

AMENDED AND RESTATED

BYLAWS OF

HOMEOWNERS ASSOCIATION OF FRISCO HILLS, INC.

(a Texas non-profit association)

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**ARTICLE 1
INTRODUCTION**

1.1. **Property.** These Amended and Restated Bylaws of HOMEOWNERS ASSOCIATION OF FRISCO HILLS, INC., provide for the governance of the neighborhood regime (the "Property") known as "FRISCO HILLS", and as more particularly described in that certain Declaration of Covenants, Conditions and Restrictions for FRISCO HILLS recorded as Document No. 2012-3257 in the Official Public Records of DENTON County, Texas, (the "**Declaration**").

1.2. **Parties to Bylaws.** All present or future Owners of Property and all other persons who use or occupy the Property in any manner are subject to these Bylaws, the Declaration, and the other documents as defined in the Declaration. The mere acquisition or occupancy of the Property will signify that these Bylaws are accepted, ratified, and will be strictly followed.

1.3. **Definitions.** Words and phrases defined in the Declaration have the same meanings when used in these Bylaws. Article 1 of the Declaration is incorporated herein by reference. The following additional words and phrases will have the meanings set forth in these Amended and Restated Bylaws:

1.3.1 "**Declarant Control Period**" means that period of time during which Declarant controls the operation of this Association. The duration of the Declarant Control Period will be from the date this Declaration is recorded for a maximum period not to exceed the earlier of:

- (1) ten (10) years from the date these Amended and Restated Bylaws are recorded; or
- (2) the date title to all Lots and all other portions of the Property has been conveyed to Owners other than Builders or the Declarant.

1.3.2 "**Documents**" means the Declaration, these Bylaws, the Rules and any other document referred to in the Declaration or these Bylaws.

1.4. **Nonprofit Purpose.** The Association is organized to be a nonprofit corporation.

1.5. **General Powers and Duties.** The Association, acting through the Board, has the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Property as may be required or permitted by the Documents and Texas law. The Association may do any and all things that are lawful and which are necessary, proper, or desirable in operating for the best interests of its Members, subject only to the limitations upon the exercise of such powers as are expressly set forth in

the Documents.

ARTICLE 2

BOARD OF DIRECTORS

2.1. **Governing Body; Composition.** The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one (1) vote. Except with respect to the initial directors appointed in the Articles of Incorporation, the directors shall be members or spouses of members; provided, however, no person and his or her spouse may serve on the Board at the same time.

2.2. **Number of Directors.** The number of directors in the Association shall be no less than three (3) or more than five (5). During the Declarant Control Period, the Board shall consist of three (3) directors. Upon the expiration of the Declarant Control Period, the number of directors on the Board may be increased from three (3) to five (5) by majority vote of the then-existing Board.

2.3. **Election and Term of Office.**

2.3.1. At the first annual Meeting following the expiration of such time as 75% of the maximum number of Lots planned or approved for the Property have been conveyed to Class A Members other than Builders who purchase Lots for development and sale, the voting Members shall elect three (3) directors to replace the existing ones, who may have been appointed by the Declarant. At such election, one director shall be elected for terms of three (3) years, two (2) years, and one (1) year, respectively, under such procedures as the Board may determine. At the expiration of each director's initial term and at each Annual Meeting thereafter, successors for each director whose term is expiring shall be elected to serve for a term of two (2) years.

2.3.2. Each voting Member shall be entitled to cast all votes attributable to the Lots which it represents with respect to each vacancy to be filled from each slate on which such voting Member is entitled to vote. The candidate receiving the most votes shall be elected. The directors elected by the voting Members shall hold office until their respective successors have been elected by the Association. Directors may be elected to serve any number of consecutive terms.

2.4. **Removal of Directors and Vacancies.** Any directors elected by the voting Members may be removed, with or without cause, by a majority of both the Class A and the Class B votes of the Association. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall then and there be elected by the remaining directors. Any director elected by the voting members who has three (3) consecutive, unexcused absences from Board meetings or who is delinquent in the payment of any Assessment or other charge due the Association for more than thirty (30) days may be removed by a majority of the directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board

to fill the vacancy for the remainder of the term. In the event of the death, disability, or resignation of a director, a vacancy may be declared by the Board, and it may appoint a successor to fill the vacancy for the remainder of the term.

2.5. **Qualification.** The following qualifications apply to the election or appointment of persons to the Board.

2.5.1. **Owners.** The directors must be Members of the Association or spouses of Members.

2.5.2. **Entity Member.** If a Property is owned by a legal entity, such as a partnership or corporation, any officer, partner, agent, or employee of that entity Member is eligible to serve as a director and is deemed to be a Member for the purposes of this Section. If the relationship between the entity Member and the director representing it terminates, that directorship will be deemed vacant.

2.6 **Meetings of the Board.**

2.6.1 **Organizational Meeting of the Board.** The first meeting of the Board following each annual meeting of the membership shall be held within sixty (60) days thereafter at such time and place as shall be fixed by the Board.

2.6.2 **Regular Meetings of the Board.** Regular meetings of the Board may be held at a time and place that the Board determines, from time to time, but at least one (1) such meeting must be held annually. Notice of regular meetings of the Board will be given to each director, personally or by telephone, written, or electronic communication, at least three (3) days prior to the date of the meeting.

2.6.3 **Special Meetings of the Board.** Special meetings of the Board may be called by the president or, if he is absent or refuses to act, by the secretary, or by any two (2) directors. At least three (3) days notice will be given to each director, personally or by telephone, written, or electronic communication, which notice must state the place, time, and purpose of the meeting.

2.6.4 **Emergency Meetings.** In case of emergency, the Board may convene a meeting after making a diligent attempt to notify each director by any practical method.

2.6.5 **Conduct of Meetings.** The president presides over meetings of the Board and the secretary keeps, or causes to be kept, a record of resolutions adopted by the Board and a record of transactions and proceedings, occurring at meetings.

2.6.6 Quorum. At meetings of the Board, a majority of directors constitutes a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present are the acts of the Board. If less than a quorum is present at a meeting of the Board, the Majority of those present may adjourn the meeting from time to time. At any reconvened meeting at which a quorum is present, any business that may have been transacted at the meeting as originally called may be transacted without further notice. Directors may not participate by proxy at meetings of the Board.

2.6.7 Meetings by Telephone or Electronic Means. A board meeting may be held by electronic or telephonic means provided that:

- (1) each board member may hear and be heard by every other board member;
- (2) except for any portion of the meeting conducted in executive session:
 - a. all Members in attendance at the meeting may hear all board members; and
 - b. Members are allowed to listen using any electronic or telephonic communication method used or expected to be used by a board member to participate; and
- (3) the notice of the meeting includes instructions for Members to access any communication method required to be accessible under Subdivision (2)(B).

2.6.8 Action without a Meeting. The board may take action outside of a meeting, including voting by electronic or telephonic means, without prior notice to Members, if each board member is given a reasonable opportunity to express the board member's opinion to all other board members and to vote. Any action taken without notice to Members must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting, and documented in the minutes of the next regular or special board meeting.

2.7 Liabilities and Standard of Care. In performing their duties, the directors are required to exercise certain standards of care and are subject to certain liabilities, including but not limited to the following provisions of State law: Sections 3.102, 3.105, 22.221, 22.223, 22.224, 22.225, 22.226, 22.227 and 22.230 of the Texas Business Organizations Code.

2.8 **Powers and Duties.** The Board has all the powers and duties necessary for the administration of the Association and for the operation and maintenance of the Property. The Board may do all acts and things except those which, by law or the Documents, are reserved to the Members and may not be delegated to the Board. Without prejudice to the general and specific powers and duties set forth in laws or the Documents, or powers and duties as may hereafter be imposed on the Board by resolution of the Association, the powers and duties of the Board include, but are not limited to, the following:

2.8.1 **Appointment of Committees.** The Board, by resolution, may from time to time designate standing or ad hoc committees to advise or assist the Board with its responsibilities. The resolution may establish the purposes and powers of the committee created, provide for the appointment of a chair and committee Members, and may provide for reports, termination, and other administrative matters deemed appropriate by the Board. Members of committees will be appointed from among the Owners and residents.

2.8.2 **Manager.** The Board may employ a manager or managing agent for the Association, at a compensation established by the Board, to perform duties and services authorized by the Board.

2.8.3 **Contracts.** The Board may enter into contracts for services which are needed for the maintenance and upkeep of the Association. Contracts for services with management companies, attorneys, or any other vendor the Board shall deem needful for the proper operation of the Association under Texas state law. Any contract entered by members of the Board following the Declarant Control Period ends must contain a termination clause which requires a minimum of a thirty (30) day termination notice by either party.

ARTICLE 3 OFFICERS

3.1. **Designation.** The principal officers of the Association are the president, the secretary, and the treasurer. The Board may appoint one (1) or more vice-presidents and other officers and assistant officers as it deems necessary. The president and secretary must be directors. Other officers must be Members. Any two (2) offices may be held by the same person, except the offices of president and secretary. If an officer is absent or unable to act, the Board may appoint a director to perform the duties of that officer and to act in place of that officer, on an interim basis.

3.2. **Election of Officers.** The officers are elected no less than annually by the directors at the organizational meeting of the Board and hold office at the pleasure of the Board. Except for resignation or removal, officers hold office until their respective successors have been designated by the Board.

3.3. **Removal and Resignation of Officers.** A majority of directors may remove any officer, with or without cause, at any regular meeting of the Board or at any special meeting of the Board called for that purpose. A successor may be elected at any regular or special meeting of the Board called for that purpose. An officer may resign at any time by giving written notice to the Board. Unless the notice of resignation states otherwise, it is effective when received by the Board and does not require acceptance by the Board. The resignation or removal of an officer who is also a director does not constitute resignation or removal from the Board.

3.4. **Standard of Care.** In performing their duties, the officers are required to exercise the standards of care provided by Section 3.103 of the Texas Business Organizations Code.

3.5. **Description of Principal Offices.**

3.5.1. **President.** As the chief executive officer of the Association, the president: (i) presides at all meetings of the Association and of the Board; (ii) has all the general powers and duties which are usually vested in the office of president of a corporation organized under the laws of the State of Texas; (iii) has general supervision, direction, and control of the business of the Association, subject to the control of the Board; and (iv) sees that all orders and resolutions of the Board are carried into effect.

3.5.2. **Secretary.** The secretary: (i) keeps the minutes of all meetings of the Board and of the Association; (ii) has charge of such books, papers, and records as the Board may direct; (iii) maintains a record of the names and addresses of the Members for the mailing of notices; and (iv) in general, performs all duties incident to the office of secretary.

3.5.3. **Treasurer.** The treasurer: (i) is responsible for Association funds; (ii) keeps full and accurate financial records and books of account showing all receipts and disbursements; (iii) prepares all required financial data and tax returns; (iv) deposits all monies or other valuable effects in the name of the Association in depositories as may from time to time be designated by the Board; (v) prepares the annual and supplemental budgets of the Association; (vi) reviews the accounts of the managing agent on a monthly basis in the event a managing agent is responsible for collecting and disbursing Association funds; and (vii) performs all the duties incident to the office of treasurer.

3.6. **Authorized Agents.** Except when the Documents require execution of certain instruments by certain individuals, the Board may authorize any person to execute instruments on behalf of the Association. In the absence of Board designation, the president and the secretary are the only persons authorized to execute instruments on behalf of the Association.

ARTICLE 4
MEETINGS OF THE ASSOCIATION

4.1. **Annual Meeting.** An annual meeting of the Association will be held annually on a date and time specified by the Board before the end of the month of May each year notwithstanding, if a meeting cannot be held in May for any reason the meeting shall be held as soon thereafter as possible. At annual meetings the Members will transact such business of the Association as may properly come before them.

4.2. **Special Meetings.** It is the duty of the president to call a special meeting of the Association if directed to do so by a majority of the Board or by a petition signed by at least thirty percent (30%) of the Members. The meeting must be held within thirty (30) days after the Board resolution or receipt of petition. The notice of any special meeting must state the time, place, and purpose of the meeting. No business, except the purpose stated in the notice of the meeting, may be transacted at a special meeting.

4.3. **Place of Meetings.** Meetings of the Association may be held at a suitable place convenient to the Members, as determined by the Board.

4.4. **Notice of Meetings.** At the direction of the Board, written notice of meetings of the Association will be given to an Owner of each Property at least ten (10) days but not more than forty-five (45) days prior to the meeting. Notices of meetings will state the date, time, and place the meeting is to be held. Notices will identify the type of meeting as annual or special, and will state the particular purpose of a special meeting. Notices may also set forth any other items of information deemed appropriate by the Board.

4.5. **Voting Members List.** The Board will prepare and make available a list of the Association's voting Members in accordance with Section 22.158(b) of the Texas Business Organizations Code.

4.6. **Quorum.** At any meeting of the Association, the presence in person or by proxy of Members representing at least thirty percent (30%) of the Lots in the Property constitutes a Regular Quorum. The presence in person or by proxy of Members representing at least sixty (60%) of the Lots in the Property constitutes a Special Quorum. Members present at a meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal, during the course of the meeting, of Members constituting a quorum.

4.7. **Lack of Quorum.** If the required quorum is not present at the initial meeting, additional meetings may be called, subject to the notice requirement hereinabove set forth, and the required quorum at such subsequent meeting(s) shall be two-thirds (2/3rds) of the quorum requirement for such prior meeting. The Association may call as many subsequent meetings as may be required to achieve a quorum (although the quorum requirement shall be reduced for each such meeting, in no event shall a quorum be less than one-tenth (1/10) of the votes of the Association). At such adjourned or subsequent meeting at which a quorum shall be present or represented, any business may be transacted which may have been transacted at the meeting as originally notified.

4.8. **Votes.** The vote of Members representing at least a majority of the votes present at any meeting at which a quorum is present binds all Members for all purposes, except when a higher percentage is required by these Bylaws, the Declaration, or by law. Cumulative voting is prohibited.

4.8.1. **Co-Owned Properties.** If a Lot is owned by more than one Member, the vote appurtenant to that Lot is cast as follows. If only one of the multiple Owners of a Lot is present at a meeting of the Association, that person may cast the vote allocated to that Lot. If more than one of the multiple Owners is present, the vote allocated to that Lot may be cast only in accordance with the Owners' unanimous agreement. Multiple Owners are in unanimous agreement if one of the multiple Owners casts the vote allocated to a Lot and none of the other Owners makes prompt protest to the person presiding over the meeting.

4.8.2. **Corporation-Owned Properties.** If a Lot is owned by a corporation, the vote appurtenant to that Lot may be cast by any officer of the corporation in the absence of the corporation's written appointment of a specific person to exercise its vote. The vote of a partnership may be cast by any general partner in the absence of the partners' written appointment of a specific person. The person presiding over a meeting or vote may require reasonable evidence that a person voting on behalf of a corporation or partnership is qualified to vote.

4.8.3. **Association-Owned Properties.** Votes allocated to a Lot owned by the Association, other than Common Property, may be counted towards a quorum and for all ballots and votes except the election or removal of directors. The vote appurtenant to a Lot owned by the Association is exercised by the Board.

4.9. **Proxies.** Votes may be cast in person or by written proxy. To be valid, each proxy must: (i) be signed and dated by a Member or his attorney-in-fact; (ii) identify the Lot to which the vote is appurtenant; (iii) name the person or title (such as "presiding officer") in favor of whom the proxy is granted, such person having agreed to exercise the proxy; (iv) identify the meeting for which the proxy is given; (v) not purport to be revocable without notice; and (vi) be delivered to the secretary, to the person presiding over the Association meeting for which the proxy is designated, or to a person or company designated by the Board. Unless the proxy specifies a shorter or longer time, it terminates eleven (11) months after the date of its execution. To revoke a proxy, the granting Member must give actual notice of revocation to the person presiding over the Association meeting for which the proxy is designated. Unless revoked, any proxy designated for a meeting which is adjourned, recessed, or rescheduled is valid when the meeting reconvenes. A proxy may be delivered by email or fax.

4.10. **Conduct of Meetings.** The president, or any person designated by the Board, presides over meetings of the Association. The secretary keeps, or causes to be kept, the minutes of the meeting which should record all resolutions adopted and all transactions occurring at the meeting, as well as a record of any votes taken at the meeting.

4.11. **Order Of Business.** Unless the notice of meeting states otherwise or the assembly adopts a different agenda at the meeting, the order of business at meetings of the Association is as follows:

Determine votes present by roll call or check-in procedure
Announcement of quorum
Proof of notice of meeting
Approval of minutes of preceding meeting
Reports of Officers (if any)
New Business
Unfinished or old business

4.12. **Adjournment of Meeting.** At any meeting of the Association, a majority of the Members present at that meeting, either in person or by proxy, may adjourn the meeting, to another time and place.

4.13. **Action without Meeting.** Subject to Board approval, any action which may be taken by a vote of the Members at a meeting of the Association may also be taken without a meeting by written consents. The Board may permit Members to vote by any method allowed by Section 22.160(b)(c) and (d) of the Texas Business Organizations Code, which may include hand delivery, mail, fax, email, or any combination of these. Written consents by Members representing at least a Majority of votes in the Association, or such higher percentage as may be required by the Documents, constitutes approval by written consent. This Section may not be used to, avoid the requirement of an annual meeting and does not apply to the election of directors.

ARTICLE 5 **RULES**

5.1. **Rules.** The Board has the right to establish and amend, from time to time, reasonable rules and regulations for: (i) the administration of the Association and the Documents; (ii) the maintenance, management, operation, use, conservation, and beautification of the Property; and (iii) the health, comfort, and general welfare of the residents; provided, however, that such rules may not be in conflict with law or the governing documents. The Board will, at all times, maintain the then current and complete rules in a written form which can be copied and distributed to the Members.

5.2. **Adoption and Amendment.** Any rule may be adopted, amended, or terminated by the Board, provided that the rule and the requisite Board approval are properly recorded as a resolution in the minutes of the meeting of the Board.

5.3. **Distribution.** On request from any Member or resident, the Board will provide a current and complete copy of rules. Additionally, the Board will, from time to time, distribute copies of the current and complete rules to Owners through the web or internet by posting on the Association's web page or pages and, if the Board so chooses, to non-Member residents.

ARTICLE 6
ENFORCEMENT

6.1. **Remedies.** The violation of any provision of the Documents gives the Board the following rights, in addition to any other rights set forth in the Documents:

6.1.1. **Fines.** To impose reasonable monetary fines, if notice and an opportunity to be heard are given. Fine amounts may be based on the severity or repetition of a violation and may be levied in sequences or as a lump sum against an Owner. The maximum fine for any violation which may be levied for each infraction including recurring violations shall be \$1,000.00. Each time an Owner is noticed of a violation, even recurring ones, such act of non-compliance shall be considered a violation enforceable under these Bylaws and the Declaration. The Association may impose other sanction such as, but not limited to, suspension of common area use.

6.1.2. **Self-Help.** After notice and an opportunity to be heard are given, except in case of an emergency, to enter the Lot or Common Properties in which, or as to which, the violation exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing, or condition (except for additions or alterations of a permanent nature that may exist in that Lot) that is contrary to the intent and meaning of the provisions of the governing documents. The Board may not be deemed liable for any manner of trespass by this action.

6.1.3. **Courts.** To enjoin, abate, or remedy, by appropriate legal proceedings, the continuance of any breach.

6.2. **Notice and Hearing.** Before imposing a fine or exercising self-help abatement, the Board must give the Owner a written violation notice and an opportunity to be heard.

6.2.1. **Notice of Violation.** The written violation notice will contain the following: (i) the date the violation notice is prepared or mailed; (ii) a description of the violation; (iii) a reference to the rule or provision of the Documents that is being violated; (iv) a description of the action required to cure the violation; (v) the amount of the fine to be levied and/or the abatement action to be taken; (vi) the date the fine begins accruing or abatement action becomes possible; and (vi) a statement that not later than the 30th day after the date of the violation notice, the Owner may request a hearing before the Board to contest the fine or the abatement action.

6.2.2. **Notice to Resident.** In addition to giving the written violation notice to the Owner, the Board may also give a copy of the notice to the non-Owner resident, if the Board deems it appropriate.

- 6.2.3. Request for Hearing. To request a hearing before a Hearing Committee and/or the Board, an Owner must submit a written request by certified mail to the Board or its Managing Agent within thirty (30) days after the date of the violation notice. Within ten (10) days after receiving the Owner's request for a hearing, the Board will give the Owner notice of the date, time, and place of the hearing. The hearing will be scheduled for a date within forty-five (45) days from the date the request is received. If more time is needed to establish date, time, and place of Hearing the Board or its Managing Agent shall notify the Owner in writing and provide the maximum number of days it believes will be needed in order to set the Hearing date, time, and place. Either party may postpone the hearing one (1) time so long as a minimum of five (5) business days advanced notice of request for postponement is successfully delivered to the other party. Thereafter, any postponement requested shall require the mutual consent of both Parties.
- 6.2.4. Pending Hearing. Pending the hearing, the Board may continue to exercise the Association's other rights and remedies for the violation, as if the declared violation were valid. The Owner's request for a hearing suspends only the levy of the fine or the abatement action described in the notice.
- 6.2.5. Hearing. The hearing will be held in a closed or executive session of the Board. At the hearing, the Board will consider the facts and circumstances surrounding the violation. The Owner may attend the hearing in person, or may be represented by another person or written communication. **No audio or video recording of the hearing may be made.**
- 6.2.6. Minutes of Hearing. The minutes of the hearing must contain a statement of the results of the hearing and the amount of fine, if any, imposed, or abatement action, if any, authorized. A copy of the violation notice and request for hearing should be placed in the minutes of the hearing. If the Owner appears at the hearing, the notice requirement will be deemed satisfied.

6.3. **Imposition of Fine.** Within thirty (30) days after levying the fine or authorizing the abatement, the Board must give the Owner notice of the levied fine or abatement action. If the fine or action is announced at the hearing at which the Owner is actually present, the notice requirement will be satisfied. Otherwise, the notice must be in writing.

- 6.3.1. Amount. The Board may set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, frequency, and effects of the violation. The Board may establish a schedule of fines for certain types of violations. The amount and **cumulative total** of

a fine must be reasonable in comparison to the violation. If the Board allows fines to accumulate, it may establish a maximum amount for a particular fine, at which point the total fine will be capped. The maximum amount for a particular fine shall be determined at the sole discretion of the Board. In the absence of any direction from the Board the maximum cumulative fine for any violation shall be \$2,000.00.

6.3.2. Type of Fine. If the violation is ongoing or continuous, the fine may be levied on a periodic basis (such as daily, weekly, or monthly). If the violation is not ongoing, but is instead sporadic or periodic, the fine may be levied on a per occurrence basis. The Board has sole discretion as to how a fine will be levied regardless of the suggested terms in this Section.

6.3.3. Other Fine-Related. The Association is not entitled to collect a fine from an Owner to whom it has not given notice and an opportunity to be heard. The Association may not charge interest on unpaid fines. The Association may not foreclose its assessment lien on a debt consisting solely of fines. The Board may adopt a collection policy that applies Owners' payments to unpaid fines before retiring other types of assessments.

6.4. Additional Enforcement Rights. Notwithstanding the notice and hearing requirement, the Board may take immediate and appropriate action, without giving the notices required in this Article, against violations of the Documents which, in the Board's opinion, are: (i) incurable as provided in Section 209.006 of the Texas Property Code (ii) threatening to life or property; or (iii) repeat violations of the same provision by the same Owner to whom prior notices and demands have been given for the same violation. Further, the provisions of this Article do not apply to specific remedies provided in the Documents for certain violations, such as nonpayment of assessments.

ARTICLE 7

OBLIGATIONS OF OWNERS

7.1. Notice of Sale. Any Owner intending to sell or convey his Lot or any interest therein must give written notice to the Board of his intention, together with: (i) the address or legal description of the Lot being conveyed; (ii) the name and address of the intended purchaser; (iii) the name, address, and phone number of the title company or attorney designated to close the transaction; (iv) names and phone numbers of real estate agents, if any, representing seller and purchaser; and (v) scheduled date of closing. An Owner will, furnish this information to the Board at least ten (10) business days before the scheduled date of closing or conveyance. The requirements of this Section may be satisfied by giving the Association a copy of an accepted resale contract in connection with the Owner's request to the Association for a resale certificate.

7.2. Proof of Ownership. On request by the Association from time to time, any person who purports to be an Owner or the agent of an Owner must furnish to the Board evidence of ownership of the Lot. A copy of the recorded deed is the customary evidence.

This requirement may be satisfied by receipt of a Board-approved form that is completed and acknowledged by a title company or attorney at time of conveyance of the Lot or any interest therein. The Association may refuse to recognize a person as a Member unless the requested documentation is provided.

7.3. **Owners' Information.** Within thirty (30) days after acquiring an ownership interest in a Lot, the Owner must provide the Association with the Owner's mailing address, telephone number, and driver's license number, if any; the name and telephone number of any resident other than the Owner; and the name, address, and telephone number of any person managing the Lot as agent of the Owner. An Owner must notify the Association within thirty (30) days after he has notice of a change in any information required by this Section, and must provide the information on request by the Association from time to time.

7.4. **Mailing Address.** The Owner or the several co-Owners of a Lot must register and maintain one mailing address to be used by the Association for mailing of notices, demands, and all other communications. If an Owner fails to maintain a current mailing address with the Association, the address of the Owner's Property is deemed to be his mailing address.

7.5. **Assessments.** All Owners are obligated to pay assessments imposed by the Association to meet the common expenses as defined in the Declaration.

7.6. **Compliance with Documents.** Each Owner will comply with the provisions and terms of the Documents, and any amendments thereto. Further, each Owner will always endeavor to observe and promote the cooperative purposes for which the Association was established.

ARTICLE 8

ASSOCIATION RECORDS

8.1. **Records.** The Association will use its best efforts to keep the records required by the Texas Property Code, including the following:

- 8.1.1 Minutes or a similar record of the proceedings of meetings of the Association.
- 8.1.2 Minutes or a similar record of the proceedings of meetings of the Board.
- 8.1.3 Names and mailing addresses of the Members, the currency and accuracy of the information being the responsibility of the Members.
- 8.1.4 Financial records and books of account for the Association, kept in a manner consistent with generally accepted accounting principles.
- 8.1.5 Copies of income tax returns prepared for the Internal Revenue Service.

8.1.6 Copies of the Documents and all amendments to any of these.

8.1.7 A record of all votes or written consents by which amendments to the Documents were approved, for at least four (4) years after the approval.

8.2. **Inspection of Books and Records.** Books and records of the Association will be made available for inspection and copying pursuant to Chapter 209 of the Texas Property Code and a Policy for the inspection and copying of books and records adopted by the Board.

8.3. **Resale Certificates.** Any officer or agent of the Association may prepare or cause to be prepared, certify, and execute resale certificates in accordance with Section 207 of the Texas Property Code. The Association or an Association's Managing Agent may charge a reasonable fee for preparing resale certificates. The Association may refuse to furnish resale certificates until the fee is paid. Any unpaid fees may be assessed against the Property for which the certificate is furnished.

ARTICLE 9 **NOTICES**

9.1. **Co-Owners.** If a Lot is owned by more than one person, notice to one co-Owner is deemed notice to all co-Owners.

9.2. **Delivery of Notices.** Any written notice required or permitted by these Bylaws may be given personally, by mail, by fax, by email, or by any other method permitted by the Texas Property Code or the Texas Business Organizations Code. If mailed, the notice is deemed delivered when deposited in the U.S. mail addressed to the Member at the address shown on the Association's records. If transmitted by fax or email, the notice is deemed delivered on successful transmission of the facsimile or email.

9.3. **Waiver of Notice.** Whenever a notice is required to be given to an Owner, Member, or director, a written waiver of the notice, signed by the person entitled to the notice, whether before or after the time stated in the notice, is equivalent to giving the notice. Attendance by a Member or director at any meeting of the Association or Board, respectively, constitutes a waiver of notice by the Member or director of the time, place, and purpose of the meeting. If all Members or directors are present at any meeting of the Association or Board, respectively, no notice is required and any business may be transacted at the meeting.

ARTICLE 10 **DECLARANT PROVISIONS**

10.1 **Conflict.** The provisions of this Article control over any provision to the contrary elsewhere in these Bylaws.

10.2 **Builders.** Declarant, through its affiliates, intends to construct single family residences on the Lots in connection with the sale of the Lots. However, Declarant may, without notice, sell some or all of the Lots to one or more Builders to improve the Lots with

single family residences to be sold and occupied.

10.3 **Budget Funding.** During the Declarant Control Period, Declarant may, on an annual basis, elect either to pay annual assessments on its unsold Lots, or pay the difference between: (a) the Association's operating expenses otherwise to be funded by annual assessments (after applying all income received by the Association from other sources); and (b) the sum of the revenues of the Association from all sources. The term operating expenses excludes non-recurring expenses, major damages or repairs, and any capital improvements desired by the Association that is not associated with the initial construction or development. Declarant is under no obligation to provide, build, or install amenities or improvements. At the Declarant's sole discretion, funds for the purpose of offsetting a deficit may be treated as a loan. Upon ninety (90) days' notice to the Association, the Declarant may change its election hereunder during the fiscal year. On termination of the Declarant Control Period, Declarant will cease being responsible for the difference between the Association's operating expenses and the Assessments received from Owners other than Declarant.

10.4 **Expenses of Declarant.** Expenses related to the completion and marketing of the Property will be paid by Declarant and are not expenses of the Association.

10.5 **Changes in Development Plan.** Declarant may modify the initial development plan to respond to perceived or actual changes and opportunities in the marketplace. Subject to approval by (1) governmental entity, if applicable, and (2) the Owner of the land or Lots to which the change would directly apply (if other than Declarant), Declarant may (a) change the sizes, dimensions, and configurations of Lots and Streets; (b) change the minimum Single Family Residence size; (c) change the building setback requirements; and (d) eliminate or modify any other feature of the Property.

10.6 **Builder Limitations.** Declarant may require its approval (which may not be unreasonably withheld) of all documents and materials used by a Builder in connection with the development and sale of Lots, including without limitation promotional materials; deed restrictions; forms for deeds, Lot sales, and Lot closings. Without Declarant's prior written approval, a Builder may not use a sales office or model in the Property to market homes, Lots, or other products located outside the Property.

10.7 **Architectural Control.** During the Declarant Control Period, Declarant has the absolute right and exclusive authority to administer, review, and act upon all applications for architectural and other improvements within the Property and serve as the Architectural Reviewer. Declarant may from time to time, but is not obligated to, delegate all or a portion of its reserved rights to any other person, entity, or committee, including the Architectural Control Committee. Any such delegation is at all times subject to the unilateral rights of the Declarant (1) to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated and (2) to veto any decision which Declarant in its sole discretion determines to be inappropriate or inadvisable for any reason. Declarant also has the unilateral right to exercise architectural control over vacant Lots in the Property. Neither the Association, the Board of directors, nor a committee appointed by the Association and/or Board (no matter how the committee is named) may involve itself with the approval of new homes and related improvements on vacant Lots. The Association, its Board, or its Architectural Control Committee shall NOT interfere in any way with the continued sale of lots or construction thereon by Builders or Declarant.

10.8 **Rights of the Declarant.** During the Declarant Control Period, Declarant may exercise the following rights and privileges:

10.8.1 To create Lots, easements, and Common Properties within the Property.

10.8.2 To modify the designation of the Common Properties.

10.8.3 To subdivide, combine, or reconfigure Lots.

10.8.4 To convert Lots into Common Properties and Common Properties back to Lots.

10.8.5 To enable an institutional or governmental lender to make or purchase mortgage loans on the Lots.

10.8.6 To change the name or entity of the Declarant.

10.8.7 To change the name of the addition in which the Property is located.

10.8.8 For any other purpose consistent with the Declaration of Covenants, Conditions, and Restrictions for Frisco Hills, Articles of Incorporation, these Bylaws, and any other governing documents of the Association.

10.9 **Completion.** During the Declarant Control Period, Declarant has (1) the right to complete or make improvements indicated on the Plat; (2) the right to sell or lease any Lot owned by Declarant; and (3) an easement and right to erect, construct, and maintain on and in the Common Properties and Lots owned or leased by Declarant whatever Declarant determines to be necessary or advisable in connection with the construction, completion, management, maintenance, leasing, and marketing of the Property, including without limitation, parking areas, temporary buildings, temporary fencing, portable toilets, storage areas, dumpsters, trailers, and commercial vehicles of every type. The subdivision is a planned community, the development of which is likely to extend over many years, and the Association agrees that it shall not engage in or use Association funds to support any protest, challenge, or other form of objection to (a) changes in uses or density of property within the Property, or (b) changes in the master plan of Subdivision, including, without limitation, the enlargement of the master plan and the acquisition or revision of regulatory approvals to reflect the annexation of real property, without Declarant's prior written consent, which consent may be granted or withheld in Declarant's discretion. Until such time as all Lots planned or approved for the Property has been conveyed to Class A Members other than Builders who purchase Lots for development and sale or up to December 31, 2025, whichever comes first, the Development period shall remain in full force and effect. The Development period is independent from the Declarant Control Period and the end or termination of one does not affect or nullify the other.

10.10 **Easement to Inspect & Right to Correct.** During the Declarant Control Period, Declarant reserves for itself the right, but not the duty, to inspect, monitor, test, redesign, correct, and relocate any structure, improvement, or condition that may exist on any portion of the Property, including the Lots; and a perpetual nonexclusive easement of access

throughout the Property to the extent reasonably necessary to exercise this right. Declarant will promptly repair, at its sole expense, any damage resulting from the exercise of this right. By way of illustration but not limitation, relocation of a screening wall located on a Lot may be warranted by a change of circumstance, imprecise siting of the original wall, or desire to comply more fully with public codes and ordinances.

10.11 **Promotion.** During the Declarant Control Period, Declarant reserves for itself an easement and right to place or install signs, banners, flags, display lighting, potted plants, exterior decorative items, seasonal decorations, temporary window treatments, and seasonal landscaping on the Property, including items and locations that are prohibited to other Owners and Members, for purposes of promoting, identifying, and marketing the Property and/or Declarant's homes, Lots, developments, or other products located outside the Property. Declarant reserves an easement and right to maintain, relocate, replace, or remove the same from time to time within the Property. Declarant also reserves the right to sponsor marketing events – such as open houses, MLS tours, and broker's parties – at the Property to promote the sale of Lots. During the Declarant Control Period, Declarant also reserves (1) the right to permit Builders to place signs and promotional materials on the Property and (2) the right to exempt Builders from the sign restriction in the Declaration.

10.12 **Offices.** During the Declarant Control Period, Declarant reserves for itself the right to use Single Family Residences owned or leased by Declarant as models, storage areas, and offices for the marketing, management, maintenance, customer service, construction, and leasing of the Property and/or Declarant's developments or other products located outside the Property. Also, Declarant reserves for itself the easement and right to make structural changes and alterations on and to Lots and single-family residences used by Declarant as models, storage areas, and offices, as may be necessary to adapt them to the uses permitted herein.

10.13 **Access.** During the Declarant Control Period, Declarant has an easement and right of ingress and egress in and through the Property for purposes of constructing, maintaining, managing, and marketing the Property and the Property Subject to Annexation (as hereinafter defined), and for discharging Declarant's obligations under this Declaration. Declarant also has the right to provide a reasonable means of access for the home buying public through any existing or future gate that restricts vehicular access to the Property in connection with the active marketing of Lots and homes by Declarant or Builders, including the right to require that the gate be kept open during certain hours and/or on certain days. This provision may not be construed as an obligation or intent to gate the Property.

10.14 **Utility Easements.** During the Declarant Control Period, Declarant may grant permits, licenses, and easements over, in, on, under, and through the Property for utilities, roads, and other purposes necessary for the proper development and operation of the Property. Declarant reserves the right to make changes in and additions to the easements on any Lot, as shown on the Plat, to more efficiently or economically install utilities or other improvements. Utilities may include, but are not limited to, water, sewer, trash removal, electricity, gas, telephone, television, cable, internet service, and security. To exercise this right as to land that is not a Common Property or not owned by the Declarant, Declarant must have the prior written consent of the Owner.

10.15 **Land Transfers.** During the Declarant Control Period, any transfer of an interest in the Property to or from the Declarant is not subject to any transfer-related provision

in the governing Documents, including without limitation on an obligation for transfer or resale certificate fees, and the transfer-related provisions of this Declaration. The application of this provision includes without limitation Declarant's Lot take-downs, Declarant's sale of Lots to Builders, and Declarant's sale of Lots to homebuyers.

10.16 **Common Properties.** Declarant will convey title to the Common Properties, including any and all facilities, structures, improvements, and systems of the Common Properties owned by Declarant, to the Association by one or more deeds – with or without warranty. Any initial Common Property improvements will be installed, constructed, or authorized by Declarant, the cost of which is not a common expense of the Association notwithstanding, all future maintenance, repair, replacement, and upkeep of any kind shall be the responsibility of the Association. At the time of conveyance to the Association, the Common Properties will be free to encumbrance except for the property taxes accruing for the year of conveyance the terms of the Declaration and matters reflected on the Plat. Declarant's conveyance of title is a ministerial task that does not require and is not subject to acceptance by the Association or the Owners. **The transfer of control of the Association is not a transfer of Common Properties** requiring inspection, evaluation, acceptance, or approval of Common Properties improvements by the Owners.

10.17 **Successor Declarant.** Declarant may designate one or more Successor Declarant (herein so called) for specified designated purposes and/or for specified portions of the Property, or for all purposes and all of the Property. To be effective, the designation must be in writing, signed, and acknowledged by Declarant and Successor Declarant, and recorded in the Real Property Records of Denton County, Texas. Declarant (or Successor Declarant) may subject the designation of the Successor Declarant to limitations and reservations. Unless the designation of Successor Declarant provides otherwise, a Successor Declarant has the rights of Declarant under this Section and may designate further Successor Declarants.

10.18 **Declarant's Right to Annex Adjacent Property.** Declarant hereby reserves for itself and its affiliates and/or any of their respective successors and assigns the right to annex any real property in the vicinity of the Property (the "Property Subject to Annexation") into the Declaration as provided by the Declaration and these Bylaws. Notwithstanding anything herein or otherwise to the contrary, Declarant and/or such affiliates, successors and/or assigns, subject to annexation of same into the real property subject to the Declaration, shall have the exclusive unilateral right, privilege and option (but never an obligation), from time to time, for as long as Declarant owns any portion of the Property or Property Subject to Annexation, to annex (a) all or any portion of the Property Subject to Annexation owned by Declarant, and (b) subject to the provisions of this Declaration and the jurisdiction of the Association, any additional property located adjacent to or in the immediate vicinity of the Property (collectively, the "Annexed Land"), by filing in the Official Public Records of Denton County, Texas, a Supplemental Declaration expressly annexing any such Annexed Land. Such Supplemental Declaration shall not require the vote of the Owners, the Members of the Association, or approval by the Board or other action of the Association or any other Person, subject to the prior annexation of such Annexed Land into the real property subject to the Declaration. Any such annexation shall be effective upon the filing of such Supplemental Declaration in the Official Public Records of Denton County, Texas (with consent of Owner(s) of the Annexed Land, if not Declarant). Declarant shall also have the unilateral right to transfer to any Successor Declarant, Declarant's right, privilege and option to annex Annexed Land, provided that such successor Declarant shall be the developer of at least a portion of the Annexed Land and shall be expressly designated by Declarant in writing to be the successor or assignee to all

or any part of Declarant's rights hereunder.

10.19 **Procedure for Annexation.** Any such annexation shall be accomplished by the execution by Declarant, and the filing for record by Declarant (or the other Owner of the property being added or annexed, to the extent such other Owner has received a written assignment from Declarant of the right to annex hereunder) of a Supplemental Declaration which must set out and provide for the following:

10.19.1 A legally sufficient description of the Annexed Land being added or annexed, which Annexed Land must as a condition precedent to such annexation be included in the real property subject to the Declaration;

10.19.2 That the Annexed Land is being annexed in accordance with and subject to the provisions of this Declaration, and that the Annexed Land being annexed shall be developed, held, used, sold and conveyed in accordance with, and subject to, the provisions of this Declaration as theretofore and thereafter amended; provided, however, that *if* any Lots or portions thereof being so annexed are to be treated differently than any of the other Lots (whether such difference is applicable to other Lots included therein or to the Lots now subject to this Declaration), the Supplemental Declaration should specify the details of such differential treatment and a general statement of the rationale and reasons for the difference in treatment, and if applicable, any other special or unique covenants, conditions, restrictions, easements or other requirements as may be applicable to all or any of the Lots or other portions of Annexed Land being annexed;

10.19.3 That all of the provisions of this Declaration, as amended, shall apply to the Annexed Land being added or annexed with the same force and effect as if said Annexed Land were originally included in this Declaration as part of the Initial Property, with the total number of Lots increased accordingly;

10.19.4 ~~That~~ an Assessment Lien is therein created and reserved in favor of the Association to secure collection of the Assessments as provided in this Declaration, and as provided for, authorized or contemplated in the Supplemental Declaration, and setting forth the first year Maintenance Assessments and the amount of any other then applicable Assessments (if any) for the Lots within the Annexed Land being made subject to this Declaration; and

10.19.5 Such other provisions as the Declarant therein shall deem appropriate.

10.20 **Amendment.** The provisions of this Section 10 or its sub-sections may not be amended without the express written consent of Declarant (and Declarant's successors and assigns in accordance with the terms hereof).

10.21 **No Duty to Annex.** Nothing herein contained shall establish any duty or obligation on the part of the Declarant or any Member to annex any property to this Declaration and no Owner of the property excluded from this Declaration shall have any right to have such

property annexed thereto.

ARTICLE 11 AMENDMENTS TO BYLAWS

11.1. **Authority.** These Bylaws may be amended by a majority of the Board according to the terms of these Bylaws.

11.2. **Declarant Protection.** During the Declarant Control Period, no amendment of these Bylaws may affect the Declarant's rights herein without the Declarant's written and acknowledged consent. Specifically, this Section and the article titled "Declarant Provisions" may not be amended without the prior written approval of the Declarant. The Declarant's written consent must be part of the amendment instrument.

ARTICLE 12 GENERAL PROVISIONS

12.1. **Compensation.** A director, officer, Member, or resident may not receive any pecuniary profit from the operation of the Association, and no funds or assets of the Association may be paid as a salary or as compensation to, or be distributed to, or inure to the benefit of a director, officer, Member, or resident. Nevertheless,

- i. Reasonable compensation may be paid to a director, officer, Member, or resident for services rendered to the Association in other capacities;
- ii. A director, officer, Member, or resident may, from time to time, be reimbursed for his actual and reasonable expenses incurred on behalf of the Association in connection with the administration of the affairs of the Association, provided the expense has been approved by the Board;
- iii. The Board may budget and use Association funds to purchase awards, certificates, a celebratory meal, or other customary tokens or demonstrations of appreciation for volunteer activities;

12.2. **Conflicting Provisions.** If any provision of these Bylaws conflicts with any provision of the laws of the State of Texas, the conflicting Bylaws provision is null and void, but all other provisions of these Bylaws remain in full force and effect. In the case of any conflict between the certificate of formation of the Association and these Bylaws, the certificate of formation controls. In the case of any conflict between the Declaration and these Bylaws, the Declaration controls.

12.3. **Severability.** Whenever possible, each provision of these Bylaws will be interpreted in a manner as to be effective and valid. Invalidation of any provision of these Bylaws, by judgment or court order, does not affect any other provision which remains in full force and effect.

12.4. **Construction.** The effect of a general statement is not limited by the enumerations of specific matters similar to the general. The captions of articles and sections are inserted only for convenience and may not be construed as defining or modifying the text to which they refer. The singular is construed to mean the plural, when applicable, and the use of masculine or neutral pronouns includes the feminine.


12.5. **Fiscal Year.** The fiscal year of the Association will be set by resolution of the Board, and is subject to change from time to time as the Board determines. In the absence of a resolution by the Board, the fiscal year is the calendar year.

12.6. **Waiver.** No restriction, condition, obligation, or covenant contained in these Bylaws may be deemed to have been abrogated or waived by reason of failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

12.7. **Indemnification.** To the fullest extent permitted by applicable law, the Association will indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that such person is or was a, director, officer, committee member, employee, servant, or agent of the Association against expenses (including attorney's fees, judgments, fines, and amounts paid in settlement) actually and reasonably incurred by such person in connection with such action, suit or proceeding if it is found and determined by the Board or a court that such person; (i) acted in good faith and in a manner which such person reasonably believed to be in, or not opposed to, the best interests of the Association; or (ii) with respect to any criminal action or proceeding, had no reasonable cause to believe such conduct was unlawful. The termination of any action, suit, or proceeding by settlement, or upon a plea of nolo contendere or its equivalent, will not of itself create a presumption that the person did not act in good faith or in a manner reasonably believed to be in, or not opposed to, the best interests of the Association, or, with respect to any criminal action or proceeding, had reasonable cause to believe that such conduct was unlawful.

SIGNED this 18th day of September, 2018.

Board of Directors for the Homeowners Association of Frisco Hills, Inc.

By: 
Mehrdad Moayedi
Its: President

CERTIFICATION & ACKNOWLEDGMENT

As the Declarant of Homeowners Association of Frisco Hills, Inc. in Frisco, Texas, I certify that the foregoing Amended and Restated Bylaws of Homeowners Association of Frisco Hills, Inc. was approved by Declarant and by the Board of Directors, and direct same to be filed with the Office of the Denton County Clerk.

SIGNED this 18th day of September, 2018

FH295, LLC,
A Texas limited liability company

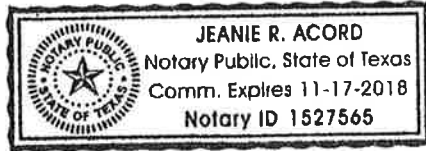
By:
Name: Mehrdad Moayed,
Its: Member/Manager

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on this 18 day of September, 2018, by Mehrdad Moayed, the Member / Manager of FH295, LLC, a Texas limited liability company, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and as the act and deed of said limited liability companies, and in the capacity therein stated.

Notary Public, State of Texas

[SEAL]



Package Summary Recording Report**Report generated:** Thu, 27 Sep 2018 10:55 AM CDT**Package:** Bylaws - 405FDC82-E473-1583-B613-9D48F5E9A8E9**Status:** Recorded**Submitter:** ALDS, LP - Camp Bowie (TXTYDF)**Recipient:** Denton County, TX*Documents*

Document Name	Document Type	# of Pages	Status	Recording Number	Recording Date	Fees
ByLaws	Amendment	24	Recorded	E 114915	Thu 09/27/2018 10:40 AM CDT	118.00

Fees

Fee Type	Payment Account Name	Fee Amount
Recording Fees	Invoice	118.00
Submission Fees	Invoice	3.00
Sales Taxes	Invoice	0.20
Total Fees:		121.20

Questions Contact:

Simplifile Support 800.460.5657, option 3

5072 North 300 West

Provo, UT 84604

Denton County
Juli Luke
County Clerk

ORIGINAL

Instrument Number: 114915

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AMENDMENT

Recorded On: September 27, 2018 10:40 AM

Number of Pages: 24

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***** THIS PAGE IS PART OF THE INSTRUMENT *****

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY
because of color or race is invalid and unenforceable under federal law.

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STATE OF TEXAS
COUNTY OF DENTON

I hereby certify that this Instrument was FILED In the File Number sequence on the date/time
printed hereon, and was duly RECORDED in the Official Records of Denton County, Texas.

Juli Luke
County Clerk
Denton County, TX