the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by the Declaration, the Certificate or these Bylaws directed to be done and exercised exclusively by the Declarant or the Members. In addition to the duties imposed by these Bylaws or by any resolution of the Association that may be hereafter adopted, the Board shall have the power to and be responsible for preparation and adoption of an annual budget for the Association. The Board shall keep books with reasonable detailed accounts of the receipts and expenditures effecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred.

**Section 3. Maintenance Contracts.** The Board, on behalf of the Association, shall have full power and authority to contract with any Member for the performance by the Association of services which the Board is not otherwise required to perform pursuant to the terms hereof, such contracts to be upon such terms and conditions and for such consideration as the Board may deem proper, advisable and in the best interest of the Association.

**Section 4. Liability Limitations.** Neither any Member nor any member of the Board of the Association nor the officers of the Association shall be personally liable for debts contracted for or otherwise incurred by the Association or for a tort of another Member, whether such other Member was acting on behalf of the Association or otherwise. Neither the Association nor its directors, officers, agents or employees shall be liable for any incidental or consequential damages for failure to inspect any premises, improvements or portions thereof or for failure to repair or maintain the same. The Association or any other person, firm or corporation liable to make such repairs or maintenance shall not be liable for any personal injury or other incidental or consequential damages occasioned by any act or omission in the repair or maintenance of any premises, improvements or portions thereof.



**Section 5. Authority - Rules, Regulations and Policies.** The Board of Directors has authority, without the obligation, to promulgate, amend, cancel, limit, create exceptions to and enforce reasonable rules, regulations and policies, including, but not limited to, rules, regulations and policies concerning the administration of the Subdivision, the enforcement of the dedicatory instruments of the Association and the Subdivision, the use and enjoyment of the Subdivision, limitations on the use of the Common Area, establishing and setting the amount of fines for violations of the dedicatory instruments of the Association or the Subdivision, including, these Bylaws, and all fees and costs generated in the enforcement of the dedicatory instruments of the Association and the Subdivision, including, these Bylaws. Such rules, regulations and policies shall be binding upon all Owners and any occupants of any of the Tracts within the Subdivision. The rights and remedies contained in this Section 5 are cumulative and supplement all other rights of enforcement under applicable law and the dedicatory instruments of the Association and the Subdivision, including, these Bylaws.

**Section 6. Reserve Fund.** The Board may establish reserve funds for such purposes as may be determined by the Board, which may be maintained and accounted for separately from other funds maintained for annual operating expenses and may establish separate, irrevocable trust accounts in order to better demonstrate that the amounts deposited therein are capital contributions and are not net income to the Association. Expenditures from any such fund will be made at the direction of the Board. The reserve fund provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Members and occupants of the properties, and maintaining the Common Area and improvements therein, all as may be more specifically authorized from time to time by the Board of the Association. Capital expenditures from this fund may include by way of example, but not limited to, repair of major damage to the Common Area, not covered by insurance.

## **ARTICLE IX**

### **COMMITTEES**

**Section 1. General.** The Board of Directors, by resolution adopted by a majority of the Board, may designate two (2) or more Members of the Association to constitute special committees, which committees, to the extent provided in such resolution, shall have and may exercise all of the authority of the Board of Directors within its field of responsibility except when the action of the Board of Directors is required by statute. Vacancies in the membership of the committee shall be filled by the Board of Directors at a regular or special meeting of the Board. The committees shall keep regular minutes of their proceedings and report the same to the Board when required.

**Section 2. Architectural Committee.** Notwithstanding the foregoing, the Architectural Committee (as defined in the Declaration) shall be appointed, designated or elected in accordance with Article VIII of the Declaration.

## **ARTICLE X**

### **MEETINGS OF MEMBERS**

**Section 1. Place of Meetings.** Except for a meeting held by electronic or telephonic means, meetings of the Members shall be held at the offices of the Association in McLennan County, Texas, in a county adjacent to McLennan County, Texas, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

#### **Section 2. Annual Meeting.**

(a) A regular annual meeting of Members will be called by the Board of Directors as required by applicable law. The date of the annual meeting shall be selected from time to time by resolution duly adopted by the Board of Directors of the Association.

(b) If the Board does not call an annual meeting of the Members as required by applicable law, 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 shall 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 Owner who is a Member of the Association.

(c) If the Board does not call a meeting of the Members of the Association on or before the thirtieth (30th) day after the date of a demand under Section 2(b) above, three (3) or more Owners may form an election committee. The election committee shall file written notice of the committee's formation with the McLennan County Clerk.

(d) A notice filed by an election committee must contain:

- (i) a statement that an election committee has been formed to call a meeting of the Owners who are Members of the Association for the sole purpose of electing Board members;
- (ii) the name and residential address of each committee member; and
- (iii) the name of the Subdivision.

(e) Each committee member must sign and acknowledge the notice before a notary or other official authorized to take acknowledgments.

(f) The McLennan County Clerk shall enter on the notice the date the notice is filed and record the notice in the Official Public Records of McLennan County, Texas.

(g) Only one committee in the Subdivision may operate at one time. If more than one committee in the Subdivision files a notice, the first committee that files a notice, after having complied with all other requirements of Section 2(c), is the committee with the power to act. A committee that does not hold or conduct a successful election within four (4) months after the date the notice is filed with the McLennan County Clerk is dissolved by operation of law. An election held or conducted by a dissolved committee is ineffective for any purpose.

(h) The election committee may call meetings of the Owners who are 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.

**Section 3. Special Meetings.** Special meetings of the Members shall be called by the President upon written request of (a) two (2) members of the Board of Directors, or (b) Members entitled to cast twenty-five percent (25%) of the votes of the Association.

**Section 4. Notice.** Except as otherwise provided herein or by applicable law, written notice of the organizational meeting, each annual meeting, and each special meeting of the Members, specifying the date, hour and place of the meeting, shall be delivered to each Member (and, upon request to each Mortgagee, which shall be permitted to designate a representative to attend all such meetings) not less than ten (10) nor more than sixty (60) days prior to the date fixed for said meeting. Notices of special meetings shall in addition specify the general nature of the business to be transacted at the meeting.

**Section 5. Purposes.** Business transacted at any special meeting shall be confined to the purposes stated in the notice thereof.

**Section 6. Quorum.** Except as otherwise provided in the Declaration, the quorum required for any action referred to in these Bylaws shall be as follows:

- (a) At any meeting of Members called by the Board of the Association, the presence at the meeting of Members, or of their proxies, entitled to cast ten percent (10%) of all of the votes of the Members of the Association shall constitute a quorum. Any action taken at such meeting shall require approval by Members holding more than fifty percent (50%) of the votes represented at such meeting of the Members at which a quorum is present, in person or by proxy. Any partial number of membership votes shall be rounded down to the next full number.
- (b) As an alternative to the procedure set forth immediately above, any action referred to in these Bylaws may be taken without a meeting if a consent in writing, approving the action to be taken, shall be signed by Members holding more than fifty percent (50%) of the outstanding votes of the Association.

**Section 7. Majority Vote.** The vote of Members entitled to cast a majority of the votes thus represented at a meeting at which a quorum is present shall be the act of the Members' meeting, unless the vote of a greater number is required by law, the Declaration, the Certificate, or these Bylaws.

**Section 8. Voting Rights.** There are two (2) classes of membership entitled to voting rights in the Association, as follows:

(a) **Class A.** All Members of the Association, other than Declarant, are considered Class A Members, and for each Lot owned are entitled to one (1) vote on each matter coming before the Members at any meeting or otherwise. When a Lot is owned by more than one Class A Member, all the individuals or entities holding an ownership interest in that Lot are considered Class A Members; however, for such Lot they are entitled to a total of no more than one (1) vote on each matter coming before the Members at any meeting or otherwise. The vote for such Lot is to be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to such Lot.

(b) **Class B.** Class B Members are those individuals or entities who are herein defined as Declarant and for each Lot owned they are entitled to forty (40) votes on each matter coming before the Members at any meeting or otherwise. When a Lot is owned by more than one Class B Member, all such individuals or entities holding an ownership interest in that Lot will be Class B Members; however, for such Lot they are entitled to a total of no more than forty (40) votes on each matter coming before the Members at any meeting or otherwise. The forty (40) votes for such Lot are to be exercised as they among themselves determine, but in no event shall more than forty (40) votes be cast with respect to such Lot. In the event a Lot owned by a Class B Member is sold to an Owner who would be classified as a Class A Member, the Class B membership ceases as to such Lot, and the Owner automatically is entitled to one (1) vote for such Lot as a Class A Member. All Class B memberships cease and automatically convert into Class A memberships on the happening of either of the following events, whichever occurs later:

- (i) Ten (10) years after the date the Declaration is filed with the County Clerk of McLennan County, Texas, for recordation in the Official Public Records of McLennan County, Texas.
- (ii) The date on which Declarant records a notice of termination of the Class B membership rights in the Official Public Records of McLennan County, Texas.

**Section 9. Proxies.** Any Member may attend and vote at any meeting of Members in person or by an agent duly appointed by an instrument in writing signed by the Member and filed with the Board of Directors. Whenever there is more than one record Owner of a Lot, any designation of an agent to act for such record owners must be signed by all such record Owners Unless otherwise provided in writing, any designation of an agent to act for a Member may be revoked at any time by written notice to the Board of Directors and shall be deemed revoked when the Board shall receive actual notice of the death or judicially



declared incompetency of such Member or the conveyance by such Member of his Lot. Upon the death of a Member, the legal representative of the Member's estate shall have the right to vote for that Member and the legally appointed guardian of a Member who has been judicially declared to be incompetent shall have the right to vote for the Member.

**Section 10. List of Members.** The officer or agent having charge of the corporate books shall make, at least ten (10) days before each meeting of Members, 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, which list, for a period of ten (10) days prior to such meeting, shall be kept on file at the principal office of the Association and shall be subject to inspection by any Member at any time during the usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Member during the whole time of the meeting.

**Section 11. Record Date.** The Board of Directors may fix in advance a date, not exceeding sixty (60) days preceding 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 such meeting, and any adjournment thereof, and in such case such Members and only such Members as shall be Members of record on the date so fixed shall be entitled to such notice of, and to vote at, such meeting and any adjournment thereof, notwithstanding any change of membership on the books of the Association after any such record date fixed as aforesaid.

## ARTICLE XI

### NOTICES

**Section 1. Delivery.** Any notice to a director or Member shall be in writing and delivered personally or mailed to the director or Member addressed to the director or Member at the address of his Lot, or at such other address as may be given in writing to the Board of Directors by the director or Member. Notice by mail shall be deemed to be given at the time when deposited in the United States mail addressed to the Member or directors, with postage thereon prepaid. Notice to directors may also be given by telegram and shall be deemed to be given when given to the telegraph company.

**Section 2. Waivers.** Whenever any notice is required to be given to any Member or director by law, the Declaration, the Certificate, or the Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

**Section 3. Attendance at Meetings.** Attendance of any Member or any member of the Board at a meeting shall constitute a waiver of notice of such meeting, except when a Member or such member of the Board 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 XII

### OFFICERS AND THEIR DUTIES

**Section 1. Enumeration of Offices.** The officers of the Association shall be a president (who shall be a member of the Board), a vice president, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

**Section 2. Appointment; Election.** An election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members after the expiration or termination of the Declarant Control Period. Prior to the expiration or termination of the Declarant Control Period, the officers will be appointed and removed by the Declarant.

**Section 3. Term.** The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year and until their successors are appointed or elected, unless such officers shall sooner resign, or shall be removed, or otherwise disqualified to serve.

**Section 4. Special Appointment.** The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

**Section 5. Resignation and Removal.** Any officer may be removed from office with or without cause by the Board and, during the Declarant Control Period, by the Declarant. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 6. Vacancies.** A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

**Section 7. Multiple Offices.** Any two (2) or more offices may be held by the same person, except the offices of president and secretary.

**Section 8. Duties.** The duties of the officers are as follows:

#### **The President**

(a) The president shall be the chief executive officer of the Association, shall preside at all meetings of the Members and the Board of Directors, shall have general and active management of business of the Association, and shall see that all orders and resolutions of the Board of Directors are carried into effect. The President shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the Association, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Association.

#### **The Vice Presidents**

(b) The vice presidents in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the president, perform the duties and exercise the powers of the president. They shall perform such other duties and have such other powers as the Board of Directors shall prescribe.

#### **The Secretary and Assistant Secretaries**

(c) The secretary shall attend all meetings of the Board of Directors and all meetings of the Members and record all the proceedings of the meeting of the Association and of the Board of Directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The secretary shall give, or cause to be given, notice of all meetings of the Members and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or president under whose supervision the secretary shall be. The secretary shall keep in safe custody the seal of the Association and, when authorized by the Board of Directors, affix the same to any instrument requiring it and, when so affixed, it shall be attested by the secretary's signature or by the signature of the treasurer or an assistant secretary.

(d) The assistant secretaries in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary. They shall perform such other duties and have such powers as the Board of Directors may from time to time prescribe.

### **The Treasurer and Assistant Treasurers**

(e) The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association and shall deposit all moneys and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors.

(f) The treasurer shall disburse the funds of the Association as may be authorized by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the president and the Board of Directors at its regular meetings or when the Board of Directors so required an account of all the treasurer's transactions as treasurer and of the financial condition of the Association.

(g) If required by the Board of Directors, the treasurer shall, at the expense of the Association, give the Association a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of the treasurer's office and for the restoration to the Association, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in the treasurer's possession or under the treasurer's control belonging to the Association.

(h) The treasurer shall cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare (i) an annual budget and (ii) a statement of income and expenditures, to be presented to the membership at its regular annual meetings, a copy of each of which shall be made available to each Member upon request.

(i) The assistant treasurers in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer. They shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

### **ARTICLE XIII**

#### **BOOKS AND RECORDS**

The Declaration, the Certificate, the Bylaws, and the books, records and financial statements of the Association shall at all times, upon request during normal business hours and under other reasonable circumstances, be subject to inspection by any Member. Copies of the Declaration, the Certificate and the Bylaws of the Association may be purchased at reasonable cost at the principal office of the Association.

### **ARTICLE XIV**

#### **AMENDMENTS**

These Bylaws may be amended, at a regular or special meeting of a majority of the members of the Board of Directors of the Association, at which a quorum is present or by the written consent of a majority of the members of the Board of Directors of the Association; provided, that no amendment shall be made which would cause these Bylaws to be in conflict with the terms or provisions of the Declaration. During the Declarant Control Period, any such amendment shall require the prior written approval of Declarant.



## **ARTICLE XV**

### **CONFLICTS**

In the case of any conflict between the Certificate and these Bylaws, the Certificate shall control. For convenience, several of the provisions of the Declaration have been repeated or summarized within these Bylaws. The other terms and provisions of these Bylaws are intended to complement and supplement the Declaration. In the event of any conflict between the Declaration and these Bylaws, and unless otherwise required by law, the terms and provisions of the Declaration shall control and govern.

## **ARTICLE XVI**

### **FISCAL YEAR**

The fiscal year of the Association shall be the calendar year (January 1 - December 31), unless changed by resolution of the Board of Directors.

## EXHIBIT A

### **Tanglewood Estates Addition, Phase 1A**

Lots 1 through 43, Block A, Lots 1 through 11, Block B, Lots 1 through 25, Block C, Lots 1 and 11, Block D, Lots 3 through 10, Block F, Lot 1, Block H, Block MD2 and Block RB2, **Tanglewood Estates Addition, Phase 1A**, an Addition to the City of Woodway, McLennan County, Texas, according to the Map or Plat thereof recorded on March 1, 2021, as McLennan County Clerk's Document No. 2021007211 in the Official Public Records of McLennan County, Texas.