

BYLAWS
OF
ROBSON RANCH VILLAS ASSOCIATION NO. 1, INC.

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**BYLAWS
OF
ROBSON RANCH VILLAS ASSOCIATION NO. 1, INC.**

**Article I
Name, Principal Office and Definitions**

Section 1.1. Name. The name of the corporation shall be **ROBSON RANCH VILLAS ASSOCIATION NO. 1, INC.** (the "Villas Association").

Section 1.2. Principal Office. The principal office of the Villas Association in the State of Texas shall be located in Denton County. The Villas Association may have such other offices, either within or outside the State of Texas, as the Board of Directors of the Villas Association (the "Villas Board") may determine or as the affairs of the Villas Association may require.

Section 1.3. Definitions. The words used in these Bylaws shall be given their ordinary, commonly understood definitions. Capitalized terms used but not defined in these Bylaws shall have the same meaning as in the Declaration Of Annexation And Tract Declaration For Robson Ranch – Unit 47 And Declaration of Covenants, Conditions and Restrictions for Robson Ranch Villas (such Declaration, as amended, renewed or extended from time to time, is hereinafter sometimes referred to as the "Villas Declaration"), unless the context shall otherwise require. The Villas Declaration, any Tract Declaration annexing additional property into the area governed by the Villas Declaration, the Certificate of Formation of the Villas Association, any rules or regulations adopted by the Villas Association, these Bylaws, as each of the foregoing documents may be amended or supplemented from time to time, are sometimes collectively referred to in these Bylaws as the Association's "Governing Documents".

**Article II
Villas Association: Membership, Meetings, Quorum, Voting, Proxies**

Section 2.1. Membership. Each Owner of a Villas Lot shall be a member of the Villas Association (each, a "Member"), as more fully set forth in the Villas Declaration. The provisions of the Villas Declaration pertaining to membership are specifically incorporated herein by reference.

Section 2.2. Place of Meetings. Meetings of the Villas Association shall be held at the principal office of the Villas Association or at such other suitable place convenient to the members of the Villas Association as the Villas Board may designate.

Section 2.3. Annual Meetings. An annual meeting of the Members of the Villas Association shall be held on such date and at such time and place as may be designated from time to time by the Villas Board and stated in the notice of such meeting. To the extent required by Texas law (including Section 22.153 of the Texas Business Organizations Code) as such

laws/statutes may be amended hereafter, a meeting of the members of the Villas Association shall be held at least once each year.

Section 2.4. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting if so directed by resolution of a majority of the Villas Board or upon a petition signed by Members representing at least ten percent (10%) of the total votes of the Villas Association.

Section 2.5. Notice of Meetings. Written or printed notice stating the place, day and hour of any meeting of the Members shall be delivered, either personally, by mail or by electronic mail, to each Member not less than ten (10) nor more than sixty (60) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting. Each Member must keep an updated electronic mail address registered with the Villas Association.

In the case of a special meeting or when required by statute or these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the Villas Association, with postage thereon prepaid. If electronically mailed, the notice of a meeting shall be deemed to be delivered when the Villas Association electronically transmits the notice to the Member's registered electronic mail address as it appears on the records of the Villas Association.

Section 2.6. Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member shall be deemed waiver by such Member of notice of the time, date and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed waiver of notice of all business transacted unless an objection on the basis of lack of proper notice is raised before the business is put to a vote. In addition, all information and/or irregularities in calls, notices and in manner of voting form of proxies, credentials and method of ascertaining those present shall be deemed waived if no objection is made at the meeting or if waived in writing.

Section 2.7. Adjournment of Meetings. If any meeting of the Villas Association cannot be held because a quorum is not present, one additional meeting may be called, subject to the notice requirements set forth in Section 2.5, and the required quorum at such second meeting shall be one-half (1/2) of the required quorum at the preceding meeting; provided, however, that no such second meeting shall be held more than sixty (60) days following the first meeting.

The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of

enough Members to leave less than a quorum, provided that any action taken is approved by Members representing at least a majority of the votes required to constitute a quorum.

Section 2.8. Voting Rights. The voting rights of the Members shall be as set forth in the Villas Declaration and these Bylaws, and the Villas Declaration's voting rights provisions are specifically incorporated herein.

Section 2.9. Voting Methods. Members may vote in person, by proxy, by absentee ballot or by electronic ballot except as specifically provided otherwise in the Governing Documents. An electronic ballot means a ballot given by (i) electronic mail, (ii) facsimile, or (iii) posting on an Internet website, for which the identity of the Member can be confirmed and for which the Member may receive a receipt of the transmission and receipt of the Member's ballot. All proxies, absentee ballots and electronic ballots shall be in writing, dated, signed by the Member and filed with the Secretary or other person designated by the Villas Board to receive proxies/ballots before the appointed time of each meeting. If an electronic ballot is posted on an Internet website, a notice of the posting shall be sent to each Member that contains instructions on obtaining access to the website posting. Proxies and absentee ballots shall be deemed to have been filed upon the Secretary's or other designated person's receipt of the proxy/absentee ballot by mail, facsimile or hand delivery. Ballots cast electronically shall be deemed to have been filed upon the Secretary's or other designated person's receipt of the electronic ballot as evidenced by a facsimile confirmation receipt or an electronic transmission receipt. Electronic ballots must be filed at least three (3) hours prior to the time of the meeting. Electronic ballots which are electronically mailed from the Member's registered electronic mail address shall be deemed to be signed by the Member. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of such Member's Lot, or upon receipt of notice by the Secretary of the death or judicially declared incompetence of a Member, or of written revocation, or upon the expiration of eleven (11) months from the date of the proxy.

Section 2.10. Majority. As used in these Bylaws, the term "majority" shall mean those votes, owners or other group, as the context may indicate, totaling more than fifty percent (50%) of the total number.

Section 2.11. Quorum. The presence in person, by proxy, by absentee ballot or by electronic ballot of Members representing at least ten percent (10%) of the votes of all Members and, until the Villas Transition Date, the presence of a duly appointed representative of the Declarant, shall constitute a quorum at all special meetings of the Villas Association. Members who are present in person, by proxy, by absentee ballot or by electronic ballot at an annual meeting, and, until the Villas Transition Date, the presence of a duly appointed representative of the Declarant, shall constitute a quorum at all annual meetings of the Villas Association. Absentee or electronic ballots may be counted towards a quorum only for items appearing on the ballot.

Section 2.12. Conduct of Meetings. The President shall preside over all meetings of the Villas Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions

occurring at the meeting.

Section 2.13. Action Without a Meeting. Any action required by law 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 written consent setting forth the action so 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, and any such consent shall have the same force and effect as a unanimous vote of the Members. Such consents shall be signed within sixty (60) days after receipt of the earliest dated consent, dated and delivered to the Villas Association. Such consents shall be filed with the minutes of the Villas Association and shall have the same force as a vote of Members at a meeting. Each written consent shall bear the date of the signature of each Member who signs the consent. Within ten (10) days following authorization of any action by written consent, the Villas Association shall give notice to all Members of the material features of the authorized action.

Article III

Board of Directors; Number, Powers, Meetings

A. Composition and Selection.

Section 3.1. Governing Body; Composition. The affairs of the Villas Association shall be governed by a Board of Directors (the "Villas Board"), and each director shall have one vote. Except with respect to directors appointed by the Declarant, directors must be Members of the Villas Association or spouses of such Members; provided, however, no person and his or her spouse may serve on the Villas Board at the same time unless each spouse is a Member of the Villas Association. In the case of a Member which is not a natural person, the person designated in writing to the Secretary of the Villas Association as the representative of such Member shall be eligible to serve as a director. Members who have been convicted of a felony or crime involving moral turpitude may not serve as a director.

Section 3.2. Number of Directors. The initial Villas Board shall consist of the three (3) persons named in the Certificate of Formation. Thereafter, prior to the Villas Transition Date, Declarant shall have the right to change the number of directors in its sole and absolute discretion. After the Villas Transition Date, the number of Directors may be altered from time to time by resolution or a majority vote of the Villas Board.

Section 3.3. Election and Term of Office. Subject to the provisions of this Section 3.3 below, the directors shall be selected by the Declarant acting in its sole discretion and shall serve at the pleasure of the Declarant until the Villas Transition Date. Notwithstanding any other provision contained herein:

(a) On or before the 120th day after the date that Owners of Villas Lots other than Declarant own at least seventy-five percent (75%) of the Villas Lots that may be created and made subject to the Villas Declaration, or the tenth anniversary of the recording of the Villas Declaration, whichever is sooner, or whenever Declarant earlier determines, a meeting shall be held at which Members other than Declarant, shall be entitled to elect one (1) of the three (3)

directors, who shall be an at-large director. The remaining two (2) directors shall be appointees of the Declarant. The director elected by the Owners of Villas Lots other than Declarant shall not be subject to removal by Declarant and shall be elected for a term of two (2) years or until the happening of the event described in Subsection (b) below, whichever is shorter. If such director's term expires prior to the happening of the event described in Subsection (b) below, a successor shall be elected in the same manner for a like term.

(b) On or before the 120th day after the Villas Transition Date, the Villas Association shall call a meeting at which Members representing both the Members other than the Declarant and the Declarant shall be entitled to elect the directors. If the Villas Board consists of three (3) members, two (2) directors shall be elected for a term of two (2) years and one (1) director shall be elected for a term of one (1) year. If the Villas Board consists of five (5) directors, three (3) directors shall be elected for a term of two (2) years and two (2) directors shall be elected for a term of one (1) year. At the expiration of the initial term of office of each member of the Villas Board and at each annual meeting thereafter, a successor shall be elected to serve for a term of two (2) years.

Section 3.4. Nomination and Election Procedures.

(a) Nominations. Nominations for election of Directors to the Villas Board (other than directors to be appointed by Declarant or appointed by the Villas Board to fill a vacancy) may be made from the floor, by written request of a Member to the Secretary or other person designated by the Villas Board, or by a committee designated by the Villas Board to accept nominations, such as a Nominating Committee. The Nominating Committee, if created, shall consist of a chairman, who shall be a director, and two (2) or more members of the Villas Association. The Nominating Committee shall be appointed, if at all, by the Villas Board not less than thirty (30) days prior to each annual meeting of the Members to serve a term of one (1) year or until their successors are appointed. Any Member whose nomination is received by the Secretary or other designated person or committee at least three (3) days prior to the delivery of the annual meeting notice, shall be included on the proxy/absentee ballot of the Villas Association provided with the notice of the annual meeting. Any Member whose nomination is received after this period as well as any Member nominated from the floor at the annual meeting shall be included among the nominees running for election to the Villas Board. A change in the list of nominees after the date that the annual meeting notice is sent shall not constitute an amendment to the motion to elect directors. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes. The Villas Board may adopt additional rules governing the procedures for the nomination of directors.

(b) Election Procedures. Each Member may cast all votes attributed to the Lots which such Member represents for each vacancy to be filled. A candidate, or his or her parent, child, brother, sister, grandparent, grandchild, great grandparent, great grandchild, aunt, or uncle may not count the votes for an election. A person who is authorized to count votes may not disclose to any other person how a Member voted; provided, however, that in the event of a recount, the person conducting the recount may be provided access to the ballots for purposes of the recount. There shall be no cumulative voting. That number of candidates equal to the number of positions to be filled and who receive the greatest number of votes shall be elected. The directors

more than sixty (60) days before the date of the meeting. Notices posted in the conspicuous community location or on the Villas Association's website shall be posted at least seventy-two (72) hours before the start of the meeting. Notices given by electronic mail shall be transmitted at least seventy-two (72) hours before the time set for the meeting.

Section 3.10. Notice to Members Not Required. Notwithstanding the notice requirements of Section 3.9, and except as provided below, notice to the Members is not required for Villas Board meetings which are convened to consider the following matters: (i) emergencies requiring immediate Villas Board action; or (ii) routine and administrative matters. In the event that the Villas Board meets without notice to the Members and takes any action with respect to either (i) or (ii) above, the Villas Board shall orally summarize the actions taken at the next Villas Board meeting and record those actions in the minutes of that next meeting.

Notwithstanding this Section 3.10, notice to Members of Villas Board meetings to discuss or act upon any of the following matters must be provided to the Members as provided in Section 3.9 even though the matter may be an emergency or a routine or administrative matter: (i) fines; (ii) damage assessments; (iii) initiation of foreclosure actions; (iv) initiation of enforcement actions (except actions that seek the issuance of a temporary restraining order or that relate to violations involving a threat to health or safety); (v) increases in assessments; (vi) levying of special assessments; (vii) appeals from a denial of architectural review approval; or (viii) a suspension of a right of a particular Member.

Section 3.11. Villas Board Meetings Prior to Villas Transition Date. Notwithstanding any other provision in these Bylaws to the contrary, prior to the Villas Transition Date, Members are not required to be notified of a Villas Board meeting as provided in Section 3.9 or 3.10 of these Bylaws, a Villas Board meeting is not required to be open to the Members, the Villas Board meeting is not required to be held in Denton County or in a county adjacent thereto, and the Villas Board is not required to meet in person for any reason, unless a Villas Board meeting is conducted for the purpose of: (i) adopting or amending the Governing Documents; (ii) increasing the amount of the Base Assessment or adopting or increasing a Special Assessment; (iii) electing non-developer Villas Board members or establishing a process by which those members are elected; or (iv) changing the voting rights of the Members.

Section 3.12. Waiver of Notice. Notice of a Villas Board meeting is not required to be given to a director or Member entitled to notice if the director or Member signs a written waiver of notice of the meeting either before or after the meeting. The waiver of notice or consent need not specify the purpose of the meeting. Attendance or participation of a director or Member at a meeting constitutes a waiver of notice of the meeting, unless the director or Member attends a meeting for the sole purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. Attendance or participation of a director or a Member at a meeting constitutes a waiver of notice of a particular matter at the meeting that is not included in the purposes of the meeting described in the notice, unless the director or Member objects to considering the matter when it is presented.

Section 3.13. Telephonic and Electronic Meetings. Members of the Villas Board or any

committee may participate in a meeting of the Villas Board or committee by means of conference telephone, or similar communications equipment, by means of which all persons participating in the meeting can simultaneously communicate with one another to consider the following matters: (i) emergencies requiring immediate Villas Board action; or (ii) routine and administrative matters. Notwithstanding the above, Villas Board meetings to discuss or act upon any of the following matters must be held in person even though the matter may be an emergency or a routine or administrative matter: (i) fines; (ii) damage assessments; (iii) initiation of foreclosure actions; (iv) initiation of enforcement actions (except actions that seek the issuance of a temporary restraining order or that relate to violations involving a threat to health or safety); (v) increases in assessments; (vi) levying of special assessments; (vii) appeals from a denial of architectural review approval; or (viii) a suspension of a right of a particular Member. Participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.

Section 3.14. Quorum of Villas Board. At all meetings of the Villas Board, a majority of the directors, including at least one Declarant-appointed director, if any, shall constitute a quorum for the transaction of business, and the directors present at a meeting at which a quorum is present shall constitute the decision of the Villas Board unless the Governing Documents otherwise specifically require the affirmative vote of a higher number of Directors on a specific matter. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Villas Board cannot be held because a quorum is not present, a majority of the directors who are present at such meeting may adjourn the meeting to a date and time not less than ten (10) nor more than sixty (60) days from the date the original meeting was called, subject to the notice requirements set forth in Section 3.9 and Section 3.10. At the reconvened meeting, if a quorum is present, any business which might have transacted at the meeting originally called may be transacted without further notice.

Until the Transition Date, any Director may grant his or her proxy to any other Director. A Director holding a proxy or proxies may employ any number of proxies to cast the vote or votes of an absent Director or Directors as if such absent Director or Directors were present in person. Any number of proxies may be used to establish the existence of a quorum.

Section 3.15. Adjournments of Villas Board Meetings. The Villas Board may adjourn any meeting from day to day or for such other time as may be determined by the Villas Board. If the Villas Board recesses a regular or special Villas Board meeting to continue the following regular business day, the Villas Board is not required to post notice of the continued meeting if the recess is taken in good faith and not to circumvent the right of Members to notice of and attend Villas Board meetings. If a regular or special Villas Board meeting is continued to the following regular business day, and on that following day the Villas Board continues the meeting to another day, the Villas Board shall give notice of the continuation in at least one manner prescribed by Section 3.9 within two (2) hours after adjourning the meeting being continued.

Section 3.16. Compensation. No director shall receive any compensation from the Villas Association for acting as such; provided any director may be reimbursed for expenses incurred

on behalf of the Villas Association upon approval of a majority of the other directors. No remuneration shall be paid to a Director for services performed by the Director for the Villas Association in any other capacity, unless a resolution authorizing such remuneration shall have been adopted by the Board and such remuneration does not conflict with applicable law or the Governing Documents.

Section 3.17. Conduct of Meetings. The President shall preside over all meetings of the Villas Board, and the Secretary shall keep a minute book of meetings of the Villas Board, recording therein all resolutions adopted by the Villas Board and all transactions and proceedings occurring at such meetings.

Section 3.18. Open Meetings. Except as provided in Section 3.11, all meetings of the Villas Board shall be open to all Members, but Members other than directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director. In such case, the President may limit the time any Member may speak. Notwithstanding the above, the Villas Board may adjourn any meeting of the Villas Board and reconvene in executive session, excluding Members, to discuss the following matters: (i) personnel matters; (ii) pending or threatened litigation; (iii) contract negotiations; (iv) enforcement actions; (v) confidential communications with attorneys; (vi) matters involving the invasion of privacy of individual Members; or (vii) matters that are to remain confidential by request of the affected parties and agreement of the Villas Board. The general nature of any business to be considered in executive session must first be announced at the open meeting. Any decision made or expenditure approved shall be orally summarized (including a general explanation of expenditures) at the meeting and recorded in the minutes of the meeting in such a manner as to protect the sensitive or confidential nature of the information discussed.

Section 3.19. Action Without a Formal Meeting. Routine and administrative actions or emergencies requiring immediate Villas Board action (other than those routine or emergency matters set forth in Section 3.10), may be taken without a meeting of the Villas Board if a consent in writing, setting forth the action so taken, shall be signed by a sufficient number of directors as would be necessary to take that action at a meeting at which all of the directors were present and voted, and such consent shall have the same force and effect as a unanimous vote. The Villas Board shall orally summarize any action taken without a formal meeting by written consent at the next Villas Board meeting and shall record those actions in the minutes of that next meeting.

C. Powers and Duties.

Section 3.20. Powers. The Villas Board shall have all of the powers and duties necessary for the administration of the Villas Association's affairs and, as provided by law, may do or cause to be done all acts and things as are not by the Governing Documents or by law directed to be done and exercised exclusively by the Members or the membership generally.

Section 3.21. Duties. The duties of the Villas Board shall include, without limitation, the following:

(a) preparation and adoption, in accordance with the Villas Declaration, of annual budgets in which there shall be established the contribution of each Owner to the common expenses;

(b) making assessments to defray the common expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment; provided, unless otherwise determined by the Villas Board, the annual assessment for each Lot's proportionate share of the common expenses shall be payable on January 1 of each year;

(c) providing for the operation, care, upkeep and maintenance of all of the Villas Areas;

(d) designating, hiring and dismissing the personnel necessary for the operation of the Villas Association and the maintenance, operation, repair and replacement of its property and the Villa Areas and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies and materials to be used by such personnel in the performance of their duties;

(e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve and using the proceeds to operate the Villas Association; provided, any reserve fund may be deposited in the directors' best business judgment, in depositories other than banks;

(f) making and amending rules and regulations;

(g) opening of bank accounts on behalf of the Villas Association and designating the signatories required;

(h) making or contracting for the making of repairs, additions and improvements to or alterations of the Villas Areas in accordance with the other provisions of the Villas Declaration and these Bylaws after damage or destruction by fire or other casualty;

(i) enforcing by legal means the provisions of the Governing Documents and bringing any proceedings which may be instituted on behalf of or against the owners concerning the Villas Association;

(j) obtaining and carrying insurance against casualties and liabilities, as provided in the Villas Declaration, and paying the premium cost thereof;

(k) paying the cost of all services rendered to the Villas Association or its Members and not chargeable directly to specific Owners;

(l) keeping books with detailed accounts of the receipts and expenditures

affecting the Villas Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred;

(m) making available upon written request to any prospective purchaser of a Lot, any Owner of a Lot, any First Mortgagee, and the holders, insurers and guarantors of a First Mortgage on a Lot, at the requesting parties' expense, current copies of the Governing Documents and all other books, records and financial statements of the Villas Association; and

(n) permitting utility suppliers to use portions of the Villas Areas reasonably necessary to the ongoing development or operation of the Properties.

Section 3.22. Management. The Villas Board may employ for the Villas Association a professional management agent or agents at a compensation established by the Villas Board to perform such duties and services as the Villas Board shall authorize. The Villas Board may delegate to one or more committees thereof, or to its managing agent or manager, subject to the Villas Board's supervision, all of the powers granted to the Villas Board by these Bylaws.

Section 3.23. Accounts and Reports. The following management standards of performance will be followed unless the Villas Board by resolution specifically determines otherwise:

(a) accrual or cash accounting, as defined by generally accepted accounting principles, shall be employed;

(b) accounting and controls should conform to generally accepted accounting principles;

(c) cash accounts of the Villas Association shall not be commingled with any other accounts;

(d) no remuneration shall be accepted by the managing agent from vendors, independent contractors or others providing goods or services to the Villas Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts or otherwise; anything of value received shall benefit the Villas Association;

(e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Villas Association shall be disclosed promptly to the Villas Board;

(f) an annual report consisting of at least the following shall be made available to all Members within one hundred twenty (120) days after the close of the fiscal year: (i) a balance sheet; (ii) an operating (income statement); and (iii) a statement of changes in financial position for the fiscal year. The annual report referred to above shall be prepared on an audited, reviewed or compiled basis, as determined by the Villas Board, by an independent public accountant; provided, upon written request of any holder, guarantor or insurer of any First Mortgage on a

Lot, the Villas Association shall provide an audited financial statement at the expense of the requesting party.

Section 3.24. Rights of the Association. With respect to the Villas Areas, and in accordance with the Certificate of Formation and the Villas Declaration, the Villas Association shall have the right to contract with any person for the performance of various duties and functions. Without limiting the foregoing, this right shall entitle the Villas Association to enter into common management, operational or other agreements with trusts, condominiums, cooperatives and other owners or residents associations, both within and without the Properties. Such agreements shall require the consent of a majority of the total number of directors of the Villas Association.

Section 3.25. Enforcement. The Villas Association shall have the power to impose sanctions, including the levying of fines, for violations of the Governing Documents. The failure of the Villas Board to enforce any provision of the Governing Documents shall not be deemed a waiver of the right of the Villas Board to do so thereafter or of the right to enforce any other violation.

(a) Notice. Except as provided below, prior to suspending an Owner's right to use the Villas Areas, filing suit against an Owner (other than a lawsuit to collect an assessment or related charge or to foreclose the Villas Association's assessment lien), charging an Owner for property damage, or levying a fine for a violation of the Governing Documents, the Villas Board or its delegate shall serve the alleged violator with written notice by certified mail, return receipt requested, notifying the Owner of the following: (i) the nature of the alleged violation or property damage and the amount, if any, due the Villas Association from the Member, (ii) a reasonable time period in which the violator may cure the violation and avoid the proposed sanction (unless the violator was given notice and a reasonable opportunity to cure a similar violation within the preceding six months), (iii) that the Owner may present a written request for a hearing on or before the 30th day after the date the Owner receives this notice, and (iv) notice that the owner "may have special rights or relief related to the enforcement action under federal law, including the Servicemembers Civil Relief Act (50 U.S.C. app. Section 501 et seq.), if the owner is serving on active military duty."

The notice and hearing provisions of this Section 3.25 do not apply if the Villas 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.

(b) Hearing. If a hearing is requested within the allotted thirty (30) day period, the hearing shall be held before the Villas Board in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the Person who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

(c) Additional Enforcement Rights. Notwithstanding anything to the contrary

herein contained, the Villas Board may elect to enforce any provision of the Governing Documents by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking restrictions or rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the notice and hearing procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred. Any entry onto a Lot for purposes of exercising this power of self-help shall not be deemed a trespass.

Article IV **Officers**

Section 4.1. Officers. The officers of the Villas Association shall be a President, Vice President, Secretary and Treasurer, to be appointed by the Villas Board from among the members of the Villas Board. The Villas Board may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Villas Board. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 4.2. Election and Term of Office. The officers of the Villas Association shall be elected annually by the Villas Board at the first meeting of the Villas Board following each annual meeting of the Members.

Section 4.3. Removal and Vacancies. Any officer may be removed by the Villas Board, with or without cause. A vacancy in any office arising because of death, resignation, removal or otherwise may be filled by the Villas Board for the unexpired portion of the term or for such other term as the Villas Board may specify.

Section 4.4. Powers and Duties. The officers of the Villas Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time specifically be conferred or imposed by the Villas Board. The President shall be the chief executive officer of the Villas Association. The Treasurer shall have primary responsibility for the deposit of all moneys and other valuable effects in the name, and to the credit, of the Villas Association in such depositories as may from time to time be designated by the Villas Board.

Section 4.5. Resignation. Any officer may resign at any time by giving written notice to the Villas Board, the President or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4.6. Agreements, Contracts, Deeds, Leases, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Villas Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Villas Board.

Section 4.7. Compensation. Compensation of officers shall be subject to the same limitations as compensation of directors under Section 3.16.

Article V **Committees**

Section 5.1. General. Committees are hereby authorized to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Each committee shall cooperate in accordance with the terms of the resolution of the Villas Board designating the committee or with rules adopted by the Villas Board.

Article VI **Miscellaneous**

Section 6.1. Fiscal Year. The fiscal year of the Villas Association shall be set by resolution of the Villas Board. In the absence of a resolution, the fiscal year shall be the calendar year.

Section 6.2. Conflicts. If there are conflicts between the provisions of Texas law, the Certificate of Formation, the Villas Declaration (including any Tract Declaration annexing additional property into the area served by the Villas Association), these Bylaws, and any rules or regulations adopted by the Villas Board, the provisions of Texas law, the Villas Declaration, the Certificate of Formation, the Bylaws and the rules and regulations (in that order) shall prevail.

Section 6.3. Books and Records.

(a) Inspection by Mortgagees. Except for Confidential Records (as defined in Section 6.3(e) below), the books and records of the Villas Association (including financial records) shall be made available for inspection and copying by any holder, insurer or guarantor of a First Mortgage on a Lot, or by the duly appointed representative of any of the foregoing, upon written request stating a proper purpose for the request. Such inspection shall take place during normal business hours at the office of the Villas Association or at such other place within the Villas Property as the Villas Board shall prescribe. The cost, including copy charges, document retrieval charges and a reasonable administrative fee, shall be at the expense of the requesting party and may be required to be paid in advance of the inspection.

(b) Inspection or Production of Records. Each Member of the Villas Association may submit a written request to the Villas Board or its representative by certified mail to the address of the Villas Association or authorized representative as listed on the most current management certificate filed of record, to either inspect the books and records of the Villas Association (including financial records) identified in the request or to have the Villas Association deliver those books and records identified in the request to the Member or to a person designated in a writing signed by the Member as the Member's agent, attorney or

certified public accountant. Except for Confidential Records (as defined in Section 6.3(e) below), the Member may inspect or the Villas Association must produce the books and records identified in the request. If the Member requests to inspect the Villas Association's books and records, the Villas Association must, on or before ten (10) business days of receipt of a request, send written notice of the dates and times during normal business hours that the Member may perform the inspection to the extent that those books and records are in the possession, custody or control of the Villas Association. If the Member requests that the Villas Association produce the books and records, the Villas Association must, to the extent that those books and records are in the possession, custody or control of the Villas Association, either (i) produce the records requested on or before ten (10) business days from the date of receipt of the request; or (ii) if the Villas Association cannot produce records on or before ten (10) business days, inform the Member of that fact on or before the ten (10) business day time period and then produce the records on or before fifteen (15) business days of providing that notice.

(c) Inspection and Production Costs. The Villas Association shall adopt and record a records production and copying policy that prescribes the costs for compilation, production and copying of Villas Association records in response to a Member's records request. Upon adoption and recordation of this policy, the Villas Association may require the Member to pay, in advance, the estimated costs of the records inspection or production (subject to the cost limitations set forth under law). On or before the thirtieth (30th) business day following the completion of the document inspection or production, the Villas Association shall send the Member a final accounting invoice for the inspection or production. If the actual costs exceed the estimated costs of the inspection or production, the Member must reimburse the Villas Association on or before thirty (30) business days of the final accounting invoice. In the event that the Member fails to timely reimburse the Villas Association, the unpaid balance of the invoice shall be added to and become a part of the Member's assessment obligation to the Villas Association and a lien against the Member's Lot, and may be collected in the same manner as any other assessment payable to the Villas Association. If the actual costs are less than the estimated costs of the inspection or production of records, the Villas Association shall refund the excess amount to the Member on or before the thirtieth (30th) business day after the date that the Villas Association sends the final accounting invoice.

(d) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Villas Association and the physical Villas Property owned or controlled by the Villas Association. The right of inspection by a director includes the right to make extracts and a copy of relevant documents at the expense of the Villas Association.

(e) Confidential Records. Except as hereinafter provided, Members are not entitled to inspect or to have produced to them Confidential Records. For purposes of these Bylaws, Confidential Records shall mean and include records that identify a Member's covenant violation history, a Member's personal financial information (including payment and delinquency information) with the Villas Association, a Member's contact information (other than the Member's address in the development), employee records, attorney's files and records relating to the Villas Association (excluding invoices requested by a Member under Section 209.008(d) of the Texas Property Code), or documents constituting attorney work product or

SECRETARY'S CERTIFICATE

I, the undersigned, am the duly elected and acting Secretary of ROBSON RANCH VILLAS ASSOCIATION NO. 1, INC., a Texas non-profit corporation, and I do hereby certify:

That the within and foregoing Bylaws were adopted as the Bylaws of said corporation as of the 29th day of September, 2014, that the same do now constitute the Bylaws of said corporation, and that they have not been modified, amended nor rescinded.

IN WITNESS WHEREOF, I have hereunto subscribed my name as of September 29, 2014.


George Atwell, Secretary