
BYLAWS OF ROSEBROOK HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

PURPOSE AND DEFINITIONS

1.1 PURPOSE OF BYLAWS. These Bylaws provide for the governance of the residential planned unit development known as ROSEBROOK HOMEOWNERS ASSOCIATION, INC., located in Smith County, Texas, as shown on the Final Plat filed and recorded in Volume _____, Page _____, Plat Records of Smith County, Texas, as amended (the "Property"). The Property is subject to the Fourth Amendment and Restatement of the Declaration of Covenants, Conditions & Restrictions for ROSEBROOK HOMEOWNERS ASSOCIATION, INC., recorded or to be recorded in the Real Property Records of Smith County, Texas (the "Declaration").

1.2. PARTIES TO BYLAWS. All present or future unit owners and all other persons who use or occupy the Property in any manner are subject to these Bylaws, the Declaration, and the other Documents as defined in the Declaration. The mere acquisition or occupancy of a unit will signify that these Bylaws are accepted, ratified, and will be strictly followed.

1.3. DEFINITIONS. Words and phrases defined in the Declaration have the same meanings when used in these Bylaws.

1.4. NONPROFIT PURPOSE. The Association is organized to be a nonprofit corporation.

1.5. COMPENSATION. A director, officer, member, or resident, in their capacity as a elected or appointed officer, may not receive any pecuniary profit from the operation of the Association, and no funds or assets of the Association may be paid as a salary or as compensation to, or be distributed to, or inure to the benefit of a director, officer, member, or resident; provided, however:

- A. With the prior approval of a majority of the voting power of the Association, a Director may receive compensation in a reasonable amount for services rendered to the Association, not related to such Director's duties as an elected office (i.e. independent vendor);
- B. A Director may be reimbursed by the Board for actual expenses incurred by the Director in the performance of the Director's duties.

1.6. GENERAL POWERS AND DUTIES. The Association, acting through the board, has the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Property as may be required or permitted by the Documents and State law. The Association may do any and all things that are lawful and which are necessary, proper, or desirable in operating for the best interests of its members, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Documents.

ARTICLE II
BOARD OF DIRECTORS

2.1. NUMBER AND TERM OF OFFICE. The affairs of the Association shall be managed by a Board of Directors consisting of five (5) duly elected Directors. Each Director shall serve terms of ~~one~~ (1) years each, with such terms staggered as to no more than three (3) Directors being elected at any given election. A director takes office on adjournment of the meeting or balloting at which he is elected or appointed and, absent death, ineligibly, resignation, or removal, will hold office until his successor is elected or appointed.

2.2. QUALIFICATION. All directors must be members of the Association or spouses of members.

2.2.1. ENTITY MEMBER. If a unit is owned by a legal entity, such as a partnership or corporation, any officer, partner, or employee of that entity member is eligible to serve as a director and is deemed to be a member for the purposes of this section. If the relationship between the entity member and the director representing it terminates, that directorship will be deemed vacant.

2.3. ELECTION. Directors will be elected by the members of the Association. The election of directors will be conducted at the annual meeting of the Association, at any special meeting called for that purpose, or by mail, facsimile transmission, or a combination of mail and facsimile transmission.

2.4. VACANCIES. Vacancies on the board caused by any reason, except the removal of a director by a vote of the Association, are filled by a vote of the majority of the remaining directors, even though less than a quorum, at any meeting of the board. Each director so elected serves until the next meeting of the Association, at which time a successor will be elected to fill the remainder of the term.

2.5. REMOVAL OF DIRECTORS.

2.5.1. REMOVAL BY MEMBERS. At any annual meeting or special meeting of the Association, any one or more of the directors may be removed with or without cause by members representing at least two-thirds (67%) of the votes present in person or by proxy at the meeting, and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the members must be given an opportunity to be heard at the meeting.

2.5.2. REMOVAL BY DIRECTORS. A director may be removed by at least a majority of the directors, at a meeting of the board called for that purpose, for the following limited reasons:

- A. The director is a party adverse to the Association or the board in pending litigation to which the Association or the board is a party;
- B. The director has refused or failed to attend three (3) or more meetings of the board during the preceding twelve (12) months, provided he was given written notice of the meetings.

- C. Any director that has been convicted of a crime on moral turpitude, as such term is known and defined by Texas law, is constructively removed from the Board of Directors immediately upon delivery of such information to the Board of Directors, with final termination following independent verification by the Board or its legal representative.

2.6. MEETINGS OF THE BOARD.

2.6.1. ORGANIZATIONAL MEETING OF THE BOARD. Either during the Annual Meeting or within ten (10) days after the annual meeting, the directors will convene an organizational meeting for the purpose of electing officers. The time and place of the meeting will be fixed by the board and announced to the directors.

2.6.2. REGULAR MEETINGS OF THE BOARD. Regular meetings of the board may be held at a time and place that the board determines, from time to time, but at least one such meeting must be held each calendar quarter. Notice of regular meetings of the board will be given to each director, personally or by telephone or written communication, at least three (3) days prior to the date of the meeting.

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

2.6.4. NOTICE OF MEETINGS. Pursuant to Texas Property Code §209.0056, Members shall be given notice of the date, hour, place, and general subject of a regular or special board meeting, including a general description of any matter to be brought up for deliberation in executive session. The notice shall be mailed to each property owner not later than the 10th day or earlier than the 60th day before the date of the meeting. The notice shall be addressed to the Member's address last appearing on the books of the Association or supplied by such Member to the Association for the purpose of notice.

2.6.5. CONDUCT OF MEETINGS. The president presides over meetings of the board and the secretary keeps, or causes to be kept, a record of resolutions adopted by the board and a record of transactions and proceedings occurring at meetings. When not in conflict with law or the Documents, the then current edition of Robert's Rules of Order governs the conduct of the meetings of the board.

2.6.6. QUORUM. At meetings of the board, a majority of directors constitutes a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present are the acts of the board. If less than a quorum is present at a meeting of the board, the majority of those present may adjourn the meeting from time to time. At any reconvened meeting at which a quorum is present, any business that may have been transacted at the meeting as originally called may be transacted without further notice.

2.6.7. OPEN MEETINGS. Regular and special meetings of the board are open to members of the Association; provided that members who are not directors may not participate in deliberations or discussions unless the board expressly so authorizes at the meeting. The board may adjourn any meeting

and reconvene in executive session to discuss actions involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, confidential communications with the property owners' association's attorney, matters involving the invasion of privacy of individual owners, or 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 the executive session will be summarized orally and placed in the minutes, in general terms, without breaching the privacy of individual owners, violating any privilege, or disclosing information that was to remain confidential at the request of the affected parties. The oral summary will also include a general explanation of expenditures approved in executive session.

2.6.8. TELEPHONE/ELECTRONIC MEETINGS. Members of the board or any committee of the Association may participate in and hold meetings of the board or committee by means of conference telephone or similar communications equipment, including web-based meeting software, by means of which all persons participating in the meeting can hear each other or the board may take action by unanimous written consent to consider routine and administrative matters or a reasonably unforeseen emergency or urgent necessity that requires immediate board action. Participation in such meeting constitutes presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

2.6.9. ACTION WITHOUT A MEETING. Any action required or permitted to be taken by the board at a meeting may be taken without a meeting, if all directors individually or collectively consent in writing to such action. The written consent must be filed with the minutes of board meetings. Action by written consent has the same force and effect as a unanimous vote.

2.7. LIABILITIES AND STANDARD OF CARE. In performing their duties, the directors are required to exercise certain standards of care and are subject to certain liabilities, including but not limited to Texas Business Organizations Code §3.105.

2.8. POWERS AND DUTIES.

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

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

2.8.3. FINES. The board may levy fines for each day or occurrence that a violation of the Documents persists after notice and hearing, provided the amount of the fine is reasonable in relation to the nature and frequency of violation.

2.8.4. DELINQUENT ACCOUNTS. The board may establish, levy, and collect reasonable late charges for members' delinquent accounts. The board may also establish a rate of interest to be charged on members' delinquent accounts.

ARTICLE III
OFFICERS

3.1. DESIGNATION. The principal officers of the Association are the president, the secretary, and the treasurer. The board may appoint one or more vice-presidents and other officers and assistant officers as it deems necessary. All officers must be members or directors. The same person cannot hold more than one (1) office at a time. If an officer is absent or unable to act, the board may appoint a director to perform the duties of that officer and to act in place of that officer, on an interim basis.

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

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

3.4. STANDARD OF CARE. In performing their duties, the officers are required to exercise the standards of care provided by Article 3.105 of the Texas Business Organization Code.

3.5. DESCRIPTION OF PRINCIPAL OFFICES.

3.5.1. PRESIDENT. As the chief executive officer of the Association, the president: (i) presides at all meetings of the Association and of the board; (ii) sign as President all deeds, contracts, and other instruments in writing that have been first approved by the Board, by duly adopted resolution, has authorized the signature of another Officer, (iii) call meetings of the Board whenever he or she deems it necessary in accordance with rules and on notice agreed to by the Board. The notice period shall, with the exception of emergencies, in no event be less than three (3) days, and (iv) have, subject to the advice of the Board, general supervision, direction, and control of the affairs of the Association and discharge such other duties as may be required of him or her by the Board..

3.5.2. VICE-PRESIDENTS. The vice-presidents do not have automatically possess inherit powers to act in the capacity of the President and may act for the President only when the President is actually absent or otherwise unable to act. The vice-presidents shall perform the duties of the President, and when so acting shall have all powers of and be subject to all restrictions upon the President. Any Vice-Presidents shall perform such other duties as from time to time may be assigned by the President or the Board of Directors.

3.5.3. SECRETARY. The secretary: (i) shall keep a record of all meetings and proceedings of the Board and of the Members; (ii) keep the seal of the Association, if any, and affix it on all

papers requiring the seal; (iii) serve notices of meetings of the Board and the Members required either by law or by these Bylaws; (iv) keep appropriate current records showing the Members of the Association together with their addresses; and (v) sign as Secretary all deeds, contracts, and other instruments in writing that have been first approved by the Board if the instruments require a second Association signature, unless the Board has authorized another Officer to sign in the place and stead of the Secretary by duly adopted resolution.

3.5.4. TREASURER. The treasurer: (i) shall receive and deposit in a bank or banks, as the Board may from time to time direct, all of the funds of the Association; (ii) be responsible for and supervise the maintenance of books and records to account for the Association's funds and other Association assets; (iii) disburse and withdraw funds as the Board may from time to time direct, in accordance with prescribed procedures; and (iv) prepare and distribute the financial statements for the Association required by the Declaration.

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

ARTICLE IV
MEETINGS OF THE ASSOCIATION

4.1. ANNUAL MEETING. The annual meeting of the members of the Association shall be held on the ~~_____ day of (MONTH) of each succeeding calendar year at the hour of 10:00 AM.~~ If the day for the annual meeting of the Members is a legal holiday, the meeting shall be held at the same hour on the first day following, that is not a legal holiday or a Saturday or Sunday.

4.2. SPECIAL MEETINGS. It is the duty of the president to call a special meeting of the Association if directed to do so by a majority of the board or by a petition signed by owners of at least twenty percent (20%) of the units. The meeting must be held within thirty (30) days after the board resolution or receipt of petition. The notice of any special meeting must state the time, place, and purpose of the meeting. No business, except the purpose stated in the notice of the meeting, may be transacted at a special meeting.

4.3. PLACE OF MEETINGS. Meetings of the Association may be held at the Property or at a suitable place convenient to the members, as determined by the board.

4.4. NOTICE OF MEETINGS. At the direction of the board, written notice of meetings of the Association will be given to an owner of each unit at least ten (10) days but not more than sixty (60) days prior to the meeting. Notices of meetings will state the date, time, and place the meeting is to be held. Notices will identify the type of meeting as annual or special, and will state the particular purpose of a special meeting. Notices may also set forth any other items of information deemed appropriate by the board.

4.5. INELIGIBILITY. The board may determine that no member may vote at meetings of the Association or be elected to serve as a director if the member's financial account with the Association is in arrears on the record dates provided below, provided each ineligible member is given notice of the arrearage and an opportunity to become eligible. The board may specify the manner, place, and time for payment for purposes of restoring eligibility.

4.6. RECORD DATES.

4.6.1. DETERMINING VOTING ELIGIBILITY. The board will fix a date as the record date for determining the members entitled to vote at a meeting of the Association. The record date may not be more than sixty (60) days before the date of a meeting of the Association at which members will vote.

4.6.2. DETERMINING RIGHTS ELIGIBILITY. The board will fix a date as the record date for determining the members entitled to exercise any rights other than those described in the other subsections of this section. The record date may not be more than sixty (60) days before the date of the action for which eligibility is required, such as nomination to the board. Such nominations shall be made from the floor at the annual meeting of the Members in accordance with Roberts Rules of Order.

4.6.3. ADJOURNMENTS. A determination of members entitled to notice of or to vote at a meeting of the Association is effective for any adjournment of the meeting unless the board fixes a new date for determining the right to notice or the right to vote. The board must fix a new date for determining the right to notice or the right to vote if the meeting is adjourned to a date more than ninety (90) days after the record date for determining members entitled to notice of the original meeting.

4.7. VOTING MEMBERS LIST. The board will prepare and make available a list of the Association's voting members in accordance with Article 22.158 of the Texas Business Organization Code.

4.8. QUORUM. At any meeting of the Association, the presence in person or by proxy of members owning at least fifteen (15%) of the eligible votes constitutes a quorum. Members present at a meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal, during the course of the meeting, of members constituting a quorum.

4.9. LACK OF QUORUM. If a quorum is not present at any meeting of the Association for which proper notice was given, members representing at least a majority of the units represented at the meeting, although not constituting a quorum, may vote to recess the meeting for not more than twenty-four (24) hours in order to attain a quorum, provided the place of the meeting remains as stated in the notice. If the meeting is adjourned without attainment of a quorum, notice of a new meeting for the same purposes within fifteen (15) to thirty (30) days may be given to an owner of each unit, at which meeting the members present in person or by proxy (even if less than the quorum required for the first meeting) will be sufficient to constitute a quorum for the purposes of that meeting.

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

4.10.1. CO-OWNED LOTS. If a lot is owned by more than one member, the one vote appurtenant to that lot is cast in accordance with the Declaration,

4.10.2. CORPORATION-OWNED LOTS. If a lot is owned by a corporation, the vote appurtenant to that lot may be cast by any officer of the corporation in the absence of a written appointment of a specific person by the corporate owner's board of directors or Bylaws. The vote of a partnership may be cast by any general partner in the absence of a written appointment of a specific person by the owning partnership. The person presiding over a meeting or vote may require reasonable evidence that a person voting on behalf of a corporation or partnership is qualified to vote.

4.10.3. ASSOCIATION-OWNED LOTS. Votes allocated to a lot owned by the Association may be counted towards a quorum and for all ballots and votes except the election or removal of directors. The vote appurtenant to a lot owned by the Association is exercised by the board.

4.11. PROXIES. Votes may be cast in person or by written proxy. To be valid, each proxy must (i) be signed and dated by a member or his attorney-in-fact; (ii) identify the unit to which the vote is appurtenant; (iii) name the person in favor of whom the proxy is granted, such person having agreed to exercise the proxy; (iv) identify the purpose or meeting for which the proxy is given; (v) not purport to be revocable without notice; and (vi) be delivered to the secretary or to the person presiding over the

Association meeting for which the proxy is designated. Unless the proxy specifies a shorter or longer time, it terminates one year after its date. To revoke a proxy, the granting member must give actual notice of revocation to the person presiding over the Association meeting for which the proxy is designated. Unless revoked, any proxy designated for a meeting which is adjourned, recessed, or rescheduled is valid when the meeting reconvenes. A proxy may be delivered by fax. However, a proxy received by fax may not be counted to make or break a tie-vote unless the proxy has been acknowledged or sworn to by the member, before and certified by an *officer* authorized to take acknowledgments and oaths.

4.12. CONDUCT OF MEETINGS. The president, or any person designated by the board, presides over meetings of the Association. The secretary keeps, or causes to be kept, the minutes of the meeting which should record all resolutions adopted and all transactions occurring at the meeting, as well as a record of any votes taken at the meeting. The person presiding over the meeting may appoint a parliamentarian. The then current edition of Robert's Rules of Order governs the conduct of meetings of the Association when not in conflict with the Documents. Votes should be tallied by tellers appointed by the person presiding over the meeting.

4.13. ORDER OF BUSINESS. Unless the notice of meeting states otherwise, the order of business at meetings of the Association is as follows:

- (a) Roll call;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading of Minutes of preceding *meeting*;
- (d) Reports of officers;
- (e) Reports of committees;
- (f) Election of directors;
- (g) Unfinished business;
- (h) New business.

4.14. ADJOURNMENT OF MEETING. At any meeting of the Association, a majority of the members present at that meeting, either in person or by proxy, may adjourn the meeting to another time.

4.15. ACTION WITHOUT MEETING. Any action required by law to be taken at a meeting of the Members or any action that may be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members and filed with the Secretary of the Association. This Section may not be used to avoid the requirement of an annual meeting and does not apply to the election of directors.

ARTICLE V
RULES

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

5.2. ADOPTION AND AMENDMENT. Any rule may be adopted, amended, or terminated by the board, provided that the rule and the requisite board approval are properly recorded as a resolution in the minutes of the meeting of the board.

5.3. NOTICE AND COMMENT. At least ten (10) days before the effective date, the board will give written notice to an owner of each unit of any amendment, termination, or adoption of a rule, or will publish same in a newsletter or similar publication that is circulated to the members. The board may, but is not required, to give similar notice to residents who are not members. Any member or resident so notified has the right to comment orally or in writing to the board on the proposed action.

5.4. DISTRIBUTION. On request from any member or resident, the board will provide a current and complete copy of rules. Additionally, the board will, from time to time, distribute copies of the current and complete rules to owners and, if the board so chooses, to non-member residents.

5.5. RECORDATION OF GOVERNING DOCUMENTS: The Association shall ensure that all governing documents, (bylaws, declarations, rules, guidelines, etc.) are recorded in the Real Property Records of Smith County, including any subsequent amendment or correction. Failure to record such governing document will result in the ineffectiveness of such document until recorded.

ARTICLE VI
ENFORCEMENT

6.1. REMEDIES. The violation of any provision of the Documents gives the board the right, in addition to any other rights set forth in the Documents:

- A. To impose reasonable fines, if notice and an opportunity to be heard are given;
- B. After notice and an opportunity to be heard are given, except in case of an emergency, to enter the unit or common element in which, or as to which, the violation or breach exists and to summarily abate and remove, at the expense of the defaulting owner, any structure, thing, or condition (except for additions or alterations of a permanent nature that may exist in that unit) that is contrary to the intent and meaning of the provisions of the Documents. The board may not be deemed liable for any manner of trespass by this action; and
- C. To enjoin, abate, or remedy, by appropriate legal proceedings, the continuance of any breach.

6.2. NOTICE AND HEARING. Before imposing a fine or exercising self-help abatement, the board must give the owner a written violation notice and an opportunity to be heard.

6.2.1. Notice of Violation. The board's written violation notice will contain the following:

- A. the date the violation notice is prepared or mailed;
- B. A description of the violation;
- C. a reference to the rule or provision of the Documents which is being violated;
- D. a description of the action required to cure the violation;
- E. the amount of the fine to be levied, or the abatement action to be taken;
- F. the date the fine begins accruing or abatement action becomes possible; and
- G. a statement that not later than the 30th day after the date of the violation notice, the owner may request a hearing before the board to contest the fine or the abatement action.

6.2.2. NOTICE TO RESIDENT. In addition to giving the written violation notice to the owner, the board may also give a copy of the notice to the non owner resident, if the board deems it appropriate.

6.2.3. REQUEST FOR HEARING. To request a hearing before the board, an owner must submit a written request to the board within thirty (30) days after the date of the violation notice. Within ten (10) days after receiving the owner's request for a hearing, the board will give the owner notice of the date, time, and place of the hearing. The hearing will be scheduled for a date within forty-five (45) days

from the date the board receives the owner's request, and should be scheduled to provide a reasonable opportunity for both the board and the owner to attend.

6.2.4. PENDING HEARING. Pending the hearing, the board may continue to exercise the Association's other rights and remedies for the violation, as if the declared violation were valid. The owner's request for a hearing suspends only the levy of the fine or the abatement action described in the notice.

6.2.5. HEARING. The hearing will be held in a closed or executive session of the board. At the hearing, the board will consider the facts and circumstances surrounding the violation. The owner may attend the hearing in person, or may be represented by another person or written communication. No audio or video recording of the hearing may be made.

6.2.6. MINUTES OF HEARING. The minutes of the hearing must contain a statement of the results of the hearing and the amount of fine, if any, imposed, or abatement action, if any, authorized. A copy of the violation notice and request for hearing should be placed in the minutes of the hearing. If the owner appears at the hearing, the notice requirement will be deemed satisfied.

6.3. IMPOSITION OF FINE. Within 30 days after levying the fine or authorizing the abatement, the board must give the owner notice of the levied fine or abatement action. If the fine or action is announced at the hearing at which the owner is actually present, the notice requirement will be satisfied. Otherwise, the notice must be in writing.

6.3.1. AMOUNT. The board may set fine amounts on a case-by-case basis, provided the fine is reasonable in light of the nature, frequency, and effects of the violation. The board may establish a schedule of fines for certain types of violations. The amount and cumulative total of a fine must be reasonable in comparison to the violation. If the board allows fines to accumulate, it may establish a maximum amount for a particular fine, at which point the total fine will be capped.

6.3.2. TYPE OF FINE. If the violation is ongoing or continuous, the fine may be levied on a periodic basis (such as daily, weekly, or monthly). If the violation is not ongoing, but is instead sporadic or periodic, the fine may be levied on a per occurrence basis.

6.3.3. OTHER FINE-RELATED. The Association is not entitled to collect a fine from an owner to whom it has not given notice and an opportunity to be heard. The Association may not charge interest on unpaid fines. The Association may not foreclose its assessment lien on a debt consisting solely of fines; however, the board may adopt a collection policy that applies owners' payments to unpaid fines before retiring other types of assessments.

6.4. ADDITIONAL ENFORCEMENT RIGHTS. Notwithstanding the notice and hearing requirement, the board may take immediate and appropriate action, without giving the notices required in this Article, against violations of the Documents which, in the board's opinion, are (i) self-evident, such as vehicles parked illegally or in violation of posted signs; (ii) threatening to life or property; or (iii) repeat violations of the same provision by the same owner to whom prior notices and errands have been given for the same violation. Further, the provisions of this Article do not apply to specific remedies provided in the Documents for certain violations, such as nonpayment of assessments.

ARTICLE VII
OBLIGATIONS OF THE OWNERS

7.1. NO ADDITIONAL REQUIREMENTS. The sole qualification for membership shall be the ownership of a Unit in the Project. No initiation fees, costs, or dues shall be assessed against any person as a condition of membership except such assessments, levies, and charges as are specifically authorized under the Articles of Incorporation, the Declaration, or the Act.

7.2. PROOF OF OWNERSHIP. The rights of membership shall not be exercised by any person until satisfactory proof has been furnished to the Secretary of the Association that the person is qualified as a Member. Such proof may consist of a copy of a duly executed and acknowledged deed or title insurance policy evidencing ownership of a Unit in the Project. Such deed or policy shall be deemed conclusive in the absence of a conflicting claim based on a later deed or policy.

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

7.4. MAILING ADDRESS. The owner or the several co-owners of a unit must register and maintain one mailing address to be used by the Association for mailing of monthly statements, notices, demands, and all other communications. If an owner fails to maintain a current mailing address with the Association, the address of that owner's unit is deemed to be his mailing address.

7.5. REGISTRATION OF MORTGAGEES. Within thirty (30) days after granting a lien against his unit, the owner must provide the Association with the name and address of the holder of the lien and the loan number. The owner must notify the Association within thirty (30) days after *he has* notice of a change in the information required by this Section. Also, the owner will provide the information on request by the Association from time to time.

7.6. ASSESSMENTS. All owners are obligated to pay assessments imposed by the Association to meet the common expenses as defined in the Declaration. A member is deemed to be in good standing if he is current in the assessments made or levied against him and his unit.

7.7. COMPLIANCE WITH DOCUMENTS. Each owner will comply with the provisions and terms of the Governing Documents, and any amendments thereto. Further, each owner will always endeavor to observe and promote the cooperative purposes for which the Property was established.

ARTICLE VIII
ASSOCIATION RECORDS

8.1. INSPECTION OF BOOKS AND RECORDS. The Association will be made available for inspection and copying shall make the books and records of the association, including financial records, open to and reasonably available for examination by an owner, or a person designated in a writing signed by the owner as the owner's agent, attorney, or certified public accountant, in accordance with this section. An owner is entitled to obtain from the association copies of information contained in the books and records. In addition, see attached hereto ROSEBROOK HOMEOWNERS ASSOCIATION, INC.'S POLICY FOR APPLICATION OF PAYMENTS, ALTERNATIVE PAYMENT PLANS, AND REQUESTS FOR ASSOCIATION RECORDS, previously recorded and superseding the sections of the below Article VIII, as amended from time to time.

8.1.2. COPIES. A member, at member's expense, may obtain photocopies of books and records for which the board grants the right of inspection. The board has the right to retain possession of the original books and records, to make copies requested by the member, and to charge the member a reasonable fee for copying.

8.1.3. MEMBER'S AGENT. A member's inspection of the books and records may be assisted or performed by the member's agent, accountant, or attorney.

8.1.4. RECORDS OF ATTORNEYS AND ACCOUNTANTS. The Association's attorney's files and records relating to the property owners' association, excluding invoices requested by an owner under Texas Property Code §209.008(d), are not records of the association and are not subject to inspection by the owner or production in a legal proceeding. If a document in an attorney's files and records relating to the association is responsive to a legally authorized request to inspect or copy association documents, the document shall be produced by using the copy from the attorney's files and records if the association has not maintained a separate copy of the document.

8.2. COSTS AND FEES FOR RECORDS. The Board has prepared and shall maintain a schedule of fees and costs associated with providing a copy of the records requested by any homeowner pursuant to Article of these Bylaws, and such Schedule of Fees. See attached hereto ROSEBROOK HOMEOWNERS ASSOCIATION, INC.'S POLICY FOR APPLICATION OF PAYMENTS, ALTERNATIVE PAYMENT PLANS, AND REQUESTS FOR ASSOCIATION RECORDS, previously recorded and superseding the sections of the below Article VIII, as amended from time to time.

ARTICLE IX
AMENDMENTS TO BYLAWS

9.1. AUTHORITY. These Bylaws may not be amended by the board without approval by the members. These Bylaws may be amended by the members according to the terms of this Article.

9.2. PROPOSALS. The Association will provide an owner of each unit with a detailed description, if not exact wording, of any proposed amendment. The description will be included in the notice of any annual or special meeting of the Association if the proposed amendment is to be considered at the meeting.

9.3. CONSENTS. Subject to the following limitation, an amendment of these Bylaws must be approved by members representing at least a majority of the votes present (in person or by proxy) at a properly called meeting for which a quorum is obtained. In other words, if a quorum is present (in person or by proxy) at a meeting, a majority of those at the meeting (in person or by proxy) may approve an amendment to these Bylaws. However, this Section may not be amended without the approval of members representing at least a majority of the votes in the Association.

9.5. EFFECTIVE. To be effective, each amendment must be in writing, reference the names of the Property and the Association, be signed by at least two (2) officers acknowledging requisite approval of members, and be delivered to an owner of each unit at least ten (10) days before the amendment's effective date. Further, these Bylaws are publicly recorded, thus any amendment must recite the recording data for the Bylaws, be in a form suitable for recording as a real property record, and be delivered to the county clerk for recordation.

ARTICLE X
GENERAL PROVISIONS

10.1. CONFLICTING PROVISIONS. If any provision of these Bylaws conflicts with any provision of the laws of the State of Texas, the conflicting Bylaws provision is null and void, but all other provisions of these Bylaws remains in full force and effect. In the case of any conflict between the Articles of Incorporation of the Association and these Bylaws, the Articles control. In the case of any conflict between the Declaration and these Bylaws, the Declaration controls.

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

10.3. CONSTRUCTION. The effect of a general statement is not limited by the enumerations of specific matters similar to the general. The captions of articles and sections are inserted only for convenience and are in no way to be construed as defining or modifying the text to which they refer. The singular is construed to mean the plural, when applicable, and the use of masculine or neuter pronouns includes the feminine.

10.4. FISCAL YEAR. The fiscal year of the Association is the calendar year.

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

10.6. PREPARER. These Bylaws were prepared by Ladd & Thigpen, P.C., 235 S. Broadway Suite 200, Tyler, Texas 75702.