

**AMENDED
BYLAWS
OF
THE HOMEOWNERS OF HIGHLAND MEADOWS, INC.**

**Doing Business as the
THE HIGHLAND MEADOWS HOMEOWNERS ASSOCIATION
October 2013**

These Amended Bylaws are written to comply with changes to Chapter 209 of the Texas Property Code enacted by the 82nd Legislature – 2011.

These Amended Bylaws supersede and replace all previous Bylaws filings and amendments thereto.

These Amended Bylaws (referred to as the "Bylaws") govern the activities of Homeowners of Highland Meadows, Inc., d/b/a Highland Meadows Homeowners Association, (referred to as "Highland Meadows", or HMHOA, or the Association) organized under the Texas Business Organizations Code (referred to as the "Code"). Highland Meadows Properties Subdivision is a planned development community in the City of Colleyville, Tarrant County, Texas, that was constructed in five separate phases, Phases I, II, III, IV, and V. These Bylaws apply to all lots and blocks located in the Highland Meadows Subdivision Phases I, II, III, IV, and V.

These Bylaws provide that owners of lots within Highland Meadows will be mandatory members of the Association and must adhere to the bylaws and restrictive covenants of the Association.

These Bylaws are provided to govern the affairs of the Association.

The properties described in Exhibit A are subject to the provisions of these Bylaws.

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ARTICLE I NAME

- 1.1 NAME.** The Name of the corporation is Homeowners of Highland Meadows, Inc., dba, Highland Meadows Homeowners Association (referred to as "Highland Meadows", or "HMHOA", or the "Association"). Meetings of members and directors may be held at such places within the State of Texas, County of Tarrant, as may be designated by the Board of Directors.

ARTICLE II PURPOSE

- 2.1 PURPOSE.** The purpose of the Highland Meadows Home Owners Association is to protect the value and desirability of the property in Highland Meadows, and to promote the common good and general welfare of the home owners in the Highland Meadows Subdivision. In order to achieve these objectives, the Association will support the following:

- (a) Preservation and beautification the common areas in cooperation with local development.
- (b) Prevention of the physical deterioration of the community.
- (c) Promote public safety and crime prevention in the community.
- (d) Sponsor public meetings of HMHOA residents.
- (e) Sponsor activities for HMHOA residents.
- (f) Review Zoning and public school matters affecting the community.
- (g) Encourage Highland Meadows residents to maintain their properties.
- (h) Maintain a set of deed restrictions and bylaws applying to the Highland Meadows lots.
- (i) Any other activities, not inconsistent with the Texas Non-profit Corporation Act or those Sections of Internal Revenue Code of 1954 relating to tax exempt organizations, designed to enhance the common good and general welfare of Highland Meadows.

ARTICLE III NON-PROFIT CHARACTER

- 3.1 NON-PROFIT CHARACTER.** Highland Meadows is organized to operate exclusively for non-profitable purposes. No part of the income of the HMHOA shall be distributed to its members, directors or officers.

ARTICLE IV OFFICES

- 4.1 PRINCIPAL OFFICE.** The principal office of the HMHOA shall be at a location designated by the Board of Directors.

- 4.2 REGISTERED OFFICE.** The HMHOA shall comply with the requirements of the Texas

Business Organizations Code and maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical with the Association's principal office in Texas. The Board of Directors may change the registered office and the registered agent.

ARTICLE V ACTIVITIES

- 5.1 NON-PARTISAN CHARACTER.** The HMHOA Board of Directors shall remain non-partisan and non-political at all times. The HMHOA shall never participate or intervene, either, directly or indirectly, in any political campaign on behalf of or in support of any candidate for public office.
- 5.2 COORDINATION.** The HMHOA Board of Directors may coordinate individual or group action before local and state legislative and administrative agencies with respect to zoning, traffic and parking regulations, property tax valuation, public schools, and other matters affecting the HMHOA.
- 5.3 SOCIAL.** The HMHOA shall not be operated primarily as a social club for the benefit, pleasure or recreation of its members.
- 5.4 EXTERIOR MAINTENANCE OF RESIDENCE.** The HMHOA shall have no obligation to provide exterior maintenance of any kind to private residences. However, this provision shall not prohibit the HMHOA, by and through its Board of Directors, from enforcing applicable restrictive covenants.

ARTICLE VI DEFINITIONS

- 6.1 ASSOCIATION.** Shall mean and refer to the Homeowners of Highland Meadows, Inc. dba HIGHLAND MEADOWS HOMEOWNERS ASSOCIATION (HMHOA), its successors and assigns which has the power, duty and responsibility of maintaining and administering the common elements, and collecting assessments and charges hereinafter prescribed, and has the right of administering and enforcing the declaration restrictive covenants or deed restrictions.
- 6.2 BOARD of DIRECTORS, or BOARD, or BOD.** Shall mean and refer to the Board of Directors of the HMHOA.
- 6.3 COMMON ELEMENTS OR COMMON PROPERTY.** Shall mean and refer to any real property and the improvements thereon located within or adjoining the Property and maintained by the Association, as determined by the Board, for the common benefit and enjoyment of the owners and occupants of the Property, and shall include the wall parallel to Hall Johnson Road and Pool Road, the area between the wall and the sidewalk that define the exterior boundaries of Highland Meadows, planter beds and irrigation systems.
- 6.4 PROPERTY.** Shall mean and refer to that certain real property described with particularity in the subdivision plats for the Highland Meadows, Phases I, II, III, IV, and V, according to the

plats thereof recorded in the plat records of Tarrant County, Texas.

- 6.5 DECLARATION, RESTRICTIVE COVENANTS or DEED RESTRICTIONS.** Shall mean and refer to any restrictive covenant encumbering any portion of the Property as the same may be recorded in the Official Public Records of Tarrant County, Texas, and any amendments, consolidations or restatements thereof.
- 6.6 LIVING UNIT.** Shall mean and refer to any portion of a building situated on the Property designed and intended for use and occupancy as a residence by a single family.
- 6.7 LOT.** Shall mean and refer to any designated parcel of real property or plot of land in Highland Meadows on which a Living Unit is or may be located as set forth upon any recorded subdivision plat of the Property, as defined in Exhibit A.
- 6.8 MEMBER OR MEMBERS.** Shall mean and refer to every person or entity who is an Owner and who holds a membership in the Association and who has rights and obligations with respect to the Association as provided herein.
- 6.9 OWNER.** Shall mean and refer to the record owner, whether one or more persons, regardless of sex, race, national origin or religion, of the fee simple title to any Lot or Living Unit which is a part of the Property, and, notwithstanding any applicable theory of mortgage law, shall not mean or refer to the mortgagee (unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure) or person (s) or entity (ies) who hold a bona fide lien or interest in a lot for the performance of an obligation.

ARTICLE VII MEMBERSHIP AND VOTING RIGHTS

- 7.1 MEMBERS.** Any person or entity upon becoming an Owner shall automatically become a Member of the HMHOA and be subject to these Bylaws and the restrictive covenants of the HMHOA. Members are encouraged to serve on the Board of Directors and committees of the HMHOA. Membership shall be appurtenant to and may not be separated from ownership of any Lot and Living Unit. Any person or entity that acquires fee simple title or interest in any lot shall be deemed a Member of the HMHOA and to have assumed all obligations thereof. Such membership shall terminate without formal action whenever such person or entity ceases to be an Owner, but such termination shall not relieve or release any former Owner from any liability or obligation incurred under or in any way connected with the HMHOA during the period of such ownership and membership in the HMHOA, or impair the rights or remedies that the Board of Directors or others may have against such former Owner and member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto.
- 7.2 CLASSES.** The HMHOA shall have a single class of voting membership. Each Lot shall be entitled to one vote. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote of such a Lot shall be exercised as they mutually determine, but in no event shall more than one vote be cast with respect to any Lot.

- 7.3 VOTING PRIVILEGES.** Each Member of the HMHOA shall be entitled to cast one vote on any matter of business which is put to a vote of the Members. The failure of any Member to pay his or her annual dues shall not cause that Member to lose his or her membership or other privileges incidental thereto in the HMHOA. Owners must be given notice of an Association-wide vote at least 10 days before it occurs. All ballots are secret and must be in writing and signed by the Member to be valid. Uncontested director elections, however, do not require signed and written ballots. An electronic ballot given by electronic mail, facsimile or posting on an internet website is deemed to be in writing and signed. The person or persons who tabulate the votes may not disclose to any other person how an individual voted. A person who is running for election or is the subject of a vote (and that person's spouse or relatives) may not tabulate votes or otherwise give be given access to the ballots except as agreed to between HMHOA and the party requesting the recount as part of the recount process. The recount process will be conducted in accordance with 7.5 below.
- 7.4 ABSENTEE VOTING.** Absentee voting is permitted by electronic internet ballot or a written ballot given to a Director or authorized agent of the Association prior to the meeting or designated time for the vote to be taken. Electronic and absentee votes are valid and count for quorum as to matters set forth in the ballot if the ballot meets certain requirements, regardless of any provision in the declaration or bylaws to the contrary. Electronic and absentee ballots do not count with respect to any ballot item modified at the meeting. The election of directors does not constitute ballot items for purposes of these Bylaws, as they are not proposals or motions.
- 7.5 RECOUNTS.** A recount must be conducted of an election vote if an Owner requests one in writing by certified mail, return receipt requested, or other USPS confirmation service or in person to the HMHOA's management agent within 15 days after the election. Requests must be either: (1) mailed to the HMHOA's mailing address as listed on the most recently filed management certificate; (2) delivered in person to the managing agent; or (3) delivered in person to the address to which absentee and proxy ballots are mailed. The following are authorized parties to conduct recounts: (1) county judge; (2) county elections administrator; (3) justice of the peace; (4) county voter registrar; or (5) person agreed to by the parties. Costs of the recount will be borne by the requesting Owner, including the required costs to hire a qualified party to do the recount, unless the recount changes the results. Recounts must be completed within 30 days of the Owner's request. Any action by the Board taken after the election and prior to the announcement of the results of the recount remains valid.
- 7.6 PROXIES.** Owners may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary or the managing agent at or before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon the conveyance by the member of his or her lot.

ARTICLE VIII MEETING OF MEMBERS

- 8.1 ANNUAL MEETING.** The annual meeting of the Members shall be held during the fourth quarter of the Association's fiscal year, at a time and place set by the Board of Directors. At the annual meeting an election shall be held to fill vacancies on the Board of Directors, as needed, and the budget for the upcoming year shall be voted on by the Members. If the new budget presented by the Board of Directors is not approved, then last year's budget remains in effect until a new budget is approved. A quorum of Members is required to conduct business at any meeting of the Members. If the Board fails to call an annual meeting of the Members, an Owner may demand it and, if the Board again fails to call the meeting, three or more Owners may form an election committee and, subject to certain procedural requirements contained in the Texas Property Code, cause the annual meeting to be held.
- 8.2 SPECIAL MEETINGS.** Special meetings of the Members may be called by the President of the Board of Directors or upon a written petition signed by one forth (1/4) of the Owners and presented to the Secretary. Once a special meeting is called, the President of the Board of Directors may fix any place within Tarrant County, Texas, as the place for holding the special meeting and shall notify the Secretary of the information required to be included in the notice of the meeting.
- 8.3 NOTICE.** The Secretary shall mail, email, or deliver in person written or printed notice of any meeting of the Members to each Owner of record not less than ten (10) or more than sixty (60) days before the date of such meeting. The notice shall state the place, day and time of the meeting, who called the meeting, and the purpose or purposes for which the meeting is called. A notice shall be deemed to be delivered when deposited in the United States mail addressed to the person at his or her address as it appears on the records of the HMHOA, with postage prepaid. Notices of meetings may be given by electronic mail to Members.
- 8.4 QUORUM.** The presence in person and/or by proxy, absentee ballot, or electronic ballot, of ten percent (10%) [37 Members of the HMHOA] of the votes of the Members of the HMHOA shall constitute a quorum for any action except as otherwise provided in these Bylaws. An absentee or electronic ballot shall count towards quorum only for items appearing on the ballot. When a quorum is present at any meeting, a vote representing majority of the votes held by Owners represented at the meeting, either in person or in proxy, absentee ballot, or electronic ballot shall be sufficient to either approve or defeat any proposed action. If a quorum is not present at any time during a meeting, the Owners who are present, may adjourn, and reconvene the meeting as many times as is necessary, subject to the notice provisions contained in Section 8.3, until a quorum can be obtained.
- 8.5 ACTION WITHOUT A MEETING.** Any action required by law or these Bylaws to be taken at a meeting of the Members, or any action which may be taken at a meeting may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of members as would be necessary to take that action at a meeting at which all of the members were present and voted. If an action is taken without a meeting, the Board shall distribute a written ballot

or written consent to every Member entitled to vote on the matter. The ballot shall set forth the proposed action, provide any opportunity to specify approval or disapproval of any proposal and provide reasonable time, not to exceed sixty (60) days, within which to return the written ballot to the Association. Approval by written ballot or written consent shall be valid only when the number of votes cast by written ballot within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot. Written ballots must be signed by the Member. Electronic ballots constitute written and signed ballots.

- 8.6 TRANSACTION OF BUSINESS.** When a quorum is present at any meeting, the vote of the Members holding a majority of the votes, present in person, by proxy, absentee ballot, or electronic ballot, shall decide any question before such meeting, unless the question is one upon which by express provision of the Texas State Statutes, the Deed Restrictions or these Bylaws, a different vote is required in which case such express provision shall govern. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding withdrawal of any Members to leave less than a quorum.

ARTICLE IX MANAGEMENT OF THE ASSOCIATION

- 9.1 BOARD OF DIRECTORS.** The affairs of the HMHOA shall be managed by its Board of Directors.
- 9.2 GENERAL POWERS AND DUTIES OF THE BOARD OF DIRECTORS.** The affairs of the Association shall be conducted by its Board. The Board shall be selected in accordance with the Bylaws of the Association. The Board, for the benefit of the Common Elements and the Owners, shall provide, and shall pay for out of the maintenance fund(s) provided for in Article XIII below, the following:
- (a) Expenses pertaining to the care and preservation of the Common Elements;
 - (b) Expenses pertaining to the operation or protection of the Association, and the enforcement of the Deed Restrictions and these Bylaws;
 - (c) Taxes, insurance and utilities (including, without limitation, electricity, gas, water and sewer charges) which pertain to the Common Elements only;
 - (d) The services of a person or firm to manage the Association or any separate portion thereof, to the extent deemed advisable by the Board.
 - (e) Legal and accounting services;
 - (f) Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alteration, taxes or assessments which the Board is required to obtain or pay for pursuant to the terms of these Bylaws or which in its opinion shall be necessary or proper.

The Board shall have the following additional rights, powers and duties:

- (a) To enter into agreements or contracts with insurance companies, taxing authorities and the holders of first mortgage liens on the individual Lots with respect to:
 - (1) Maintenance of those Common Elements described in Article VI, Section (6.3); and,
 - (2) Insurance coverage (if any) on Common Elements, as they relate to the assessment, collection and disbursement process envisioned by Article XIV herein below;
 - (3) Indemnification liability insurance.
- (b) To borrow funds to pay costs of operation, secured by assignment or pledge of rights against delinquent Owners, if the Board sees fit or secured by such assets of the Association as deemed appropriate by the lender.
- (c) To enter into contracts, maintain one or more bank accounts, and, generally, to have all the powers necessary or incidental to the operation and management of the Association.
- (d) To protect or defend the Common Elements from loss or damage by suit or otherwise, to sue or defend in any court of law on behalf of the Association and to provide adequate reserves for repairs and replacements;
- (e) To make reasonable rules and regulations for the operation of the Common Elements and to amend them from time to time;
- (f) To provide an annual financial report at the annual HMHOA homeowners meeting. This report shall also be posted on the HMHOA website.
- (g) Pursuant to Article XIII herein, to adjust the amount, collect and use any insurance proceeds to repair damage or replace lost property; and if proceeds are insufficient to repair damage or replace lost property, to assess the Members in proportionate amounts to cover the deficiency;
- (h) To enforce the provisions of the Deed Restrictions, these Bylaws and any rules made hereunder and to enjoin and seek damages from any Owner for violation of such provisions or rules.
- (i) Prepare an annual budget, in accordance with these Bylaws, in which there shall be established the dues of each Member to cover the common expenses of the Association.
- (j) The annual budget defines the spending limits in aggregate to which the Board of Directors are authorized to execute. Within this limit, the Board may approve spending as they deem appropriate to meet the needs of the association. The Board may approve extraordinary expenditures to cover unforeseen expenses up to 25% of the amount in the reserve fund by a majority vote.
- (k) The Board of Directors shall present the annual budget to the Association Members at or before the Annual Meeting, for approval by vote of a majority of the Members under the rule of quorum, at the annual meeting.
- (l) The Board shall fix the amount of the annual assessment (dues) against each lot at least 30 days in advance of the annual assessment period. The annual assessment period commences on January 1st of every year.
- (m) Determine the late fees to be imposed against any Member, to the extent allowed by the Declaration whose assessments are not paid within sixty (60) days after the due date. The due date is January 31st.
- (n) Provide for the operation, care, upkeep and maintenance of all the Common Property.
- (o) Collect dues, fines and assessments, depositing the proceeds thereof in a bank account, and

using the proceeds to operate the Association.

- (p) Publish the policy and procedures for enforcing violations of the Deed Restrictions, and a fine and deed restriction violation fee schedule, and the procedures and penalties for collection of delinquent dues, fines and fees.
- (q) Make available, through our agent, management company, or on the HMHOA website, to any prospective purchaser of a lot, any owner, and the holders, insurers and guarantors of any mortgage on a lot;

- (1) BOD meeting minutes,
- (2) A copy of the bylaws,
- (3) A copy of the deed restrictions,
- (4) The articles of incorporation,
- (5) The approved roofing materials list,
- (6) The ACC request procedure document and the ACC request form,
- (7) The fine and violation fee schedule,
- (8) The deed restriction violation enforcement policy,
- (9) The procedures and penalties for collection of delinquent dues,
- (10) And all other books, records and financial statements of the Association.

9.3 BOARD POWERS EXCLUSIVE. The Board shall have the exclusive right to contract for all goods, services and insurance, and the exclusive right and obligations to perform the functions of the Board, except as otherwise provided herein.

9.4 CONTRACTS WITH OWNERS. The Board, on behalf of the Association, shall have full power and authority to contract with any Owner 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.

9.5 LIABILITY LIMITATIONS. Neither any Member, the Board, any Director, nor any Officer 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 portion 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 portion thereof.

9.6 RESERVE FUNDS. The Board may maintain and establish funds 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 not net income to the Association.

9.7 NUMBER, QUALIFICATIONS AND TENURE OF DIRECTORS. The number of

Directors shall be a number determined by The Board of Directors that is not fewer than three (3) or more than seven (7). Directors shall be Members of the HMHOA. The terms of the Directors shall commence with the HMHOA fiscal year. At the annual meeting of the Members following the adopting of these Bylaws, all Director positions will be filled by election and no less than two (2) Directors shall be elected for a term of two (2) years with the remainder of the Directors elected to serve a term of one (1) year. At each annual meeting thereafter, the Members shall elect Directors to replace those whose terms have expired for a term of two (2) years.

- 9.8 NOMINATION OF DIRECTORS.** A Member may request that their name be placed in nomination for a director position by logging in to the HMHOA web site and filling out the BOD nomination form or by announcing at the meeting that he or she wishes to run for the Board.
- 9.9 ELECTION OF DIRECTORS.** A person who is a Member may run for the Board. Directors shall be elected by the vote of the Members at an annual or special meeting of the Members. Elections are to be held by secret written ballot except for uncontested elections. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.
- 9.10 VACANCIES.** A vacancy caused by the death, resignation, or removal of a Director, shall be filled by the Board of Directors. A vacancy caused by the death, resignation, or removal of a Director shall be filled by the affirmative vote of a majority of the remaining Directors, even if it is less than a quorum of the Board of Directors, or by the sole remaining Director. A Director elected by the Board to fill a vacancy shall be elected for the unexpired term of the predecessor in office. Vacancies created by an expansion of the Board shall be filled at an election held at an annual or special meeting of the Members.
- 9.11 REGULAR MEETINGS.** Regular meeting of the Board of Directors will be held as often, as determined by the President or by a majority of the Board Members at such time and place as shall from time to time be determined by the Board. The Board shall give HMHOA members notice of upcoming Board meetings (regular and special), including the date, hour, place, and general subject of the meeting including general description of matters to be brought up in Executive Session. HMHOA Members are invited and encouraged to attend the meetings of the Board of Directors. The Board's meeting notice must be either:
- (a) Mailed to owners no later than 10 days, but no earlier than 60 days before the meeting; or
 - (b) Provided at least 72 hours before a meeting by:
 - (1) Posting in a conspicuous location (i.e. in a common area or on the HMHOA website); and
 - (2) Email to all Members who have provided their email addresses to the HMHOA.

Homeowners have a duty to keep their email addresses updated with the HMHOA.

A notice to homeowners of a Board meeting **is not required if:**

- (a) The Board meets by telephone, email, or in any alternative manner whereby all directors

speaking their opinion and are heard (or the opinion can be read by email) by all other directors; **or**

(b) The Board acts by unanimous written consent, **and**

(c) The meeting or action is necessary to address an urgent or emergency situation that requires immediate action or to consider and act upon routine or administrative matters.

The foregoing right of the HMHOA Board to meet without prior notice to the members **does not apply** to the following matters:

(a) Fines

(b) Damage assessments

(c) Initiation of foreclosure actions or enforcement actions

(d) Increases in assessments (dues)

(e) Levying special assessments

(f) Appeals from denials of architectural control approval

(g) Suspending rights of a Member before the Member has an opportunity to appear before the Board.

Actions taken without prior meeting notice shall be summarized orally, including any actual or estimated expenditures approved, and documented in the minutes of the next noticed meeting.

9.12 SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by or at the request of the President and/or Secretary. Further, the President shall call a special meeting upon written request of a majority of the Directors. The President or Secretary may fix any place within Tarrant County, Texas, as the place for holding a special meeting. If the President calls a special meeting, he or she shall notify the Secretary of the information required to be included in the notice of the meeting. The secretary shall give notice to the Directors as required by these Bylaws.

9.13 NOTICE. Notice of any special meeting of the Board of Directors shall be delivered to each director in person, email, by phone, or first class mail not less than two (2) days before the date of the meeting. The notice shall state the place, day and time of the meeting, and who called the meeting. Neither the business to be transacted, nor the purpose of any special meeting need to be specified in a notice or a waiver of notice.

9.14 QUORUM. The presence of a majority of the Directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The Directors present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough directors 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 directors required to constitute a quorum. If a quorum is not present at anytime during a meeting, a majority of the Directors present may adjourn the meeting and reconvene the meeting and reconvene when a quorum can be obtained.

9.15 ACTION TAKEN WITHOUT A MEETING. Subject to the limitations contained in Section 9.11, by obtaining written or email approval of all the Directors, the Directors shall have the right to take any action in the absence of a meeting that they could take at a meeting.

Any action so approved shall have the same effect as though taken at a meeting of the Board of Directors.

- 9.16 DUTIES OF DIRECTORS.** Directors shall exercise ordinary business judgment in managing the affairs of The HMHOA. In acting in their official capacity as Directors of this Association, Directors shall act in good faith and take actions they reasonably believe to be in the best interests of the HMHOA, and that are not unlawful. In all other instances, the Board of Directors shall not take any action that they should reasonably believe would be opposed to the Association's best interests or would be unlawful. A Director shall not be liable if, in the exercise of ordinary care, the director acts in good faith relying on written financial and legal opinions provided by an accountant or attorney retained by the Association.
- 9.17 ACTIONS OF BOARD OF DIRECTORS.** The Board of Directors shall try to act by consensus. However, the vote of a majority of Directors present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the Board of Directors unless the act of a greater number is required by law or the Bylaws of the Association. A Director who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the decision of the Board of Directors.
- 9.18 PROXIES.** A Director may not vote by proxy.
- 9.19 COMPENSATION.** Directors shall not receive salaries or fees for their services. However, a Director may be reimbursed for his/her actual expenses incurred in the performance of this duty. A Director may serve the HMHOA in any other capacity and receive compensation for those services. Any compensation that the HMHOA pays to a Director shall be commensurate with the services performed and reasonable in amount.
- 9.20 REMOVAL OF DIRECTORS.** The Board of Directors may, by affirmative majority vote, vote to remove a Director at any time with or without good cause. Good cause for removal of a Director shall include the unexcused failure to attend three consecutive meetings of the Board of Directors. A Board meeting to consider the removal of a Director may be called and noticed following the procedures provided in these Bylaws. The notice of the meeting shall state that the issue of possible removal of the Director will be on the agenda. The Director shall have the right to present evidence at the meeting as to why he or she should not be removed. Any Director may also be removed from the Board, with or without cause, by a majority vote of the Members of the Association.

ARTICLE X OFFICERS

- 10.1 OFFICER POSITIONS.** The officers of the HMHOA shall be a president, vice president, a treasurer and a secretary. The Board of Directors may create additional officer positions, define the authority and duties of each such position, and elect or appoint persons to fill the positions. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to section 10.2 of this article. The officers shall be at all times

members of the Board of Directors.

- 10.2 SPECIAL APPOINTMENTS.** The board may elect or appoint 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.
- 10.3 ELECTION AND TERM OF OFFICE.** The officers of the HMHOA shall be elected annually by the Board of Directors at the first regular meeting of the Board of Directors following the Annual Meeting. If the election of officers is not held at this meeting, the election shall be held as soon thereafter as conveniently possible. Each officer shall hold office until a successor is duly selected and qualified.
- 10.4 REMOVAL.** Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors with or without good cause. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer.
- 10.5 VACANCIES.** A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the officer's term.
- 10.6 PRESIDENT.** The president shall be the chief executive officer of the Association.
- (a) The President shall supervise and control all of the business and affairs of the Association.
 - (b) The president shall preside at all meetings of the Board of Directors.
 - (c) The President shall maintain custody of the Association records.
 - (d) The president may execute any deeds, mortgages, bonds, contracts or other instruments that the Board of Directors has authorized to be executed. However, the president may not execute instruments on behalf of the HMHOA if this power is expressly delegated to another officer or agent of the HMHOA by the Board of Directors, these bylaws or statute.
 - (e) The president shall perform other duties prescribed by the Board of Directors and all duties incident to the office of president.
- 10.7 VICE PRESIDENT.** The vice president shall act in the place of the president in the event of the president's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board of Directors.
- 10.8 TREASURER.** The treasurer is responsible for the following duties; however, the actual functions may be outsourced to the management company:
- (a) Have charge and custody of and be responsible for all funds and securities of the Association.
 - (b) Receive and give receipts for moneys due and payable to the HMHOA from any source.
 - (c) Deposit all moneys in the name of the HMHOA in banks, trust companies, or other depositories as provided in the bylaws or as directed by the Board of Directors or President.
 - (d) Write checks and disburse funds to discharge obligations of the Association. Funds may not be drawn from the HMHOA or its accounts without the signature of the president or a vice president or the secretary in addition to the signature of the treasurer.

- (e) Maintain the financial books and records of the Association.
- (f) Prepare financial reports at least annually.
- (g) Perform other duties as assigned by the president or by the Board of Directors.
- (h) If required by the Board of Directors, give a bond for the faithful discharge of his or her duties in a sum and with a surety as determined by the Board of Directors.
- (i) Perform all other duties incident to the office of treasurer.

10.9 SECRETARY. The secretary shall be responsible for the following actions; however, the actual function may be outsourced to the management company:

- (a) Give all notices as provided in these bylaws or as required by law.
- (b) Take minutes of the meetings of the Board of Directors and keep the minutes as part of the corporate records.
- (c) Maintain custody of the seal of the Association.
- (d) Affix the seal of the HMHOA to all documents as authorized.
- (e) Keep a register of the mailing address of each director, officer, and employee of the Association.
- (f) Perform other duties as required by the Board.

ARTICLE XI COMMITTEES

11.1 STANDING COMMITTEES. There are two standing committees for the HMHOA, the Landscape Committee, and the Architectural Control Committee. Members of the HMHOA are encouraged to volunteer to serve on the standing committees. Each Committee Member shall be appointed for a (2) year term. Members of these standing committees may be removed and replaced by the Board of Directors.

11.2 SPECIAL COMMITTEES. Special Committees may be established by the Board of Directors as needed to manage the affairs of the Association. Such committees include, but are not limited to: Welcome Committee and Social Committee. The Welcome Committee puts together welcome packets of information to be given to new home owners in Highland Meadows, and calls on the new home owners to welcome them to the neighborhood. The Social Committee organizes such events as the spring Easter Egg Hunt, the Fourth of July Parade and celebration, neighborhood Garage Sales, and other social events. The Social Committee is also responsible for decorating the entrances to Highland Meadows for the Holidays throughout the year. Members of the HMHOA are encouraged to volunteer to serve on the Special Committees.

11.3 LANDSCAPE COMMITTEE. The Landscape Committee shall consist of no less than 3 or more than 5 members. Landscape Committee members may also be Board members or individual Lot Owners. The chairman of the Landscape Committee may be a member of the Board of Directors. Members of the HMHOA board may serve as members of the Landscape Committee. The Landscape Committee is responsible for the upkeep and maintenance of the common elements, or common areas. The Landscape Committee is responsible for

coordinating the maintenance with the contractor of the common elements, the walls along Hall Johnson and Pool Roads, the irrigation system, electrical system repairs, lighting, turf maintenance, trimming of trees and shrubs, and annual color at the entrance flower beds. Members of the HMHOA are encouraged to volunteer to serve on the Landscape Committees.

11.4 ARCHITECTURAL CONTROL COMMITTEE. The Architectural Control Committee, also called the ACC, shall consist of no less than 3 or more than 5 members appointed by the board. The ACC shall exercise architectural control. In no case shall the ACC approval of proposed improvements be unreasonably withheld. The Chairman of the ACC shall not be a member of the Board of Directors. However, Members of the HMHOA board may serve as members of the ACC. ACC members may also be Board members or individual Lot owners. The ACC shall use its best efforts to promote and ensure a high level of quality, harmony and conformity throughout the property. Members of the HMHOA are encouraged to volunteer to serve on the Architectural Control Committee.

A majority of the ACC's members may act on behalf of the entire ACC. In the event of death or resignation of any member of the ACC, the remaining members shall have full authority to designate and appoint a successor. No member of the ACC shall be entitled to any compensation for services performed hereunder and neither the Committee nor any of its members shall be liable to any Owner, for any claims, causes of action or damage of whatever kind (except where occasioned by gross negligence) arising out of service performed, actions taken, or inaction in connection with any undertaking, responsibility, or activity hereunder or request for same. No building, structure, fence, wall or exterior improvement of any kind or nature shall be erected, placed or altered on any Lot until all plans and specifications (including, but not limited to, erection plans) and/or a plot plan have been submitted in duplicate (electronic submissions are permitted) to and approved in writing by the ACC as to:

- (a) Quality of workmanship and materials; adequacy of site dimensions; adequacy of structural design; proper facing of main elevation with respect to nearby streets;
- (b) Conformity and harmony of the external design, color, type and appearance of exterior surface and landscaping;
- (c) Location with respect to topography and finished grade elevation and effect of location and use on neighboring Lots and improvements situated thereon and any drainage arrangement;
- (d) The other standards set forth within the Deed Restrictions (and any amendments hereto) or as may be set forth within bulletins promulgated by the ACC, or matters in which the ACC has been vested with the authority to render a final interpretation and decision.
- (e) ACC Approval Process

Final plans and specifications attached to the ACC request form shall be submitted in duplicate (electronic submissions are permitted) to the ACC for approval or disapproval. Each request submitted shall require a majority approval of the ACC members. ACC

response to all requests is required within fifteen (15) days of request. At such time as the plans and specifications meet the approval of the ACC, one complete set of plans and specifications along with the ACC signed and approved request form will be retained by the ACC and the other complete set of plans and signed ACC request form will be marked "Approved" and returned to the Owner or his designated representative or marked "Approved", with conditions, based on certain conditions and specifications. If found not to be in compliance with these Bylaws, and the Covenants and Deed Restrictions, one set of such plans and specifications shall be returned marked "Disapproved", accompanied by a reasonable statement of items found not to comply with these Bylaws, and the Covenants and Deed Restrictions. Any modification or change to the approved set of plans and specifications must again be submitted to the ACC for its inspection and approval. The approval or disapproval of the ACC, as required herein, shall be narrative and in writing. Any lot owner who disagrees with the decision of the ACC may appeal to the full Board of Directors of the HMHOA. **If the ACC, or its respective designated representative, fails to approve or disapprove such plans and specifications within fifteen (15) working days after the date of submission, then approval shall be presumed;** provided, however, that no such approval shall be presumed if the request is submitted by or on behalf of a Member to the ACC relating to additions or remodeling of an existing structure. Submission shall occur upon the actual receipt of the plans and specifications by the ACC.

ARTICLE XII COMMON ELEMENTS

- 12.1 MAINTENANCE OF THE COMMON ELEMENTS.** The HMHOA does not own any recreation areas, parks, pools or ponds, or hold title to the Common Elements. The Association maintains the perimeter wall along Pool and Hall Johnson Roads, along with flower beds and landscaping at the six entrances to the subdivision and along the exterior of the perimeter wall.

ARTICLE XIII ASSESSMENTS

- 13.1 PRIORITY OF PAYMENTS SCHEDULE.** The Association shall apply Owners' payments in the following order: (1) delinquent assessments; (2) current assessments; (3) attorney fees and collection costs associated with delinquent assessments; (4) other attorney fees; (5) fines; (6) other amounts. **EXCEPTION:** if at the time an Owner submits a payment, he/she is in default under a payment plan, the Association does not have to follow the above-described application schedule. Payments will then be applied as determined by the Board of Directors; however, fines cannot be given priority over any other amount owed under any circumstances.
- 13.2 PURPOSE OF ASSESSMENT.** The assessments levied by the Association shall be used exclusively for the purposes of:

- (a) Promoting the health, recreation and welfare of the residents of the Property;
- (b) Improving and maintaining the Common Elements;
- (c) The payment of insurance (if any) in connection with the Common Elements and the repair, replacement and additions thereto;
- (d) The payment for water and electricity for irrigation associated with the flower beds maintained by the Association and exterior lights, the repair, replacement and additions of various items within the Common Elements;
- (e) Paying the cost of labor, equipment (including the expense of leasing any equipment) and materials required for, and the management and supervision of, the Common Elements;
- (f) Carrying out the duties of the Board;
- (g) Carrying out the various matters set forth or envisioned herein or in any amendment or supplement hereto; and
- (h) For any matter or thing designated by the City of Colleyville in connection with any zoning, subdivision, platting, building or development requirements.

13.3 BASIS AND AMOUNT OF ANNUAL MAINTENANCE ASSESSMENTS. The annual assessment shall begin on the first day of January of each year and the annual assessment for the Owner of each Lot or Living Unit shall be determined at an annual rate. The annual assessment for the year 2013 is \$284.00. Each year the Board shall propose a budget with the annual assessment for the upcoming year established therein. The Members will vote on each annual budget. In the event the Members do not approve the budget presented by the Board, the most recently adopted budget and annual assessment established thereby shall remain in effect until a new budget is approved by the Members.

13.4 SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS. In addition to the annual assessment, the Association may levy in any fiscal year a special group assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Elements, including any necessary fixtures and personal property related thereto; provided that any such assessment shall have the affirmative approval of a majority of the Members of the Association present in person or by proxy at a regular or special meeting called for that purpose. The quorum requirement for such meeting is set forth in the Deed Restrictions.

13.5 UNIFORM RATE OF ANNUAL AND SPECIAL ASSESSMENTS. Both annual and special group assessments must be fixed at a uniform rate for all Lots.

13.6 DATE OF COMMENCEMENT OF ASSESSMENTS: DUE DATES. The Board shall send written notice of the any assessment to every Owner subject thereto at least thirty (30) days in advance of the assessment period.

13.7 PAYMENT PLANS. The HMHOA board shall offer payment plans with a minimum term of 3 months and a maximum term of 18 months. Homeowners making payments pursuant to an approved payment plan cannot be charged "monetary penalties." However, the Association may charge reasonable administration costs and interest. The HMHOA Board is not required

to offer a payment plan if a homeowner has defaulted on a payment plan in the last 2 years.

ARTICLE XIV ENFORCEMENT

- 14.1 NOTICE BEFORE ENFORCEMENT ACTION.** Before the Association may file a lawsuit against an Owner other than a suit to collect a regular or special assessment or foreclose under a lien, charge an Owner for property damage, or levy a fine for a violation of the Deed Restrictions or Bylaws, the Association or its agent must give written notice to the Owner. The initial notice will inform the Owner of the nature, description and location of the violation. If the violation has not been corrected, a second notice will be sent to the owner stating that fines may be imposed or other action may be taken. The third notice shall be sent by certified mail, return receipt requested. The third notice must describe the violation or property damage that is the basis for the action, the charge, or fine and state any amount due the Association from the Owner. The notice must also inform the Owner that the Owner is entitled to cure the violation and avoid the fine (unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six months) and may request a hearing before the Board of Directors under section 14.3 on or before the 30th day after the Owner receives the notice.
- 14.2 IMPOSITION OF VIOLATION FINES.** In the event that any person fails to cure (or fails to commence and proceed with diligence to completion) the work necessary to cure any violation of the Bylaws or the Deed Restrictions within thirty (30) days after receipt of written notice from the Board designating the particular violation, the Board shall have the power and authority to impose upon that person a reasonable fine for such violation (the "Violation Fine"). If, after the imposition of the Violation Fine, the violation has not been cured or the person has still not commenced the work necessary to cure such violation, the Board shall have the power and authority, after ten (10) days written notice, to impose another Violation Fine as specified in the fine schedule promulgated by the Board. The Violation Fines shall be due and payable as determined by the Board.
- 14.3 HEARING BEFORE THE BOARD; ALTERNATIVE DISPUTE RESOLUTION.** The Owner has the right to submit a written request for a hearing to discuss and verify facts and resolve the matter before the Board of Directors of the Association. If a hearing is to be held before a committee created for this purpose, the notice prescribed by Section 14.1 must state that the Owner has the right to appeal the committee's decision to the Board by written notice to the Board. The committee or the Board, if there is no committee, shall hold a hearing and shall notify the Owner of the date, time, and place of the hearing not later than the 10th day before the hearing. The committee, the Board or the Owner may request a postponement, and, if requested, a postponement shall be granted for a period of 10 days. Additional postponements may be granted by agreement of the parties. The Owner or the Association may make an audio recording of the hearing.
- 14.4 RESTRAINING ORDER AND TEMPORARY INJUNCTION.** The notice and hearing provisions contained in this Article do not apply if the Association files a suit seeking a temporary restraining order or temporary injunctive relief or files a suit that includes foreclosure as a cause of action. If a suit is filed relating to the matter that those sections apply,

a party to the suit may file a motion to compel mediation.

ARTICLE XV INSURANCE: REPAIRS AND RESTORATION

- 15.1 RIGHT TO PURCHASE INSURANCE.** The Association shall have the right and option to purchase, carry and maintain in force insurance covering any and all portions of the Common Elements, any improvements thereon or appurtenant thereto, for the interest of the Association and of all Members, in such amounts and with such endorsements and coverage as shall be considered good sound insurance coverage for properties similar in construction, location and use to the Common Elements. Such insurance may include, but need not be limited to:
- (a) Insurance against loss or damage by fire and hazards covered by a standard extended coverage endorsement in an amount which shall be equal to the maximum insurable replacement value, excluding foundation and excavation costs as determined annually by the insurance carrier.
 - (b) Public liability and property damage insurance on a broad form basis.
 - (c) Fidelity bond for all officers and employees of the Association having control of the receipts and disbursements of funds.
 - (d) Officers' and Directors' liability insurance.
- 15.2 INSURANCE PROCEEDS.** The Association and the Members shall use the net insurance proceeds to repair and replace any damage or destruction of property, real or personal, covered by such insurance. Any balance from the proceeds of insurance paid to the Association, as required in this Article, remaining after satisfactory completion of repairs and replacements shall be retained by the Association as part of a general reserve fund for repair and replacement of the Common Elements.
- 15.3 INSUFFICIENT PROCEEDS.** If the insurance proceeds are insufficient to repair or replace any loss or damage, the Association may levy a special group assessment as provided in Section 13.4 of these Bylaws to cover the deficiency.

ARTICLE XVI TRANSACTIONS OF THE CORPORATION

- 16.1 POTENTIAL CONFLICTS OF INTEREST.** The HMHOA shall not make any loan to a director or officer of the Corporation. A director, officer or committee member of the HMHOA may lend money to and otherwise transact business with the HMHOA except as otherwise provided by these Bylaws, Articles of Incorporation, and all applicable laws. Such a person transacting business with the HMHOA has the same rights and obligations relating to those matters as other persons transacting business with the Association. The HMHOA shall not borrow money from or otherwise transact business with a director, officer or committee member of HMHOA unless the transaction is described fully in a legally binding instrument and is in the best interests of the Association. The HMHOA shall not borrow money from or

otherwise transact business with a director, officer or committee member of HMHOA without the full disclosure of all relevant facts and without the approval of the Board of Directors, not including the vote of any person having a personal interest in the transaction.

ARTICLE XVII BOOKS AND RECORDS

17.1 REQUIRED BOOKS AND RECORDS. The HMHOA shall keep correct and complete books and records of account. The Board of Directors shall adopt and record a Record Retention Policy in accordance with applicable law. The Association's books and records shall include:

- (a) A file-endorsed copy of all documents filed with the Texas Secretary of State relating to the Association, including, but not limited to, the articles of incorporation, and any articles of amendment, restated articles, articles of merger, articles of consolidation, and statement of change of registered office or registered agent.
- (b) A copy of the Bylaws and any other governing documents, and any amended versions or amendments to the Bylaws and any other governing documents.
- (c) Minutes of the proceedings of the Board of Directors and committees having any of the authority of the Board of Directors.
- (d) A list of the names and addresses of the directors' officers and any committee members of the Corporation.
- (e) A financial statement showing the assets, liabilities and net worth of the HMHOA at the end of the fiscal year.
- (f) A financial statement showing the income and expenses of the Association as of the end of the fiscal year.
- (g) All rulings, letters and other documents relating to the Association's federal, state and local tax status.
- (h) The Association's federal, state and local information or income tax returns.

17.2 INSPECTION AND COPYING. Any Member of the HMHOA may inspect and receive copies of books and records of the HMHOA in the possession, custody or control of the HMHOA in accordance with a Policy for the Inspection and Copying of Books and Records adopted by the Board of Directors in compliance with applicable law filed of record.

ARTICLE XVIII FISCAL YEAR

18.1 FISCAL YEAR. The fiscal year of the HMHOA shall begin on the first day of January and end on the last day of December in each year.

ARTICLE XIX INDEMNIFICATION

19.1 WHEN INDEMNIFICATION IS REQUIRED, PERMITTED AND PROHIBITED.

- (a) The HMHOA shall indemnify a director, officer, committee member, employee or agent of the HMHOA who was, is or may be named defendant or respondent in any proceeding as a result of his or her actions or omissions within the scope of his or her official capacity in the Association. However, the HMHOA shall indemnify a person only if he or she acted in good faith and reasonably believed that the conduct was in the Association's best interests. In a case of a criminal proceeding, the person may be indemnified only if he or she had no reasonable cause to believe that the conduct was unlawful. The HMHOA shall not indemnify a person who is found liable to the HMHOA or is found liable to another on the basis of improperly receiving a personal benefit. A person is conclusively considered to have been found liable in relation to any claim, issue, or matter if the person has been adjudged liable by a court of competent jurisdiction and all appeals have been exhausted.
- (b) The termination of a proceeding by judgment, order, settlement, conviction or on a plea of nolo contendere or its equivalent does not necessarily preclude indemnification by the Association.
- (c) The HMHOA shall pay or reimburse expenses incurred by a director, officer, committee member, employee or agent of the HMHOA in connection with the person's appearance as a witness or other participation in a proceeding involving or affecting the HMHOA when the person is not a named defendant or respondent in the proceeding.
- (d) In addition to the situations otherwise described in this paragraph, the HMHOA may indemnify a director, officer, committee member, employee or agent of the HMHOA to the extent permitted by law. However, the HMHOA shall not indemnify any person in any situation in which indemnification is prohibited by the terms of Paragraph 19.1(a) above.
- (e) Before any final disposition of a proceeding, the HMHOA may pay indemnification expenses permitted by the Bylaws and authorized by the Association. However, the HMHOA shall not pay indemnification expenses to a person before the final disposition of a proceeding if: the person is a named defendant or respondent in a proceeding brought by the HMHOA or the person is alleged to have improperly received a personal benefit or committed other willful or intentional misconduct.
- (f) If the HMHOA indemnifies a person under the bylaws, the person may be indemnified against judgments, penalties, including excise and similar taxes, fines, settlements, and reasonable expenses (including attorney's fees) actually incurred in connection with the proceeding. However, if the proceeding was brought by or on behalf of the Association, the indemnification is limited to reasonable expenses actually incurred by the person in connection with the proceeding.

19.2 PROCEDURES RELATING TO INDEMNIFICATION PAYMENTS.

- (a) Before the HMHOA may pay any indemnification expenses (including attorney's fees), the HMHOA shall specifically determine that indemnification is permissible, authorize indemnification and determine that expenses to be reimbursed are reasonable, except as

provided in Paragraph 19.2(b), below. The HMHOA may make these determinations and decisions by any one of the following procedures:

- (1) Majority vote of the directors who, at the time of the vote, are not named defendants or respondents in the proceeding.
 - (2) Determination by special legal counsel selected by the Board of Directors by vote as provided in Paragraph 19.2(a)(1) or if such a majority cannot be obtained and such a committee cannot be established by a majority vote of all directors.
 - (3) The HMHOA shall authorize indemnification and determine that expenses to be reimbursed are reasonable in the same manner that it determines whether indemnification is permissible. If the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification and determination of reasonableness of expenses shall be made in the manner specified by Section 19.2(a)(2), above, governing the selection of special legal counsel. A provision contained in the Articles of Incorporation, the Bylaws, or a resolution of the Board of Directors that requires the indemnification permitted by Section 19.1(a), above, constitutes sufficient authorization of indemnification even though the provision may not have been adopted or authorized in the same manner as the determination that indemnification is permissible.
- (b) The HMHOA shall pay indemnification expenses before final disposition of a proceeding only after the HMHOA determines that the facts then known would not preclude indemnification and the HMHOA receives a written affirmation and undertaking of repayment from the person to be indemnified. The determination that the facts then known to those making the determination would not preclude indemnification and authorization of payment shall be made in the same manner as a determination that indemnification is permissible under Section 19.2(a), above. The person's written affirmation shall state that he or she has met the standard of conduct necessary for indemnification under the Bylaws. The written undertaking by the person seeking indemnification shall provide for repayment of the amount paid by the HMHOA if it is ultimately determined that the person has not met the requirements for indemnification. The written undertaking of repayment shall be an unlimited general obligation of the person, but it need not be secured and it may be accepted without reference to financial ability to make repayment.

ARTICLE XX NOTICES

- 20.1 NOTICES BY MAIL.** Any notice required or permitted by the Bylaws to be given to a director, officer or member of a committee of the HMHOA may be given by certified mail, return receipt requested, or electronic mail if the Owner has a registered an email address with the HMHOA. A mailed notice shall be deemed to be delivered when it is deposited in the custody and control of the USPS with sufficient postage to the last known address of the addressee as set forth in the records of the Association. A person may change his or her address by giving written notice to an authorized agent of the Association.

- 20.2 SIGNED WAIVER OF NOTICE.** Whenever any notice is required to be given under the provisions of law or under the provisions of the HMHOA Bylaws, a waiver in writing signed by a person entitled to receive a notice shall be deemed equivalent to the giving of the notice. A waiver of notice shall be effective whether signed before or after the time stated in the notice being waived.
- 20.3 WAIVER OF NOTICE BY ATTENDANCE.** The attendance of a person at a meeting shall constitute a waiver of notice of the meeting unless the person attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE XXI AMENDMENTS TO BYLAWS

- 21.1 AMENDMENTS.** These Bylaws may be altered, amended, or repealed and new Bylaws may be adopted at a regular or special meeting of the Members, called for this purpose, by a vote of a majority (50% plus 1) of the Members' present and voting, in person or by proxy, or absentee ballot, or electronic ballot. The Board of Directors is authorized to amend these Bylaws in order to comply with any future changes in the law which would in any event override the Bylaws.
- 21.2 CONFLICT.** In the case of any conflict between the Deed Restrictions and these Bylaws, the Deed Restrictions shall control.

ARTICLE XXII MISCELLANEOUS PROVISIONS

- 22.1 LEGAL AUTHORITIES GOVERNING CONSTRUCTION OF BYLAWS.** These Bylaws shall be construed in accordance with the laws of the State of Texas. All references in the Bylaws to statutes, regulations or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time.
- 22.2 LEGAL CONSTRUCTION.** If any Bylaw provision is held to be invalid, illegal or unenforceable in any respect, the invalidity, illegality or unenforceability shall not affect any other provision and these Bylaws shall be construed as if the invalid, illegal or unenforceable provision had not been included in these Bylaws.
- 22.3 HEADINGS.** The headings used in these Bylaws are used for convenience and shall not be considered in construing the terms of these Bylaws.
- 22.4 GENDER.** Wherever the context requires, all words in these Bylaws in the male gender shall be deemed to include the female or neuter gender, all singular words shall include the plural and all plural words shall include the singular.
- 22.5 PARTIES BOUND.** These Bylaws shall be binding upon and insure to the benefit of the

Members, directors, officers, committee members, employees and agents of the HMHOA and their respective heirs, executors, administrators, legal representatives, successors and assigns, except as otherwise provided in these Bylaws.

ARTICLE XXIII DISSOLUTION

- 23.1 DISSOLUTION.** In the event of dissolution of the Home Owners Highland Meadows, Inc., except due to merger or consolidation, the Board of Directors shall, after payment of all liabilities of the Association, distribute any remaining assets of the Association in equal shares to the record Owners of the Lots which are subject to assessment by the Association according to the Deed Restrictions on the basis of one share per Lot.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting secretary of the Homeowners Association of Highland Meadows, Inc. dba Highland Meadows Homeowners Association, that the foregoing Amended Bylaws were duly adopted at the annual meeting of the Members held on October 16, 2013, by no less than seventy percent of those Members present at said meeting, in person or by proxy, and do approve same for recording in the Official Public Records of Tarrant County, Texas.

**HOMEOWNERS OF HIGHLAND MEADOWS,
INC. D/B/A HIGHLAND MEADOWS
HOMEOWNERS ASSOCIATION**

By: _____
Secretary

THE STATE OF TEXAS §
 §
COUNTY OF TARRANT §

BEFORE ME, the undersigned, a notary public , on the ____ day of October, 2013, personally appeared MaryAnn Nicholson, Secretary of the Homeowners Association of Highland Meadows, Inc. dba Highland Meadows Homeowners Association, and acknowledges that she executed the foregoing document on behalf of said non-profit corporation.

Notary Public, State of Texas

Exhibit A

Phase I

All Lots and Blocks of Highland Meadows, Phase I, an Addition to the City of Colleyville, Tarrant County Texas according to the plat recorded in Volume 388-173, Page 38, and Volume 388-181, Page 66 of the Map and Plat Records, Tarrant County, Texas.

Phase II

All Lots and Blocks of Highland Meadows, Phase II, an Addition to the City of Colleyville, Tarrant County Texas according to the plat recorded in Volume 388-208, Page 98 of the Map and Plat Records, Tarrant County, Texas.

Phase III

Lot 7, Block 1; Lots 13 – 27, Block 7; Lots 6-8, Block 9; Lots 1-2, Block 19; and Lots 1-23, Block 18 of Highland Meadows Phase III, an Addition to the City of Colleyville, Tarrant County, Texas, according to the plat recorded in Cabinet A, Slide 151, Plat Records, Tarrant County, Texas.

Phase IV

All Lots and Blocks of Highland Meadows, Phase IV, an Addition to the City of Colleyville, Tarrant County Texas according to the plat recorded Cabinet A Slide 315 of the Map and Plat Records, Tarrant County, Texas.

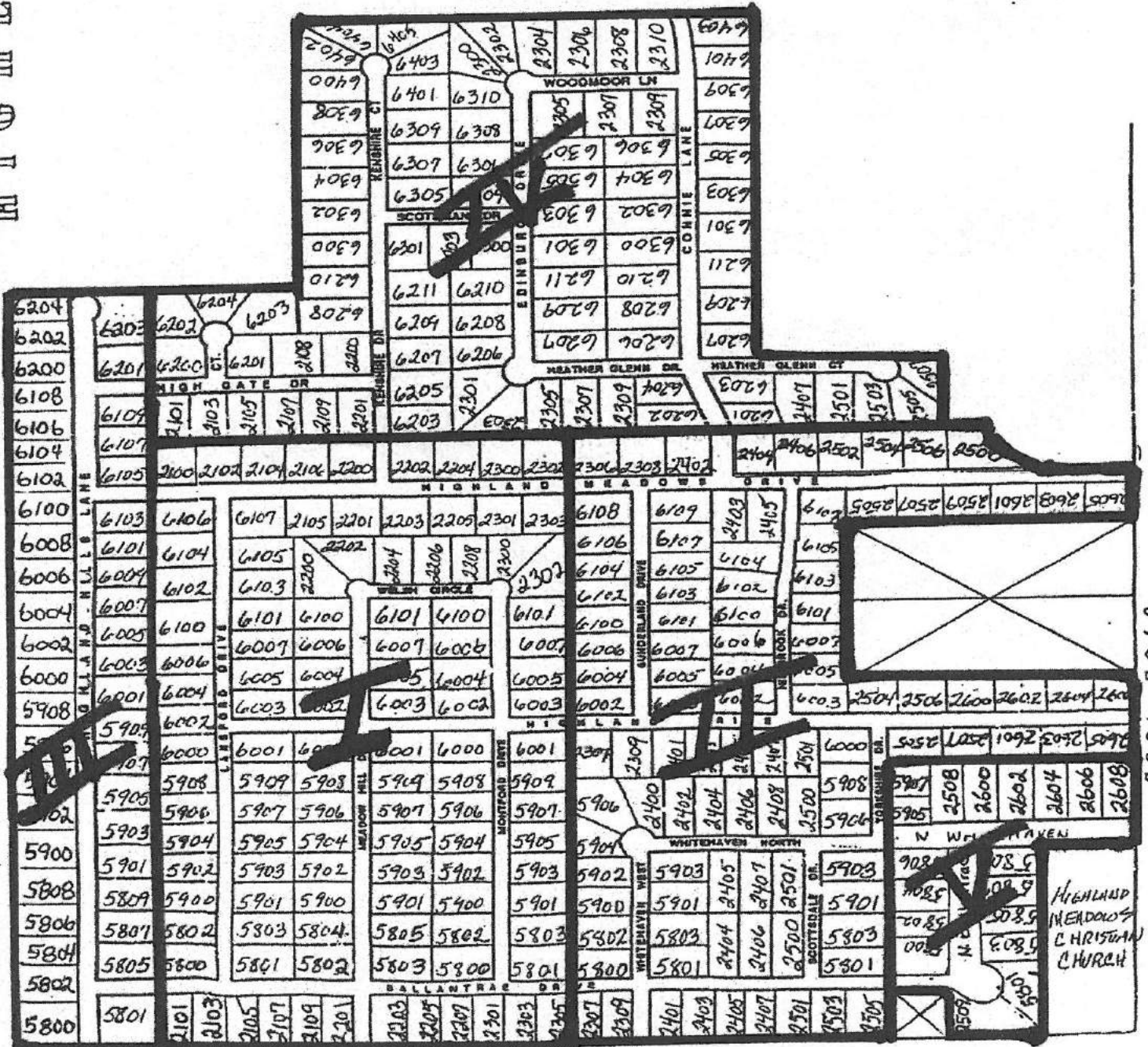
Phase V

Lots 1-8, Block 26; Lots 2-7, Block 27; and Lots 1-4 Block 28 of Highland Meadows Phase V, an Addition to the City of Colleyville, Tarrant County, Texas, according to the plat recorded in Cabinet 8, Slide 869, Plat records, Tarrant County, Texas.

MEADOWS

367 ADDRESSES & LOTS

THIS PLAT CONFIRMED ACCORDING
TO CERTIFIED PLATS AT TARRANT
COUNTY COURTHOUSE OBTAINED AND
SUBMITTED BY KEITH BUTTERFIELD
ON AUGUST 15, 2000 TO THE BOARD
MEETING OFFICERS & DIRECTORS.



HIGHLAND
MEADOWS
CHRISTIAN
CHURCH