



VG-342-2021-150121

Denton County
Juli Luke
County Clerk

Instrument Number: 150121

Real Property Recordings

MISCELLANEOUS

Recorded On: August 18, 2021 03:15 PM

Number of Pages: 18

" Examined and Charged as Follows: "

Total Recording: \$94.00

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Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY
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File Information:

Document Number: 150121

Receipt Number: 20210818000703

Recorded Date/Time: August 18, 2021 03:15 PM

User: Patty M

Station: Station 5

Record and Return To:

SOUTHRIDE ESTATES HOA INC

1332 TEASLEY LANE STE 268

DENTON TX 76205

STATE OF TEXAS
COUNTY OF DENTON

I hereby certify that this Instrument was FILED In the File Number sequence on the date/time
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Juli Luke
County Clerk
Denton County, TX



SOUTHRIDGE ESTATES HOMEOWNERS ASSOCIATION, INC.
2021 AMENDED AND RESTATED BYLAWS

Recitals

1. The By-Laws for Southridge Estates Homeowners Association, Inc. were previously amended in 2019 (the "Prior Bylaws").

2. Changes to the Prior Bylaws were necessitated by statutory revisions enacted by the 87th Texas Legislature in SB 1588, effective September 1, 2021.

3. The Board of Directors of Southridge Estates Homeowners Association, Inc. (the "Association") desires to amend and restate the Prior Bylaws of the Association in their entirety.

NOW, THEREFORE, the Board of Directors of the Association hereby amends and restates the Prior Bylaws in its entirety. Upon recording these Amended and Restated Bylaws of the Association (these "**Bylaws**"), these Bylaws shall replace and supersede the Prior Bylaws.

Article I

Name, Membership, and Definitions

Section 1. **Name.** The name of the Association is Southridge Estates Homeowners Association, Inc., as set forth in the "Articles of Incorporation of Southridge Estates Homeowners Association, Inc." (the "**Articles of Incorporation**").

Section 2. **Membership.** The Association shall have one class of membership as more fully set forth in the "Declaration of Covenants, Conditions and Restrictions for Southridge Estates, Denton, Texas" (the "**Declaration**"), the terms of which pertaining to "Class A" membership are specifically incorporated by reference herein. No "Class B" membership exists.

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

Article II

Association: Meetings, Quorum, Voting, Proxies

Section 1. **Place of Meetings.** Meetings of the Association shall 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 Southridge Estates or as convenient to the Members of the Association as possible and practical.

Section 2. **Annual Meetings.** The annual meeting of the Association shall be held on the date and at the 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 twenty-five percent (25%) 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 shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. It is the duty of the Secretary to send to each Member written notice of each annual or special meeting of 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 a Homeowner Change of Address Form containing the alternative address for the purpose of receiving notice to the Secretary. Notice by facsimile must be sent to the facsimile number provided to the Association in writing by that Member. For an election or vote to be taken at a meeting of the Members, notice shall be served not less than ten (10) nor more than sixty (60) days before the 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. Notwithstanding anything contained herein to the contrary, the Association may use an alternative method to deliver notice to any Member who has provided written authorization to allow the Association to use that alternative method of delivering notice.

For an election or vote of Members not taken at a meeting, the Association shall give notice of the election or vote to all Members entitled to vote on any matter under consideration. The notice shall be given not later than the twentieth (20th) day before the latest date on which a ballot may be submitted to be counted.

Section 5. Waiver of Notice. Waiver of notice of meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member, whether in person or by proxy, shall be deemed waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be 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 a meeting of the Members cannot be held because a quorum is not present, either the Board of Directors or a majority of the Members who are present at such meeting, in person or by proxy, may adjourn the meeting to a time not less than five (5) nor more than sixty (60) days from the time the original meeting was called. In that event, no additional notice need be given to the Members other than an announcement at the adjourned meeting of the time and place of the reconvened meeting. If a time and place for reconvening the meeting is not fixed at the 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 the reconvened meeting shall be given to Members in the manner provided herein for a first called meeting.

Section 7. Voting. The voting rights of the Members are set forth in the Declaration. Members may vote in person or by proxy or, if implemented by the Association, by absentee or electronic ballot.

Section 8. Proxies. All proxies must be in writing and filed with the Secretary before 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; (iv) attendance with intention to vote by the owner at the meeting for which the proxy was submitted; or adjournment of the meeting for which the proxy was submitted. In the event a Member executes more than one (1) proxy, the proxy with the most current date shall be valid. Proxies not delivered prior to the start of any meeting shall not be valid.

Section 9. Quorum. The presence at a meeting of Members entitled to cast one-tenth (1/10) of the total votes in the Association constitutes a quorum, unless a greater percentage for a particular meeting or a particular action is required by the Declaration or the Articles of Incorporation.

Section 10. Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary, or another person designated by the Secretary, shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions that took place at the meeting.

Section 11. Action Without a Meeting. 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 shall 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. Not more than one (1) representative of a particular corporation or other entity may serve on the Board at any given time. A Member is not eligible to serve on the Board of Directors if the Member has been convicted of a felony or crime involving moral turpitude within the last twenty (20) years 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. Directors. Per the Articles of Incorporation, Directors need not be Members of the Association.

Section 3. Number of Directors. The Board of Directors shall be comprised of three (3) Directors. The number of positions on the Board of Directors may be increased or decreased by a majority vote of the Members at a meeting called for that purpose at which a quorum is present. Provided that, the number of positions on the Board of Directors may not be less than three (3) nor more than nine (9). Provided further that, a decrease in the number of positions on the Board may not shorten the term of an incumbent Director.

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 sixty (60) 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 for a Member to submit his/her name as a candidate may not be earlier than the tenth (10th) day after the date the Association sends the notice. The notice may be mailed to each Member or provided by (a) posting the notice in a conspicuous manner reasonably designed to provide notice to the Members in a place located on the Association's Common Properties or (b) on an Internet website maintained by the Association, and by sending notice by email to each Member 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 shall be candidates whose names shall 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 shall be a candidate for election to the Board. However, the Association shall not be obligated to send a supplemental notice to all Members advising of the names of any candidates who submit their names 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 shall include the names of all candidates. 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 deadline for submitting votes. Nominations for election to the Board shall not be made by a nominating or other committee of the Association. A Member may not nominate another Member as a candidate for election to the Board unless the Member to be nominated is present at the annual meeting and confirms his/her desire to be a candidate for election to the Board.

Section 5. Term of Office. Per the Prior Bylaws, the terms of the Directors are staggered. Per these Bylaws, the staggered terms of the Directors established by the Prior Bylaws are to

continue. At each annual meeting, the Members shall elect the number of Directors necessary to fill those positions 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 shall be staggered in a consistent manner.

Section 6. Removal of Directors. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. 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 was 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 shall, therefore, be immediately removed. In the event of death, resignation or removal of a Director, a successor shall be selected by the remaining members of the Board and shall serve for the unexpired term.

Section 7. Election; Voting Procedure for Directors. The election of the Board of Directors shall be conducted at the annual meeting of the Association. At such election, the Members or their proxies may cast, with respect to each vacancy, as many votes as they are entitled to exercise under the provisions of these Bylaws and the Declaration. Voting for Directors will be by written and signed ballots; provided that, in the event of an uncontested race, written and signed ballots are not required. With respect to all positions on the Board to be filled by election, the candidates receiving the highest number of votes shall be elected to fill such positions, regardless of the number of votes cast. Cumulative voting is prohibited.

Section 8. Recount of Votes. Any Member may request a recount of the votes of an election. A request for a recount must be submitted not later than the fifteenth (15th) day after the date of the meeting of the Members at which an election or vote was held or the date of the announcement of the results of the election or vote if no meeting was held. For purposes of this section, the term "submitted" shall mean the date on which the recount request is deposited in the mail or delivered in person in accordance with the requirements of this section. A demand for a recount must be submitted in writing either:

- A. by verified mail to the Association's mailing address as reflected on the last recorded management certificate; or
- B. in person to the Association's President or 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 twentieth (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 thirtieth (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 shall

send a final invoice to the Member on or before the thirtieth (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 thirtieth (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 shall issue a refund to the Member not later than the thirtieth (30th) business day after the date the invoice is sent to the Member.

Only after payment is received, the Association shall, at the expense of the Member requesting the recount, retain the services of a qualified person to perform the recount. The Association shall 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:

1. current or former county judge;
2. current or former county elections administrator;
3. current or former justice of the peace;
4. current or former county voter registrar; or
5. person agreed on by the Association and each Member requesting the recount.

A recount must be performed on or before the thirtieth (30th) day after the date of receipt of the payment for the recount. The Association shall provide each Member who requested the recount with notice of the results of the recount. If the recount changes the results of the election, the Association shall reimburse the Member for the cost of the recount not later than the thirtieth (30th) day after the date the results of the recount are provided. 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 9. Regular Meeting. Regular meetings of the Board of Directors may be held at such time, date, and place as shall be determined from time to time by a majority of the Directors; the frequency of regular meetings shall be as deemed necessary and appropriate by the Board of Directors, but shall occur no less frequently than once per month. Notice of each regular meeting must be given to all Members as required by law. The Board of Directors may participate in and hold a regular or special meeting by means of:

- A. conference telephone or similar communication equipment by which all persons participating in the meeting can hear each other; or
- B. another suitable electronic communications system, including video conferencing technology or the Internet, only if:
 1. each Director entitled to participate in the meeting consents to the meeting being held by means of that system;

2. 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;
3. all Directors may hear and be heard by every other Director;
4. except for any portion of the meeting conducted in executive session, all Members in attendance at the meeting may hear all Directors and Members by means of any electronic or telephonic communication method used or expected to be used by a Director to participate; and
5. the notice of the meeting includes instructions for Members to access any communication method required to be accessible under subsection (4) above.

Participation in a meeting by conference telephone or similar communication or video conferencing technology or the Internet constitutes 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. The Board may take action outside of a meeting, including voting by electronic or telephonic means, without prior notice to the Members, if each Director is given a reasonable opportunity to express the Director's opinion to all other Directors and to vote. 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. Provided further that, the Board may not take action without prior notice to the Members on any matter prohibited by law to be taken without prior notice to the Members, unless done in an open meeting for which prior notice was given to the Members.

Section 10. Special Meeting. Special meetings of the Board of Directors shall be held when called by the President of the Association or by any Director. 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) if authorized by statute, by email. All such notices shall 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 shall be deposited into a United States mailbox, at least six (6) days before the time set for the meeting. Notices given by personal delivery, email, or facsimile shall be delivered or given at least three (3) days before the time set for the meeting. The provisions in Article III, Section 11, relating to notice to the Members shall be applicable to a special meeting of the Board of Directors.

Section 11. Notice of Board Meetings. 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, including a general description of any matter to be brought up for deliberation in closed executive session. A notice of meeting must be:

- A. mailed to all Members at least ten (10) days before the date of the meeting; or

1. provided at least one hundred forty-four (144) hours before the meeting by:
being posted in a conspicuously on the Association's website; and
2. being emailed to all Members who have registered their email addresses with the Association.

It is a Member's duty to register and keep an updated email address with the Association.

Section 12. Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum of the Board of Directors 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 shall 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 constitutes 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 constitutes 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, further notice of the time and place for reconvening the meeting is not required to be given to the Directors. 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 shall 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 shall be approved, in writing, by at least a majority of the Directors required to constitute a quorum at the original meeting.

Section 14. Financial 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. Personal Benefit. No Director may use his/her position to create a personal benefit for her/himself, his/her family, her/his friends or any other person or to cause detriment to the Association including, but not limited to:

1. ignoring, altering or reinterpreting/misinterpreting the Association's dedicatory instruments;
2. submitting or approving architectural modifications or other requests in conflict with the Association's dedicatory instruments, policies and/or procedures;
3. creating and preferentially adding select homeowners to committees;
4. preventing specific homeowners from serving on committees unless the Board is presented with written, documented evidence from a database or other record maintained by a governmental law enforcement authority that a homeowner was 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, or with documented evidence that the homeowner has knowingly and intentionally violated the Association's policies, procedures or dedicatory instruments while serving on a committee.

Section 16. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors, and the Secretary shall 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 that took place at such meetings.

Section 17. Open Meetings. 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.

Section 18. 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 19. 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 be not 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 an Architectural Modifications request 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 to 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
- O. the appointment of an officer.

Section 20. Powers and Duties. The Board of Directors is responsible for the affairs of the Association and has all of the powers and duties as provided by law to engage in administrative activities not otherwise enjoined upon the Members as set forth in the Declaration, Articles of Incorporation or these Bylaws. Additionally, each Director of the Association has such powers and duties as generally pertain to their respective offices as set forth in the Declaration. In addition to the duties imposed by the Declaration and 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 as provided for in the Declaration to defray Association expenses, establishing the means and methods of collecting such Assessments, and establishing the period of the installment payments, if any, of the Base Annual Assessment. Unless otherwise determined by the Board of Directors, the Base Annual Assessment shall be collected annually in advance;
- C. Providing for the operation, care, upkeep, and maintenance of all of the Common Properties and Common Facilities;
- D. Designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, the Common Properties and Common Facilities 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 any Assessments provided for in the Declaration, depositing the proceeds thereof in a bank depository, which it shall approve, and using the proceeds to administer the Association;
- F. Making and amending rules and regulations for the Association;
- 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 Properties and Common Facilities in accordance with the other provisions of the Declaration and these Bylaws, after damage or destruction by fire or other casualty;
- I. Enforcing, by legal means, the provisions of the Declaration, these Bylaws, and the rules and regulations adopted by it, 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. Consulting on an annual basis with the Association's insurance broker to ensure that current insurance coverage is both adequate and compliant with State statutory requirements;
- L. Paying the cost of all services rendered to the Association or its Members and not directly chargeable to Members;
- M. 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 shall be kept in accordance with generally accepted accounting practices, and shall be available as required by Texas law:

- N. Providing, upon request, information to Members, mortgagees and prospective purchasers of Lots concerning, by way of example and not limitation, the status of the Association, the status of payment of Assessments and related charges on a Lot and the status of compliance of that Lot with the provisions of the Declaration, and charging a reasonable fee sufficient to cover the expense associated with providing such information;
- O. 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, as may be further provided in the Declaration;
- P. 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; and
- Q. Enforcing rules and regulations for the Association.

Section 21. Budget, Financial Accounts and Restrictions.

- A. At each annual Membership meeting the Board must present to the Members a proposed budget for the upcoming fiscal year.
 - 1. The budget must be approved by a majority vote of Members eligible to vote at the meeting.
 - 2. The Board may not adjust the budget at a later date by more than 10% unless a Membership meeting is called and the Members vote by majority to increase expenditures for that fiscal year.
- B. The Board must establish and maintain full control of an operating account and separate reserve funds for contingencies, capital improvements, replacements, and major repairs.
- C. All checks must be signed by two (2) Directors;
- D. All purchases on behalf of the Association must be reviewed and approved of by two (2) Directors;
- E. The Board must review the Association's financial reports and bank statements at each regular monthly meeting;
- F. Credit and debit card expenditures shall not exceed \$500.00 without the approval of two (2) Directors.

- G. The Board must complete a reserve study every five years and adjust contributions to the Reserve Fund accordingly.
- H. Reserve funds may not be used for routine operating expenses. The Board may not use reserve funds for reasons other than major repairs to or replacement of Association properties unless a Membership meeting is called and the Members vote by supermajority to reallocate reserve funds.
- I. Reserve funds may be invested in bank money market accounts, certificates of deposits and U.S. government securities only;
- J. All agreements, contracts, deeds, leases, and other instruments of the Association must be reviewed and executed by at least two (2) Directors.
- K. Whenever possible, three (3) bids should be requested before beginning any project, and the bid request and responses documented in the Association's records. For contracts in excess of \$50,000.00, three bids must be solicited.

Section 22. Managing Agent.

- A. The Board of Directors may engage a professional managing agent or manager, at a compensation rate established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these Bylaws other than the powers set forth in Paragraphs (a), (b), (f), (g), and (i) of Section 19 and Paragraph (b) of Section 20 of this Article.
- B. If a managing agent or manager is hired, the following management standards of performance will be followed, unless the Board, by resolution, determines otherwise:
 1. All agreements, contracts, deeds, leases, and other instruments of the Association must be reviewed and executed by at least two (2) Directors.;
 2. All checks must be signed by two (2) Directors;
 3. All purchases on behalf of the Association, including maintenance items, must be reviewed and approved of by two (2) Directors;
 4. Accounts of the Association shall not be commingled with any other accounts;
 5. No remuneration shall be accepted by the manager or managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise;

6. Any financial or other interest which the managing agent or manager may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors; and
7. A monthly or more frequent financial report, as may be determined by the Board, shall be prepared for the Association and reviewed by the Board of Directors at the regular meeting. The report should include:
 - a. an income statement reflecting all income and expense activity for the period of time since the last financial report;
 - b. an account activity statement reflecting all receipt and disbursement activity for the period of time since the last financial report;
 - c. a budget comparison report reflecting the status of all income and expense accounts in an "actual" versus "projected" budget format;
 - d. a balance sheet reflecting account balances as of the end of the period of time since the last financial report (this balance sheet shall include an aged receivables report or other report deemed appropriate by the Treasurer);
 - e. a balance sheet as of the last day of the Association's fiscal year and an operating statement for said fiscal year which shall be distributed within thirty (30) days after the close of any fiscal year to the Board;
 - f. a budget report reflecting any actual or pending obligations which are in excess of budgeted amounts by an amount exceeding the operating reserves by ten percent (10%) of a major budget category (as distinct from a specific line item in an expanded chart of accounts);
 - g. a delinquency report listing all Members who have been delinquent during the period of time since the last financial report in paying any Assessments due as provided in the Declaration and who remain delinquent at the time of report, and describing the status of any action to collect such Assessments which remain delinquent; and
 - h. a reasonable explanation for all budget variances.
8. A management company representative must meet with the Board of Directors no less frequently than once per fiscal quarter to review the Association's financial accounts and business dealings.

Section 23. Appointed Officers and Committee Members

23.1 Officers and Committee Members. The Board of Directors may select, appoint and/or remove such other officers and committee members as it shall deem appropriate.

Appointed officers and committee members shall have the authority to perform the duties delegated from time to time by the Board of Directors.

23.2 Removal. Any officer or committee member 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.

23.3 Resignation. Any officer or committee member may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation will take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation is not necessary to make it effective.

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

Section 24: Contractors and Paid Agents

- A. Contractors and paid agents must be licensed to practice in the state of Texas, provide proof of liability and workers compensation insurance and, whenever possible, be bonded.
- B. Prior to project or contract initiation, all Contractors/Paid Agents must fully complete and submit to the Association an Internal Revenue Service W-9 form and Texas Workforce Commission forms 83 and 85.
- C. Once a Contractor/Paid Agent notifies the Association that the project is finished, at least two Board members must review the project to verify that all work has been completed per the terms set forth in the proposal/contract prior to release of final payment.
- D. Upon contract termination, final payment will be made once all Association records and property are returned to the Association by the Contractor/Paid Agent.

Article IV Miscellaneous

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

Section 2. Parliamentary Rules. Robert's Rules of Order (current edition) govern the conduct of Association proceedings when not in conflict with Texas law, the Articles of Incorporation, the Declaration, or these Bylaws.

Section 3. Conflicts. If there are conflicts or inconsistencies among the provisions of Texas law, the Declaration, the Articles of Incorporation, these Bylaws, and/or any rules and regulations of the Association, the provisions of Texas law, the Declaration, the Articles of Incorporation, these Bylaws, and the rules and regulations of the Association (in that order) prevail.

Section 4. Books and Records. Books and records of the Association must be retained by the Association in accordance with the Association's Records Retention Policy. Each Member or Member's designated representative has a right to either inspect the requested books and records before obtaining copies or to have the Association forward copies of the requested books and records in accordance with the Association's recorded Open Records Policy. Provided that, this provision does not require the Association to release or allow inspection of books and records that are not required by law to be released or inspected, as set forth in the Association's recorded Open Records Policy.

Section 5. Audits and Reviews. An audit or review of the accounts of the Association shall be performed by a qualified, independent Certified Public Accountant annually. Each audit or review must be in accordance with generally accepted auditing standards to obtain reasonable assurance that the Association's financial statements are free of material misstatements, to assess accounting principles used, and to evaluate the overall financial statement presentation. A more comprehensive audit including confirmation with outside parties, testing selected transactions by examining supporting documents, completing physical inspections and observations, and considering and evaluating the internal control system of the organization may be performed in any given year as deemed necessary or appropriate by the Board.

Section 6. 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 7. Amendment. These Bylaws may be amended by a majority vote of the Board of Directors, subject to notice requirements provided by law or in these Bylaws.

CERTIFICATION

I, Billie Ann Kasper, hereby certify that I am the duly elected, qualified and acting President of the Association and that at a meeting of the Board of Directors of the Association duly called and held on the ninth day of August, 2021 (the "Effective Date"), with at least a quorum of the Board being present and remaining throughout, and being duly authorized to transact business, the foregoing "2021 Amended and Restated Bylaws" was duly approved by the unanimous vote of the members of the Board in attendance.

IN WITNESS THEREOF, I have hereunto subscribed my name on the date shown below but made effective as the Effective Date, as specified above.

Southridge Estates Homeowners Association,
Inc.
A Texas nonprofit corporation

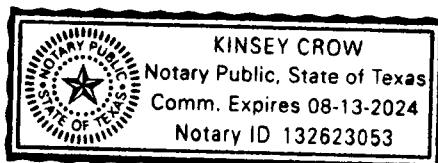
Billie Ann Kasper
BY: Billie Ann Kasper
ITS: President

THE STATE OF TEXAS §

COUNTY OF DENTON §

BEFORE ME, the undersigned Notary Public, on this day personally appeared Billie Ann Kasper, President of Southridge Estates Homeowners Association, Inc., proved to me by Texas driver license to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes therein expressed and in the capacity therein stated.

Given under my hand and affirmed the seal of office, this 13th day of August, 2021.



Kinsey Ann
Notary Public, State of Texas

AFTER RECORDING RETURN TO:

Southridge Estates Homeowners Association, Inc.
1332 Teasley Lane, Suite 268
Denton, Texas 76205