

BYLAWS
of
PROPERTY OWNERS ASSOCIATION OF BALMORAL, INC.

RP-2017-210268

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Article I
Name, Membership, and Definitions

Section 1. **Name.** The name of the Association is Property Owners Association of Balmoral, Inc. (hereinafter referred to as the "Association").

Section 2. **Membership.** The Association has two (2) classes of membership, Class "A" and Class "B", as set forth in the Declaration of Covenants, Conditions and Restrictions for Balmoral recorded in the Official Public Records of Real Property of Harris County, Texas under Clerk's File No. 2017-139910 (the "Declaration").

Section 3. **Definitions/Gender.** All other capitalized terms used in these Bylaws have the same meanings as that set forth in the Declaration, unless otherwise provided. Pronouns, wherever used in these Bylaws, include all persons regardless of gender.

Article II
Association: Meetings, Quorum, Voting, Proxies

Section 1. **Place of Meetings.** Meetings of the Association must be held at the principal office of the Association or at such other suitable place as may be designated by the Board of Directors either in the community of Balmoral or as convenient to the Members as possible and practical.

Section 2. **Annual Meetings.** The annual meeting of the Association must be held each year, on a date and at a time designated by the Board of Directors.

Section 3. **Special Meetings.** The President may call special meetings. In addition, it is the duty of the President to call a special meeting of the Association if so directed by resolution of a majority of a quorum of the Board of Directors or upon a petition signed by Members representing at least a ten percent (10%) of the total votes of the Association. The notice of any special meeting must state the date, time, and place of such meeting and the purpose thereof. No business may be transacted at a special meeting except as stated in the notice.

Section 4. **Notice of Meetings.** Written notice of each annual or special meeting of the Association must be sent to each Member's address listed with the Association, stating the purpose of the meeting, as well as the time and place where it is to be held. Such notice may be delivered personally, by mail, by facsimile, and to the extent expressly authorized by statute, by electronic message. If a Member desires that notice be given at an address other than the Lot, the Member must provide the alternative address for the purpose of receiving notice in writing to the Secretary. Notice must be served not less than ten (10) nor more than sixty (60) days before a meeting. If mailed, the notice of a meeting is deemed to be delivered when deposited in the United States mail, first class postage pre-paid, addressed to the Member. If faxed, the notice is deemed to be delivered as of the date and time shown on a written confirmation that the facsimile

was successfully transmitted. If sent by electronic message, the notice is deemed to be delivered as provided by applicable statute. The Board of Directors may use any other means to deliver a notice of a meeting that may become available with advancements in technology, provided that notice by such means is authorized by statute.

Section 5. Waiver of Notice. Waiver of notice of meeting of the Members is 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, whether in person or by proxy, is 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 is also deemed waiver of notice of all business transacted at such meeting unless objection to the calling or convening of the meeting is raised before the business (of which proper notice was not given) is put to a vote.

Section 6. Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, either in person or by proxy, the presiding officer may adjourn the meeting and reconvene at a time not less than five (5) days and not more than thirty (30) days from the time the original meeting was called. If a time and place for reconvening the meeting is fixed by those in attendance at such adjourned meeting, no further notice of the time and place for reconvening the meeting is required. If a time and place for reconvening the meeting is not fixed by those in attendance at such an adjourned meeting, or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting must be given to Members in the manner prescribed herein for a first called meeting.

Section 7. Voting. The voting rights of the Members are set forth in the Declaration; provided that, with the exception of the election of Developer Directors, all Members have the right to vote in the election of Directors and on any matter concerning the rights or responsibilities of Members. Members may vote in person or by proxy or, if implemented by the Association, by absentee ballot or by electronic ballot. Votes cast by Members must be in writing signed by the Member if the vote is cast (i) outside of a meeting, (ii) in an election to fill a position on the Board (unless the race is uncontested), (iii) on a proposed adoption or amendment of a dedicatory instrument, (iv) on a proposed increase in the amount of the Annual Maintenance Charge or proposed adoption of a special assessment, or (v) on the proposed removal of a Board member.

Section 8. Proxies. All proxies must be in writing and filed with the Association before or at the appointed time of each meeting. Every proxy is revocable and will automatically cease upon (i) conveyance by the Member of the Member's interest in a Lot; (ii) receipt of notice by the Secretary of the death or judicially declared incompetence of a Member; (iii) receipt of written revocation; or, (iv) expiration of eleven (11) months from the day of the proxy. In the event a Member executes more than one (1) proxy, the proxy with the most current date will be valid. Proxies not delivered prior to the start of a meeting are not valid and will not be counted for quorum or any other purpose.

Section 9. Quorum. Except as otherwise provided in these Bylaws or in the Declaration, the presence in person, by proxy, absentee or electronic ballot (as approved by the Board) of ten percent (10%) or more of the total votes of the Members as of the time of the meeting constitutes a quorum at all meetings of the Association.

Section 10. Conduct of Meetings. The President will preside over all meetings of the Association and the Secretary, or another person designated by the Secretary, must 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 11. Action Without a Meeting of the Members of the Association. To the extent allowed by applicable law, any action which may be taken or is required to be taken at a meeting of the Association may be taken without a meeting if written consent is signed by Members holding the number of votes necessary to approve the action at a meeting. The written consent must (a) set forth the action to be taken and (b) be executed by the required number of Members as of the effective date set forth in the written consent. Any written consent adopted in accordance with this Section will have the same force and effect as a unanimous vote of the Members.

Article III

Board of Directors: Number. Powers. Meetings

Section 1. Governing Body: Composition. The affairs of the Association will be governed by a Board of Directors. Prior to the end of the Developer Control Period, Directors need not be Members of the Association. After the end of the Developer Control Period, (i) Directors must be Members of the Association, and (ii) not more than one (1) representative of a particular corporation or other entity that is a Member may serve on the Board at any given time. A person is not eligible to serve on the Board of Directors (including Developer Directors and Ex Officio Directors appointed under Section 3 of this Article) if the person has been convicted of a felony or crime involving moral turpitude and there is written, documented evidence of such a conviction from a database or other record maintained by a governmental law enforcement authority.

Section 2. Number and Term of Directors. The Board of Directors will be comprised of three (3) persons, unless the number of positions on the Board is increased by amendment to these Bylaws. Prior to the end of the Developer Control Period, Directors will be appointed and removed by the Developer ("Developer Directors"). Provided, however, not later than the tenth (10th) anniversary of the date this Declaration is recorded, one-third (1/3rd) of the Directors must be elected by Members other than the Developer. The term of each Director elected by Members other than Developer will be three (3) years or until the entire Board is to be elected by the Members other than the Developer, whichever term is shorter. Provided that, if, at the time of the election of Directors by Members other than Developer the Board is expanded to five (5) positions, one (1) of the Directors will be elected to serve an initial term of two (2) years (or until the entire Board is to be elected by the Members other than the Developer, whichever term is shorter) and one (1) of the Directors will be elected to serve an initial term of three (3) years (or until the entire Board is to be elected by the Members other than the Developer, whichever term is shorter) so that the terms are staggered. Thereafter, each term will be three (3) years.

Section 3. Ex Officio Directors. At any time prior to the end of the Developer Control Period, the Developer may appoint individuals to serve on the Board as ex officio Directors (as that term is defined in Section 22.210 of the Texas Business Organizations Code) ("Ex Officio Directors"). At any time after the end of the Developer Control Period, the Board may appoint Members of the Association (or representatives of a particular corporation or other entity that is a Member) to

serve on the Board as Ex Officio Directors. Prior to the end of the Developer Control Period, Ex Officio Directors appointed by the Developer may only be removed from office by the Developer. After the Developer Control Period, Ex Officio Directors may be removed from office at any time by a majority vote of the Board. Ex Officio Directors are not entitled to vote. Ex Officio Directors are, however, entitled to receive notice of Board meetings and to attend Board meetings.

Section 4. Candidates for Election to the Board. With respect to any position on the Board of Directors to be filled by a vote of the Members, all Members have the right to run for such position on the Board of Directors. Each year, at least thirty (30) days prior to the date of the annual meeting of the Members, the Association must send notice to all Members of the number of positions on the Board to be filled by election at the upcoming annual meeting and the right of all Members to run for a position on the Board. The notice must specify a date by which a Member must submit his/her name as a candidate for election to the Board; the date may not be earlier than the tenth (10th) day after the date the Association sends the notice.

The notice required by this provision must be:

- a. mailed to each Owner; or
- b. provided by:
 - i. posting the notice in a conspicuous manner reasonably designed to provide notice to the Members:
 - (1) in a place located on the Common Area or, with an Owner's consent, in a conspicuous manner on privately owned property within the Community; or
 - (2) on any Internet website maintained by the Association or other Internet media; and
 - ii. sending by e-mail to each Owner who has registered an e-mail address with the Association.

The Association must be notified by the Member who desires to run for a position on the Board, not by another Member, to confirm the Member's desire to run for election and to serve on the Board. All Members who notify the Association by the stipulated deadline will be candidates whose names and biographical information must be included in the notice of annual meeting sent to all Members and on the absentee or other ballot. A Member who does not submit his/her name by the deadline set forth in the Association's notice may thereafter notify the Association of his/her desire to run for election to the Board and, in that event, the Member will be a candidate for election to the Board. However, the Association is not obligated to send a supplemental notice to all Members advising of the names and biographical information of any candidates who submit their names and biographical information after the deadline in the Association's notice. Provided that, if any notice is thereafter sent or published by the Association which includes a list of candidates for election to the Board, the list must include the names of all candidates. Nominations for election to the Board will not be made by a nominating or other committee of the Association. A Member may notify the Association of the Member's desire to run for election to the Board of Directors at any time prior to the date that voting in the election ceases. Nomination for election to the Board is not permitted from the floor at the annual meeting unless the person to

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be nominated is present at the meeting in person and confirms his/her desire to be a candidate for election to the Board.

Section 5. Election and Term of Office After Development Period. Upon the expiration of the Development Period, the Board of Directors will be elected by the Members. One (1) Director will be elected for a term of one (1) year, one (1) Director will be elected for a term of two (2) years, and one (1) Director will be elected for a term of three (3) years. Thereafter, at each annual meeting, the Members will elect the number of Directors necessary to fill the position on the Board that expire as of such annual meeting, each to serve a term of three (3) years. If the number of positions on the Board of Directors is increased, the terms of the additional positions must be staggered in a consistent manner. The candidates receiving the highest number of votes will be elected to fill such positions, regardless of the number of votes cast.

Section 6. No Quorum at Annual Meeting. If an election of non-Developer Directors cannot be conducted at an annual meeting because a quorum is not established, and in the absence of a motion to adjourn the annual meeting in accordance with Article II, Section 6, the following election procedure will be used.

Any Member who is present at the meeting (at which quorum was not established) may notify the Board at that time of his/her desire to be a candidate for election to the Board. The candidates will also include (a) each Member (whether present or not) who notified the Association of his/her desire to be a candidate for election to the Board by a notice in writing, signed by the Member, and delivered to the Association at the address set forth in the most recently recorded management certificate required by Section 209.004 of the Texas Property Code ("Code") prior to the date on which the annual meeting was called and (b) each Member who delivers such a notice to the Association not later than five (5) business days after the date on which the annual meeting was called.

Not later than thirty (30) business days after the date on which the annual meeting was called, the Association must either (i) mail to each Member of the Association a list of the candidates for election to the Board, together with a written ballot and instructions for returning the ballot, and/or (ii) notify each Member of the Association that the Board has opted to utilize Section 209.00592 of the Code for an electronic balloting process, which includes the notification required by Section 209.00592(e) of the Code ("Voting Notice"). The list of candidates for election to the Board must include:

- (1) each person who notified the Board at the time the annual meeting was called of his/her desire to be a candidate for election to the Board, and
- (2) each person who timely notified the Association in writing of his/her desire to be a candidate for election to the Board before or after the date on which the annual meeting was called, as provided in this Section.

In the event there are no more candidates for the Board than there are positions, the mail balloting process set forth in this Section will not be necessary; in that event, the candidates will be deemed to be elected and placed in office without the need for further action.

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Each candidate may, but is not required to, provide biographical information to the Association to be included with the other information forwarded to the Members of the Association which biographical information may be mailed to all Members, posted on the Association's website (if any), or, made available by other means approved by the Board. The biographical information must be limited to personal information, work history, service on other boards, and the like; the information may not include political statements or agendas. Information submitted by a candidate which includes political statements or agendas is not required to be sent by the Association to all Members.

Members will have a period of twenty (20) days from the date the Voting Notice was either mailed or Members notified in accordance with Section 209.00592(e) of the Code to (i) return ballots to the Association at the address set forth in the instructions, or (ii) vote electronically as directed. Only the balloting process authorized by the Board may be used in the election of Directors under this Section.

Proxies may not be used for the election of Directors under this Section and will not be counted. Once a Member's vote has been cast, the Member's vote cannot be changed. No ballots may be reviewed by anyone other than the vote tabulator(s), unless a Member demands a recount in accordance with Section 9 of this Article.

The results of the election must be posted in one (1) of the methods allowed for posting of Notices of Board meetings in accordance with Section 209.0051(e)(2)(A) of the Code as soon as the votes have been tabulated. The candidates(s) receiving the highest number of votes will be elected, regardless of the total number of votes cast by the Members. In the event of a tie, the vote tabulators will place the names of the candidates that have the tie vote in a container and draw the name of the winning candidate. If a Member demands a recount, the date that the results of the election are posted will be the date on which the statutory period to request a recount commences.

Notwithstanding the fact that a person elected as a Director under this Section is elected after the date the annual meeting was called, that Director's term will expire as of the annual meeting of the Members held in the year in which the term is to expire, or, if the annual meeting cannot be held in that year due to a lack of quorum, the date the Director's successor is elected per the provisions of this Section.

Section 7. Removal of Directors. Any Director elected by the Members (i.e., not Developer Directors) may be removed from the Board, with or without cause, by the affirmative vote of a majority of the Members at a special meeting called for that purpose or at an annual meeting at which a quorum is present; provided that, notice of the proposed removal must be given in the notice of the meeting. In the event of the removal of a Director, a successor for the removed Director must be elected by a majority vote of the Members who are present and voting (either in person or by proxy) at the meeting at which the Director was removed. The Director whose removal is proposed must be given the opportunity to be heard at the meeting. Provided that, if the Board is presented with written documented evidence from a database or other record maintained by a governmental law enforcement authority that a Board member has been convicted of a felony or crime involving moral turpitude not more than twenty (20) years before the date the Board is presented with the evidence, the Board member is immediately ineligible to serve on the Board and will, therefore, be immediately removed. Any Director may also be

removed by a vote of a majority of the remaining Directors as the result of the Director's failure, without just cause, to attend three (3) consecutive, regularly scheduled meetings of the Board of Directors. "Just cause" means an event that, in the reasonable, good faith judgment of the Board, prevents a Director from attending a meeting and includes, without limitation, death or serious injury to a member of the Director's family or other person with whom the Director has a long-term relationship, a mental or physical ailment or impairment that prevents the Director from attending a meeting, and any mandatory business engagement related to the Director's livelihood and/or employment. Vacancies on the Board caused by reasons other than removal by a vote the Member will be filled by the remaining Directors. A Director elected or appointed to fill a vacancy on the Board will serve the unexpired term of his predecessor.

Section 8. Voting Procedure for Directors. Except as provided in Sections 4 and 5 of this Article III, the election of the Board of Directors will be conducted at the annual meeting of the Association. At such election, the Members may cast, with respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. Voting for Directors must be in writing and signed by the Member, except in the case of an uncontested race, in which event the candidate may be elected by acclamation.

Section 9. Recount of Votes. Any Member may demand a recount of the votes of an election. A request for a recount must be submitted not later than the 15th day after the date of the meeting at which the election was held. A demand for a recount must be in writing and submitted in writing either:

- (1) by verified mail or by delivery by the United States Postal Service with signature confirmation to the Association's mailing address as reflected on the last recorded management certificate; or
- (2) in person to the Association's managing agent as reflected on the last recorded management certificate or to the address to which absentee ballots and proxy ballots were mailed.

The Association must estimate the costs for performing a recount by a person qualified to tabulate votes as set forth below and must send an invoice for the estimated costs to the Member requesting a recount to the Member's last known address according to the Association records not later than the 20th day after the date on which the Association received notice of the request for a recount. The Member demanding a recount must pay such invoice in full on or before the 30th day after the date the invoice is sent to the Member. If the Member does not timely pay the invoice, the demand for recount is considered withdrawn and a recount is not required. If the actual costs are different than the estimate, the Association must send a final invoice to the Member on or before the 30th business day after the date the results of the recount are provided. If the final invoice includes additional amounts owed by the Member, any additional amounts not paid to the Association before the 30th business day after the date the invoice is sent to the Member may be added to the Member's account as an Assessment. If the estimated costs exceed the final invoice amount, the Member is entitled to a refund. The Association must issue a refund to the Member not later than the 30th business day after the date the invoice is sent to the Member.

Only after payment is received, the Association must, at the expense of the Member requesting the recount, retain the services of a qualified person to perform the recount. The Association must enter into a contract for the services of a person who is not a Member of the Association or related to a member of the Board of Directors of the Association within the third degree by blood or marriage and is a:

- (a) current or former county judge;
- (b) current or former county elections administrator;
- (c) current or former justice of the peace;
- (d) current or former county voter registrar; or
- (e) person agreed on by the Association and the Member requesting the recount.

A recount must be performed on or before the 30th day after the date of receipt of the request and payment for the recount. If the recount changes the results of the election, the Association must reimburse the Member for the cost of the recount. Any action taken by the Board in the period between the initial election vote tally and the completion of the recount is not affected by the recount.

Section 10. Meetings. Regular meetings of the Board of Directors may be held at such time, date, and place as determined from time to time by a majority of the Directors, but at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter.

Special meetings of the Board of Directors must be held when called by the President of the Association or by any two (2) Directors. The notice must specify the date, time, and place of the meeting and the nature of any special business to be considered. The notice must be given to each Director by any one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by facsimile, or (d) by email. All such notices must be given or sent to the Director's address, email, or facsimile number as shown on the records of the Association. Notices sent by first class mail must be deposited into a United States mailbox, at least four (4) days before the time set for the meeting. Notices given by personal delivery, email, or facsimile must be delivered or given at least four (4) days before the time set for the meeting.

In addition to in-person Board meetings, the Board of Directors may also participate in and hold regular or special meetings by means of:

- (1) conference telephone or similar communication equipment by which all persons participating in the meeting can hear each other; or
- (2) another suitable electronic communications system, including video conferencing technology or the Internet, only if:
 - (a) each Director entitled to participate in the meeting consents to the meeting being held by means of that system; and
 - (b) the system provides access to the meeting in a manner or using a method by which each Director participating in the meeting can communicate concurrently with each other participant.

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Participation in a meeting by conference telephone or similar communication or video conferencing technology or the Internet shall constitute presence in person at such meeting except where a Director participates in the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

Section 11. Notice of Board Meetings. After the end of the Developer Control Period, the Board of Directors must give Members notice of Board meetings (regular and special), including the date, hour, place, and general subject of the Board meeting, plus a general description of any matter to be brought up for deliberation in closed executive session. During the Developer Control Period, Members must also be given notice of Board meetings when the following matters will be voted on:

- (1) adopting or amending the governing documents, including the Declaration, Bylaws, Rules, and Regulations of the Association;
- (2) increasing the amount of Annual Assessments of the Association or adopting or increasing a Special Assessment;
- (3) electing non-Developer Directors or establishing a process by which non-Developer Directors are elected; or
- (4) changing the voting rights of Members of the Association.

A notice of Board meetings, as required above, must be:

- (a) mailed to all Members at least ten (10) days before the date of the meeting, or;
- (b) provided at least 72 hours before meeting by:
 - i. being posted in a conspicuous location, either in a Common Area, on the Association's website or (with the Owner's consent), on other conspicuously located privately owned property in the Subdivision; and
 - ii. being emailed to all Members who have registered their email addresses with the Association.

Without prior notice to the Members after the Developer Control Period, the Board may also take action on routine and administrative matters or a reasonably unforeseen emergency or urgent necessity that requires immediate Board action and such other items as may be allowed by law; any action taken without notice to the 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.

It is a Member's duty to register and keep an updated email address with the Association for the purpose of notice to the Members under this Section.

Section 12. Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, will be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting will also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice thereof.

Section 13. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the Directors will constitute a quorum for the transaction of business, and the vote of a majority of the Directors present at a meeting at which a quorum is present will constitute the decision of the Board of Directors. A meeting at which a quorum is initially present may continue and business may be transacted, notwithstanding the withdrawal of Directors during the meeting, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, either in person or by proxy, the President may adjourn the meeting and reconvene at a time not less than five (5) days and not more than thirty (30) days from the time the original meeting was called. If a time and place for reconvening the meeting is fixed by those in attendance at the original meeting, no further notice of the time and place for reconvening the meeting is required. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting must be given to the Directors in the manner prescribed for the original meeting. At such reconvened meeting, whether or not a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice, provided that any action taken is approved, in writing, by at least a majority of the Directors required to constitute a quorum at the original meeting.

Section 14. Compensation. No Director may receive any compensation from the Association for acting in such capacity. However, Directors may be reimbursed for out-of-pocket expenses incurred on Association business. Directors may receive compensation from the Association when taking action at the request of the Association other than in the capacity of Director.

Section 15. Conduct of Meetings. A chairperson will preside over all meetings of the Board of Directors and the Secretary must keep a minute book of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings.

Section 16. Open Meetings. After the Developer Control Period, all meetings of the Board of Directors must be open to all Members, but Members other than Directors may not participate in any discussion or deliberation unless expressly so authorized by a majority of a quorum of the Board of Directors. Provided that, if a Member unreasonably disrupts a meeting of the Board of Directors or repeatedly interrupts the discussion between Directors, the Board of Directors has the authority, after an initial warning, to cause that Member to be removed from the meeting.

An open meeting may be held by electronic or telephonic means provided that (i) each Director may hear and be heard by every other Director, (ii) all Members in attendance at the meeting may hear all Directors (except if adjourned to executive session), and (iii) all Members are allowed to listen using any electronic or telephonic communication method used or expected to be used by a Director to participate.

Section 17. Executive Session. The Board of Directors may adjourn a regular or special meeting and reconvene in a closed executive session to consider actions involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, confidential communications with the Association's attorney, matters involving the invasion of privacy of individual Members, and matters that are to remain confidential by request of the affected parties and agreement of the Board. Following an executive session, any decision made in executive session must be summarized orally and placed in the minutes, in general terms, without breaching the privacy of individual Members, violating any privilege, or disclosing any information that was to remain confidential at the request of the affected parties. The oral summary must include a general explanation of expenditures approved in executive session.

Section 18. Action Without a Formal Meeting. The Board of Directors 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. The reasonable opportunity for a Board member to express an opinion and vote may not be less than twenty-four (24) hours or more than seventy-two (72) hours. Any action taken without notice to Members under this Section must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting, and documented in the minutes of the next regular or special Board meeting. The Board may not, unless done in an open meeting for which prior notice was given to all Members in accordance with Section 11 of this Article, consider or vote on:

- (a) fines;
- (b) damage assessments;
- (c) initiation of foreclosure actions;
- (d) initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety;
- (e) increases in Assessments;
- (f) levying of Special Assessments;
- (g) appeals from a denial of architectural control approval;
- (h) a suspension of a right of a particular Owner before the Owner has an opportunity to attend a Board meeting to present the Owner's position, including any defense, on the issue;
- (i) lending or borrowing money;
- (j) the adoption or amendment of a dedicatory instrument;
- (k) the approval of an annual budget or the approval of an amendment of an annual budget that increases the budget by more than ten percent (10%);
- (l) the sale or purchase of real property;
- (m) the filling of a vacancy on the Board;
- (n) the construction of capital improvements other than the repair, replacement or enhancement of existing capital improvements; or

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- (o) the election of an officer.

Section 19. Powers. The Board of Directors is responsible for the affairs of the Association and has all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by the Declaration, Certificate of Formation of the Association, or these Bylaws directed to be done and exercised exclusively by the Members. Such decisions will be made in the Board's sole and absolute discretion.

The President has the authority to act on behalf of the Board of Directors on all matters relating to the duties of a managing agent or manager, if any, which might arise between meetings of the Board of Directors.

In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board of Directors has the power to, and is responsible for, the following (by way of explanation, but not limitation):

- (a) Preparing and adopting an annual budget;
- (b) Levying Assessments to defray the common expenses, establishing the means and methods of collecting such Assessments, and establishing the period of the installment payments, if any, of the Annual Assessment. Unless otherwise determined by the Board of Directors, the annual Assessment will be collected annually in advance.
- (c) Providing for the operation, care, upkeep, and maintenance of all of any Common Areas.
- (d) Designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, and the Common Area and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material 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 approves, and using the proceeds to administer the Association.
- (f) Making and amending rules and regulations for the Association, including rules relating to the imposition of fines for violations.
- (g) Opening bank accounts on behalf of the Association and designating the signatories required.
- (h) Making, or contracting for the making of, repairs, additions, and improvements to, or alterations of the Common Area in accordance with the other provisions of the Declaration and these Bylaws, after damage or destruction by fire or other casualty.

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(i) Enforcing, by legal means, the provisions of the Declaration, these Bylaws, and the rules and regulations adopted by the Board, and bringing any proceedings, which may be instituted on behalf of or against the Members concerning the Association.

(j) Obtaining and carrying insurance against casualties and liabilities, including directors' and officers' liability insurance, as provided in the Declaration, and paying the premium cost thereof.

(k) Paying the cost of all services rendered to the Association or its Members and not directly chargeable to Members.

(l) Keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred. All books and records must be kept in accordance with generally accepted accounting practices, and made available for review as required by Texas law.

(m) Providing, upon request, information to Members, mortgagees and prospective purchasers of Lots concerning, by way of example and not in limitation, the status of the Association, the status of payment of Assessments and related charges on a Lot and the status of compliance with the provisions of the Declaration, and charging a reasonable fee sufficient to cover the expense associated with providing such information.

(n) Charging a reasonable fee sufficient to cover the expense associated with changing the records of the Association upon the transfer of title to a Lot.

(o) Adopting policies and procedures deemed necessary and appropriate for the administration of the Association and the conduct of the Directors and officers of the Association, the employees of the Association, if any, and persons serving on behalf of the Association in volunteer capacities.

Article IV **Officers**

Section 1. **Officers.** The officers of the Association will be the President, Vice-President, Secretary and Treasurer. The Board of Directors may select, appoint and/or remove such other officers, as it deems appropriate, such officers to have the authority and to perform the duties prescribed from time to time by the Board of Directors.

Section 2. **Election Term of Office and Vacancies.** The officers of the Association will be elected annually from within and by the Board of Directors at the first meeting of the Board of Directors held after the annual meeting of the Members. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3. Removal. Any officer may be removed by a majority vote of the Board of Directors, at a duly called meeting of the Board, at which a quorum is present, whenever in its judgment the best interests of the Association will be served thereby.

Section 4. Powers and Duties. The officers of the Association 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 be specifically conferred or imposed by the Board of Directors. The Chief Executive Officer of the Association is the President. The Treasurer has primary responsibility for the preparation of the budget, as provided for in the Declaration, and, with the approval of the Board of Directors, may delegate all or part of the preparation and notification duties to a finance committee, or a managing agent.

Section 5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation will be effective 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 is not necessary to make it effective.

Section 6. Agreements, Contracts, Deeds, Leases, Etc. All agreements, contracts, deeds, leases, and other instruments of the Association must be executed by at least one (1) officer or by such other person or persons as may be designated by resolution of the Board of Directors.

Section 7. Compensation. No officer may receive any compensation from the Association for acting in such capacity.

Article V **Committees**

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. Such committees may perform such duties and have such powers as may be provided in the resolution creating same. Each committee will be composed and operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

Article VI **Miscellaneous**

Section 1. Fiscal Year. The fiscal year of the Association will be the calendar year.

Section 2. Conflicts. If there are conflicts or inconsistencies among the provisions of Texas law, the Declaration, the Certificate of Formation, these Bylaws, and/or any rules and regulations of the Association, the provisions of Texas law, the Declaration, the Certificate of Formation, the Bylaws, and the rules and regulations of the Association (in that order) will prevail.

Section 3. Books and Records. Books and records of the Association must be retained by the Association in accordance with the Association's Document Retention Policy. Books and records

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of the Association are available to Members for review in accordance with the Association's Open Records Policy.

Section 4. Indemnification. The Association must indemnify a director, officer or committee member who was, is or is threatened to be named as a defendant or respondent in a proceeding to the extent indemnification is consistent with the Texas Business Organizations Code, as it now exists or may hereafter be amended.

Section 5. Amendment. These Bylaws may be amended by the affirmative vote of a majority of the members of the Board of Directors of the Association at a meeting of the Board of Directors duly called for that purpose at which a quorum is present, subject to any notice requirements imposed by law.

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CERTIFICATE OF SECRETARY
of
PROPERTY OWNERS ASSOCIATION OF BALMORAL, INC.

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

I, Tim Johnson, Secretary of Property Owners Association of Balmoral, Inc., a Texas non-profit corporation, ("Association"), do hereby certify that the foregoing "Bylaws of Property Owners Association of Balmoral, Inc." was adopted at a meeting of the Board of Directors of the Association on the 11th day of May, 2017.


TO CERTIFY WHICH WITNESS MY HAND on this 11th day of May, 2017.

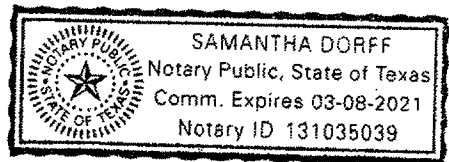
**PROPERTY OWNERS ASSOCIATION
OF BALMORAL, INC.**

By: 
Tim Johnson, Secretary

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 11th day of May, 2017 by Tim Johnson, Secretary of Property Owners Association of Balmoral, Inc., on behalf of said corporation.


Notary Public in and for the State of Texas



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Pages 22
05/15/2017 11:58 AM
e-Filed & e-Recorded in the
Official Public Records of
HARRIS COUNTY
STAN STANART
COUNTY CLERK
Fees \$96.00

RECORDERS MEMORANDUM

This instrument was received and recorded electronically and any blackouts, additions or changes were present at the time the instrument was filed and recorded.

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.

THE STATE OF TEXAS
COUNTY OF HARRIS

I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me; and was duly RECORDED in the Official Public Records of Real Property of Harris County, Texas.



Stan Stanart

COUNTY CLERK
HARRIS COUNTY, TEXAS

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