

THE PECAN PARK HOMEOWNERS ASSOCIATION INC.

SECOND AMENDED AND RESTATED BYLAWS

ARTICLE I
NAME AND LOCATION

The name of the corporation is The Pecan Park Homeowners Association, Inc., hereinafter sometimes referred to as the "Corporation", and sometimes referred to as the "Association". The registered office of the Association shall be as designated with the Secretary of State of the State of Texas, as it may be changed from time to time, and the principal office of the Association shall be located in Denton County, Texas, but meetings of Members and Directors may be held at such places within the State of Texas as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Many capitalized terms used in these Bylaws, if not otherwise defined herein, shall have the meaning set forth in the Declaration. Other definitions appear in the body of these Bylaws. 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 The Pecan Park Homeowners Association, Inc. a Texas non-profit corporation.
- (b) "Board" shall mean the Board of Directors of the Association.
- (c) "Declaration" shall mean that certain Declaration of Covenants, Conditions and Restrictions for Pecan Park Estates, applicable to the Property and recorded as County Volume 3373 Page 885 and Volume 3398 Page 255 of the Real Property Records of Denton County, Texas, as such has been amended or supplemented or as such hereafter may be amended or supplemented from time to time as therein provided.
- (d) "Owner" or "Member" shall mean each and every Person who is an owner of record of a fee or undivided fee interest in any Lot; provided, however, Owner shall not include Persons who hold only an interest in a Lot as security for the performance of an obligation.
- (e) "Property" shall mean the real property described in Exhibit A attached to the Declaration.
- (f) "Director" shall mean any person who is or was a Director of the Corporation elected at the annual meeting of the Members as more fully described in Article V.
- (g) "Association Documents" shall mean the Declaration of Covenants, Conditions and Restrictions, the Bylaws and the Articles of Incorporation and any amendments duly adopted to these aforementioned documents.

gk

ARTICLE III
PURPOSES AND MEMBERSHIP

Section 1. The Association is organized and will be operated exclusively to act as agent for the Owners of the Property pursuant to the Declaration, those purposes being as follows:

- (a) To enforce the Declaration and any rules made there under and to enjoin and seek damages from any Owner for violation of such provisions or rules;
- (b) To exercise all of the rights, powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration;
- (c) To affix, levy, collect and enforce payment of, by any lawful means, all charges or assessments provided for by the terms of the Declaration; and, as agent, pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association including all licenses, taxes or governmental charges levied or imposed against the Property of the Association, if any, and to make disbursements, expenditures and payments on behalf of the Owners as required by the Declaration and the Bylaws of the Association; and to hold as agent for the Owners reserves for periodic repairs and improvements to be made as directed by the Owners acting through the Board;
- (d) To enter into and perform any contract and to exercise all powers which may be necessary or convenient to the operation, management, maintenance and administration of the affairs of this Association in accordance with the Declaration;
- (e) To have and to exercise any and all powers, rights and privileges a corporation organized under the Texas Non-Profit Corporation Act and the Texas Residential Property Owners Protection Act may now or hereafter exercise; and
- (f) Insofar as permitted by law, to do any other thing that, in the opinion of the Board will promote the common benefit and enjoyment of the Owners and occupants of the Property, or for operation or protection of the Association or for enforcement of the Declaration.

Section 2. The Declaration sets forth membership, voting rights and procedures of the Association.

ARTICLE IV
ASSESSMENTS

Section 1. The Board shall have the obligation and power to set, collect and disburse Assessments as provided in the Declaration.

ARTICLE V
BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

JK

Section 1. The affairs of this Association shall be managed by a Board of not less than four Directors (herein, "the Board"). In no event shall the number of Directors be less than three or more than nine. The Directors shall be elected at the annual meeting of the Members by a Majority Vote of the Members, except as provide in Section 2 of this Article. Each Director elected shall hold office until his resignation or removal or until his successor is elected and qualified.

Section 2. Any vacancy occurring in the Board may be filled by the affirmative vote of a majority of the remaining Directors though not less than a quorum of the Board. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any Directorship to be filled by reason of an increase in the number of Directors shall be filled at an annual meeting of the Members, or at a special meeting of the Members entitled to vote called for that purpose. Any Director may be removed from the Board of Directors, with or without cause, by a Majority Vote of the Members at an annual meeting of the Members or at a special meeting of the Members entitled to vote called for that purpose.

Section 3. The business and affairs of the Association shall be managed by its Board which may exercise all such powers of the Association and do all such lawful acts and things which are not directed or required by stature or by the Articles or by these Bylaws or by the Declaration to be exercised and done by the Members. The Board, for the benefit of the Association, the Property and the Members shall be responsible for the setting, collection and disbursement of Assessments. The Board shall be empowered to take all actions and shall have all rights and powers as provided in the Declaration.

Section 4. No member, Director, officer or representative of the Association or the Board or the Architectural Review Committee ("ARC") shall be personally liable for debts or liabilities of the Association. The Directors and officers of the Association shall not be liable for any mistake or judgment, whether negligent or otherwise, except for their own individual willful misfeasance or malfeasance, misconduct, bad faith, intentional wrongful acts or as otherwise provided in the Declaration. Such Directors, officers and ARC members shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association, and the Association, as a Common Expense of the Association, shall indemnify and hold such Directors, officers and ARC members harmless from any and all expense, loss or liability to others on account of any such contract or commitment (to the extent not covered by insurance proceeds). In addition, each Director and each officer of the Association and each member of the ARC shall be indemnified and held harmless by the Association, as a Common Expense of the Association, from any expense, loss or liability to others (to the extent not covered by insurance proceeds) by reason of having served as such Director, officer or ARC member and against all expenses, losses and liabilities, including court costs and reasonable attorneys' fees, incurred by or imposed upon such Director, officer or ARC member in connection with any proceeding to which he may be a party or have become involved by reason of being such Director, officer or ARC member at the time such expenses are incurred subject to the provisions of Article XIV of these Bylaws,

JK

except in cases wherein the expenses, losses and liabilities arise from a proceeding in which such Director, officer or ARC member is adjudicated guilty of willful misfeasance or malfeasance, misconduct, bad faith in the performance of his duties or as otherwise provided in the Declaration (this indemnity does cover liabilities resulting from such Director's, officer's or ARC member's negligence). In the event of a settlement of any such proceeding, the indemnification provided hereby shall apply only when the Board approves such settlement and reimbursement as being in the best interests of the Association. Any right to indemnification provided for herein shall not be exclusive of any other rights to which a Director, officer or ARC member, or former Director, officer or ARC member may be entitled. The Association shall have the right to purchase and maintain, as a Common Expense, Directors', officers' or ARC members' insurance on behalf of any person who is or was a Director or officer of the Association or member of the ARC against any liability asserted against him and incurred by him in such capacity, or arising out of his status as such.

ARTICLE VI MEETINGS OF THE BOARD OF DIRECTORS

Section 1. Meetings of the Board, regular or special, shall be held in Denton County, Texas. The rules contained in the current edition of *Robert's Rules of Order Newly Revised* shall govern all meetings of the Board in all cases to which they are applicable and in which they are not inconsistent with these bylaws and any special rules of order that the Association may adopt.

Section 2. The first meeting of each newly elected Board following each annual meeting of the Members shall be held within forty-five (45) days thereafter at such time and place as shall be fixed by the Board

Section 3. Annual meetings of the Board shall be held at such place and hour as may be fixed from time to time by a majority of the Directors. Should the meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday. Written notice of annual meetings of the Board of Directors shall be given to each Director at least thirty (30) days before the date of the meeting.

Section 4. Special meetings of the Board shall be held when called by the president, or by any two Directors. Written notice of special meetings of the Board shall be given to each Director at least three days before the date of the meeting. Neither the business to be transacted at, nor the purpose of, any annual or special meeting of the Board need be specified in the notice or waiver of notice of such meeting.

Section 5. 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 greater number is required by the Articles of Incorporation or the Declaration. A Director may vote by proxy executed in writing by the Director. No proxy shall be valid after three months from the date of its execution. Each proxy shall be revocable unless expressly provided therein to be irrevocable and otherwise made irrevocable by law.

Directors present by proxy may not be counted toward a quorum. If a quorum shall not be present at any meeting of the Board, 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. Any action required or permitted to be taken at a meeting of the Board may be taken without a meeting if a consent in writing, setting forth the action taken, is signed by all of the Members of the Board, and such consent shall have the same force and effect as a unanimous vote at a meeting.

Section 7. The Directors of the Association shall serve without compensation; however, any Director may be reimbursed for actual expenses reasonably incurred in the performance of his duties.

Section 8. All meetings of the Board shall be open to all Members, but Members other than Directors may not participate in any discussion or deliberation unless expressly so authorized by a majority of a quorum of the Board.

Section 9. The Board may, with approval of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, disciplinary matters, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

ARTICLE VII NOTICES

Section 1. Notices to Directors and Members shall be in writing and delivered personally or by mail, facsimile or email to the Directors or Members at their addresses appearing on the books of the Association. It is an owner's duty to keep an updated e-mail address registered with the property owners' association.

Section 2. Whenever any notice is required to be given to any Member or Director under the provisions of any statute or of the Articles, the Declaration, or of these 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 of any Member or Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director or Member attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE VIII OFFICERS

Section 1. The offices of the Association shall be held by the Directors elected at the annual meeting of the Members as described in Article V. The officers of the Association shall consist of a president (who shall at all times be a Member of the Board), one or more vice-presidents, a secretary, a treasurer and such other officers and assistant officers as may be deemed necessary by the Board. The offices of president and secretary or the offices of president and treasurer may not be held by the same person.

Section 2. All officers of the Association shall serve without compensation.

Section 3. Each officer of the Association shall hold office for one year (or for such longer period until his or her successor is elected) unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve. Any officer elected or appointed by the Board may be removed by the Board with or without notice whenever in its judgment the best interest of the Association will be served thereby. Any vacancy occurring in any office of the Association by death, resignation, removal or otherwise shall be filled by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

THE PRESIDENT

Section 4. The president shall be the chief executive officer of the Association, shall preside at all meetings of the Members and the Board, shall have general and active management of the business of the Association, and shall see that all orders and resolutions of the Board are carried into effect.

Section 5. The president shall execute all written instruments and shall co-sign all non routine checks and promissory notes, except where required by law to be otherwise signed and executed.

THE VICE-PRESIDENT

Section 6. The vice-presidents in the order of their seniority, unless otherwise determined by the Board, 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 shall prescribe.

THE SECRETARY AND PUBLISHING SECRETARY

Section 7. The secretary (or his designee) shall attend all meetings of the Board and all meetings of the Members and record all the votes and proceedings of the meeting of the Members of the Association and of the Board On the Pecan Park HOA website <http://ppd.fmht.org>. He shall give, or cause to be given, notice of all meetings of the Members and special meetings of the Board, and shall perform such other duties as may be prescribed by the Board or president, under whose supervision he shall be.

JK

Section 8. The publishing secretary is responsible for keeping up-to-date the Table of Residents and Neighborhood Map and maintain a copy of each on the Pecan Park HOA website <http://ppd.fmht.org>

THE TREASURER

Section 9. The treasurer shall have the custody of the corporate funds and securities and shall maintain current true and accurate financial records with full and correct entries made with respect to all financial transactions of the Association, including all income and expenditures, in accordance with generally accepted accounting procedures, and shall receive and 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.

Section 10. The treasurer shall disburse the funds of the Association as may be authorized by the Board, taking proper vouchers for such disbursements, and shall render to the president and to the Board at its regular meeting or when the Board so requires an account of all his transactions as treasurer and of the financial condition of the Association.

Section 11. The treasurer shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members. The annual report of the activity of the Association for the preceding year shall conform to the requirements of the Texas Non-Profit Corporation Act. The treasurer shall prepare and submit an annual US Income Tax Return for HOA (Form 1120-H) and file on Pecan Park HOA website <http://ppd.fmht.org>

Section 12. If required by the Board, 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 for the faithful performance of the duties of his office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Association.

ARTICLE IX MEETINGS OF MEMBERS

Section 1. Meetings of the Members shall be held in the County of Denton, State of Texas, at such location as shall be stated in the notices of the meeting or in a duly executed waiver of notice thereof. The rules contained in the current edition of ***Robert's Rules of Order Newly Revised*** shall govern the meeting of the Members in all cases to which they are applicable and in which they are not inconsistent with these bylaws and any special rules of order that the Association may adopt.

JK

Section 2. Annual meetings of Members shall be set by the Board so as to occur during the Association's fiscal year on a date and at a time set by the Board of Directors.

Section 3. Special meetings of the Members may be called at any time by the president, by a majority of a quorum of the Board, or upon the written request for a special meeting by a minimum of eight (8) Members

Section 4. Written or printed notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than 30 days before the day of meeting, either personally or by mail, by or at the direction of the president, the secretary, or the officer or person calling the meeting, to each Member entitled to vote at such meeting.

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

Section 6. Except as otherwise specifically provided in the Declaration, any action requiring the vote or approval of the Members shall require the majority vote of the Members, represented at a duly called meeting of the Members in person or by a legitimate proxy in form approved by the Board, at which a "Regular Quorum" or "Special Quorum" is present. Written notice of a meeting must be given to all Members not less than ten days nor more than 30 days in advance of such meeting and shall set forth the purpose of such meeting. No action may be taken at a meeting on any matter that is not described in the applicable notice as being on the agenda for such meeting.

- (a) The quorum required for any action referred to in Section 4.05(b) or 4.05(d) of the Declaration or for the approval of any Common Services (a "Special Quorum") shall be as follows:

Member, represented at a duly called meeting of the Members in person or by a legitimate proxy in form approved by the Board, entitled to cast 60% of all of the votes of Members shall constitute a Special Quorum. If the required Special quorum is not present at such meeting, that meeting may be adjourned, and an additional meeting may be called, subject to the notice requirement set forth above, with the required Special Quorum at such second meeting being reduced to one-half of the required Special Quorum at the preceding meeting; provided, however, that such second meeting must be held not later than 30 days after the first meeting. Further, if the reduced required Special Quorum is not present at such second called meeting, the adjournment of the meeting shall be

continued, and one additional meeting may be called, subject to the notice requirement set forth above.

- (b) The quorum required for any action other than the action referred to in this Section 6(a) a "Regular Quorum" shall be as follows:

Members, represented at a duly called meeting of the Members in person or by a legitimate proxy in form approved by the Board, entitled to cast 30% of all of the votes of Members shall constitute a Regular Quorum. If the required Regular Quorum is not present at such meeting, that meeting shall be adjourned, and an additional meeting may be called, subject to the notice requirement set forth above, with the required Regular Quorum at such second meeting being reduced to one-half of the required Regular Quorum at the preceding meeting; provided, however that such second meeting must be held not later than 30 days after the first meeting. Further, if the reduced required Regular Quorum is not present at such second called meeting, the adjournment of the meeting shall be continued, and one additional meeting may be called, subject to the notice requirement set forth above.,.

- (c) As an alternative to the procedure set forth above, any action referred to in this Section 6(a) or (b) above may be taken with the assent given in writing and signed by Members.
- (d) Except as set forth in this Section 6, the notice, voting and quorum requirements for all action to be taken by the Association shall be as set forth in the Declaration or the Association Documents.

Section 7. Each Member may cast one vote as he is entitled to under the terms and provisions of the Articles of Incorporation and the Declaration on each matter submitted to a vote at a meeting of Members, except to the extent that the voting rights of any Member have been suspended in accordance with these Bylaws or the Declaration.

Section 8. A Member may vote in person or by proxy in a form acceptable to the Board and executed in writing by the Member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution unless otherwise provided in the proxy. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and in no event shall it remain irrevocable for a period of more than eleven months from the date of its execution.

Section 9. The officer or agent having charge of the corporate books shall make, at least two 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. Such list shall 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 10. The Board may fix in advance a date, not exceeding 50 days preceding the date of any meeting of Members, as a record date for the determination of 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.

Section 11. Any action required by statute to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members required to vote affirmatively with respect to the subject matter thereof, and such consent shall have the same force and effect as the required affirmative vote of Members.

Section 12. The order of business at all meetings of the Members shall include:

- (a) Roll call and certifying proxies;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading and disposal of unapproved minutes;
- (d) Reports of officers;
- (e) Reports of committees;
- (f) Election of Directors;
- (g) Unfinished business;
- (h) New business; and
- (i) Adjournment.

ARTICLE X FISCAL YEAR

The financial year of the Association shall be the calendar year or as otherwise fixed by a resolution of the Board.

ARTICLE XI BOOKS AND RECORDS; REPORT TO MEMBERS

The Board shall keep such books and financial records and furnish such reports to the Members as provided in the Declaration or as required by law. The books, records and papers of the Association shall at all times, during reasonable business hours, be

subject to inspection by any Member. Copies of the Declaration, the Articles of Incorporation and the Bylaws of the Association may be purchased at reasonable costs.

ARTICLE XII
CONFLICTING OR INVALID PROVISIONS; NO WAIVER OF RIGHTS

Section 1. **Notwithstanding anything contained herein to the contrary, should all or part of any Article of these Bylaws be in conflict with the provisions of the Texas Non-Profit Corporation Act, the Texas Residential Property Owners Protection Act or any other Texas law, such Act or law shall control; and should any part of these Bylaws be invalid or inoperative for any reason, the remaining parts, so far as is possible and is reasonable, shall be valid and operative.** Any conflict between one or more provisions of these Bylaws and one or more provisions of the Articles of Incorporation shall be resolved in favor of the provision(s) set forth in the Articles of Incorporation. Any conflict between one or more provisions of these Bylaws and one or more provisions of the Declaration shall be resolved in favor of the provision(s) set forth in the Declaration.

Section 2. The omission or failure of the Association or any Member to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provisions of the Declaration or these Bylaws shall not constitute or be deemed a waiver, modification or release thereof, and the Board shall have the right to enforce the same thereafter.

ARTICLE XIII
AMENDMENTS

These Bylaws may be altered, amended or repealed at any regular or special meeting of the Members if notice of such proposed action be contained in the notice of such special meeting, such action to require the Majority Vote of the Members.

ARTICLE XIV
IMDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. As utilized in this Article, the following terms shall have the meanings indicated:

- (1) "Corporation" or "corporation" means the Association and also includes any domestic or foreign predecessor entity of the Corporation in a merger, consolidation or other transaction in which the liabilities of the predecessor are transferred to the Corporation by operation of law and in any other transaction in which the Corporation assumes the liabilities of the predecessor but does not specifically exclude liabilities that are the subject matter of this Article.

- (2) “Expenses” include court costs and reasonable attorneys’ fees.
- (3) “Official capacity” means: (i) when used with respect to a Director, the office of Director in the Corporation, and (ii) when used with respect to a person other than a Director, the elective or appointive office in the Corporation held by the officer or the employment or agency relationship undertaken by the employee or agent on behalf of the Corporation, but (iii) in both (i) and (ii) above does not include service for any other foreign or domestic Corporation or any partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise.
- (4) “Proceeding” means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrate or investigative, any appeal in such an action, suit, or proceeding and any inquiry or investigation that could lead to such an action, suit or proceeding.

Section 2. The Corporation shall indemnify a person who was, is or is threatened to be made a named defendant or respondent in a proceeding because the person is or was a Director only if it is determined in accordance with Section 6 of this Article that the person; (1) conducted himself in good faith; (2) reasonably believed; (a) in the case of conduct in his official capacity as a Director of the interests, and (b) in all other cases, that his conduct was in the Corporation’s best interests, and (b) in all other cases, that his conduct was at least not opposed to the Corporation’s best interests; and (3) in the case of any criminal proceeding, had no reasonable cause to believe that his conduct was unlawful.

Section 3. A Director shall not be indemnified by the Corporation as provided in Section 2 of this Article for obligations resulting from a proceeding: (1) in which the Director is found liable on the basis that personal benefit resulted from an action taken in the person’s official capacity; or (2) in which the person is found liable to the Corporation, except to the extent permitted in Section 5 of this Article.

Section 4. The termination of proceeding by judgment, order, settlement or conviction or on a plea of nolo contendere or its equivalent is not of itself determinative that the person did not meet the requirements set forth in Section 2 of this Article. A person shall be deemed to have been found liable in respect of any claim, issue or matter only after the person shall have been so adjudged by a court of competent jurisdiction after exhaustion of all appeals there from or after such judgment becomes final and non-appealable.

Section 5. A person may be indemnified by the Corporation as provided in Section 2 of this Article against judgments, penalties (including excise and similar taxes),

JK

finances, settlements and reasonable expenses actually incurred by the person in connection with a proceeding; but if the person is found liable to the Corporation or is found liable on the basis that personal benefit was improperly received by the person, the indemnification (1) is limited to reasonable expenses actually incurred by the person in connection with the proceeding, and (2) shall not be made in respect of any proceeding in which the person shall have been found liable for willful or intentional misconduct in the performance of his duty to the Corporation.

Section 6. A determination of indemnification under Section 2 of this Article must be made: (1) by a majority vote of a quorum of Directors who at the time of the vote are not named defendants or respondents in the proceeding; (2) if such a quorum cannot be obtained by a majority vote of a committee of the Board of Directors, designated to act in the matter by a majority vote of all Directors, consisting solely of two or more Directors who at the time of the vote are not named defendants or respondents in the proceeding; or (3) by special legal counsel selected by the Board of Directors or a committee of the Board of Directors by vote as set forth in subsection (1) or (2) of this Section 6, or, if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all Directors.

Section 7. Authorization of indemnification and determination as to reasonableness of expenses must be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification and determination as to reasonableness of expenses must be made in the manner specified by subsection (3) of Section 6 of this Article for the selection of special legal counsel. A provision contained in the Articles of Incorporation, the Bylaws, a resolution of Directors or an agreement that makes mandatory the indemnification described in Section 2 of this Article shall be deemed to constitute authorization of indemnification in the manner required herein, even though such provision may not have been adopted or authorized in the same manner as the determination that indemnification is permissible.

Section 8. The Corporation shall indemnify a Director against reasonable expenses incurred by him in connection with a proceeding in which he is a named defendant or respondent because he is or was a Director if he has been wholly successful, on the merits or otherwise, in the defense of the proceeding.

Section 9. If, upon application of a Director, a court of competent jurisdiction determines, after giving any notice the court considers necessary, that the Director is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not he has met the requirements set forth in Section 2 of this Article or has been found liable in the circumstances described in Section 3 of this Article, the Corporation shall indemnify the Director to such further extent as the court shall determine; but if the person is found liable on the basis that personal benefit was improperly received by the person, the indemnification shall be limited to reasonable expenses actually incurred by the person in connection with the proceeding.

Section 10. Reasonable expenses incurred by a Director who was, is, or is threatened to be made a named defendant or respondent in a proceeding may be paid or reimbursed by the Corporation in advance of the final disposition of the proceeding and without the determination specified in Section 6 of this Article or the authorization or determination specified in Section 7 of this Article, after the Corporation receives a written affirmation by the Director of his good faith belief that he has met the standard of conduct necessary for indemnification under this Article and a written undertaking by or on behalf of the Director to repay the amount paid or reimbursed if it is ultimately determined that he has not met that standard or it is ultimately determined that he has not met that standard or it is ultimately determined that indemnification of the Director against expenses incurred by him in connection with that proceeding is prohibited by Section 5 of this Article. A provision contained in the Articles of Incorporation, these Bylaws, a resolution of the Directors or an agreement that makes mandatory the payment or reimbursement permitted under this Section shall be deemed to constitute authorization of that payment or reimbursement.

Section 11. The written undertaking required by Section 10 of this Article must be an unlimited general obligation of the Director but need not be secured. It may be accepted without reference to financial ability to make repayment.

Section 12. Notwithstanding any other provision of this Article, the Corporation may pay or reimburse expenses incurred by a Director in connection with his appearance as a witness or other participation in a proceeding at a time when he is not named defendant or respondent in the proceeding.

Section 13. An officer of the Corporation shall be indemnified by the Corporation as and to the same extent provided for a Director by Sections 7, 8 and 9 of this Article and is entitled to seek indemnification under those Sections to the same extent as Director. The Corporation may indemnify and advance expenses to an officer, employee, or agent of the Corporation to the same extent that it may indemnify and advance expenses to Directors under this Article.

Section 14. The Corporation may indemnify and advance expenses to persons who are not or were not officers, employees or agents of the Corporation but who are or were serving at the request of the Corporation as a Director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic Corporation, partnership, joint venture, sole proprietorship, trust or other enterprise to the same extent that it may indemnify and advance expenses to Directors under this Article.

Section 15. The Corporation may indemnify and advance expenses to an officer, employee, agent or person identified in Section 14 of this Article and who is not a Director to such further extent, consistent with law, as may be provided by the Articles of Incorporation, these Bylaws, general or specific action of the Board of Directors or contract or as permitted or required by common law.

Section 16. The Corporation may purchase and maintain insurance or another arrangement on behalf of any person who is or was a Director, officer, employee or agent of the Corporation or who is or was serving at the request of the Corporation as a Director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic Corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, against any liability asserted against him and incurred by him in such a capacity or arising out of his status as such a person, whether or not the Corporation would have the power to indemnify him against that liability under this Article. Without limiting the power of the Corporation to procure or maintain any kind of insurance or other arrangement, the Corporation may, for the benefit of persons indemnified by the Corporation; (1) create a trust fund; (2) establish any form of self-insurance; (3) secure its indemnity obligations by grant of a security interest or other lien on the assets of the Corporation; or (4) establish a letter of credit, guaranty or surety arrangement. The insurance or other arrangement may be procured, maintained or established within the Corporation or with any insurer or other person deemed appropriate by the Board of Directors, regardless of whether all or part of the stock or other securities of the insured or other person are owned in whole or part by the Corporation. In the absence of fraud, the judgment of the Board of Directors as to the terms and conditions of the insurance or other arrangement and the identity of the insurer or other person participating in an arrangement shall be conclusive, and the insurance or arrangement shall not be voidable and shall not subject the Directors approving the insurance or arrangement to liability, on any ground, regardless of whether Directors participating in the approval are beneficiaries of the insurance or arrangement. Notwithstanding the provisions of this Section 16, in the event of any conflict between the provisions of this Section 16 and the provisions of the Declaration, the provisions of the Declaration shall control.

Section 17. Notwithstanding any provisions of this Article XIV to the contrary, no indemnification shall be authorized by or provided under this Article XIV for any act specifically referenced in the Declaration as an act for which no indemnity shall be provided by the Association.

THE DULY ELECTED SECRETARY OF THE ASSOCIATION CERTIFIED THAT THESE INITIAL BYLAWS OF THE ASSOCIATION WERE DULY ADOPTED BY THE BOARD OF DIRECTORS OF THE ASSOCIATION ON

7/26/16

Jan O'Keefe, HOA President 7/23/17

Subscribed and sworn to before me this 23rd day of Jan, 2017

Notary Public

Khushi Sajjad

