



**BY-LAWS OF THE PRAIRIE POINT
PROPERTY OWNERS ASSOCIATION INC.**

ARTICLE I.

GENERAL

Prairie Point Property Owners Association Inc. is the "Association" described within that certain "Declaration of Covenants, Conditions, and Restrictions" dated September 30, 2021 (the "Declaration") pertaining to The Point Subdivision in Burnet County, Texas, which Declaration was recorded as Document 202116458 in the Official Public Records of Burnet County, Texas, and incorporated herein by reference for all purposes. For convenience, some of the provisions of the Declaration may be repeated or summarized within these By-Laws. The remaining defined terms and provisions of these By-Laws are intended to complement and supplement those of the Declaration. In the event of any conflict or ambiguity between the Declaration (on the one hand) and these By-Laws (on the other hand) and unless otherwise required by law, the terms and conditions of the Declaration shall control and govern.

ARTICLE II.

NAME, DEFINITIONS, MEMBERSHIP AND VOTING RIGHTS

Section 1. Name. The name of the Association shall be "Prairie Point Property Owners Association Inc." (herein sometimes referred to as the "Association").

Section 2. Definitions. Certain words used in these By-Laws shall have the same meaning as set forth in the Declaration, supplemented by the defined words listed below:

"Annual Assessment" shall have the meaning specified in Article VII of the Declaration.

"Articles" shall mean and refer to the Articles of Incorporation (and any amendments thereto and restatements thereof) of the Association on file in the Office of the Secretary of State of the State of Texas, Austin, Texas.

"Assessable Property" shall mean and refer to each and every lot, parcel and tract within the entire Property which: (i) the Declarant has subjected to and imposed upon a set of restrictive covenants calling for, inter alia, the payment of an Annual Assessment to the Association, and (ii) may have been or will be given a separately identifiable tax or parcel number by the Burnet County Appraisal District of Burnet County, Texas ("BCAD"), and (iii) is not designated as a portion of the Common Area. The Declarant proposes to cause each Lot within the Property to constitute an Assessable Property, except for lots defined herein as Common Area.

"Association" shall mean and refer to The Prairie Point Property Owners Association Inc. a non-profit Texas corporation.

"Board" shall mean the Board of Directors of the Association.

"Burnet County Appraisal District of Burnet County, Texas" ("BCAD") shall mean and refer to the governmental and/or quasi-governmental agency established in accordance with Texas Property Tax Code Section 6.01, et seq., (and its successors and assigns as such law may be amended from time-to-time) or other similar statute which has, as one of its purposes and functions, the establishment of an assessed valuation and/or fair market value for various lots, parcels and tracts of land in Burnet County, Texas.

"By-Laws" shall mean and refer to these By-Laws of the Association, as adapted and amended from time to time in accordance with the provisions of the Texas Non-Profit Corporation Act and the Declaration.

"Common Area" shall mean and refer to any and all areas of land owned by the Association, specifically that 23.32 acre parcel encompassing the Prairie Point Dr. right-of-way and the existing electric and gas line easements, and Lot 41, as designated on the Plat, together with any and all improvements that are now or that may hereafter be constructed thereon. The Declarant reserves the right to use, during the Development Period, portions of the Common Area for business matters directly and indirectly related to sale of lots in the Subdivision. One or more portions of the Common Area may from time to time be reasonably limited to private functions, and conversely, one or more portions of otherwise private property may be utilized for Association functions and activities. Declarant shall convey record title to some or all of the Common Area to the Association if, as and when deemed appropriate by Declarant, and Declarant shall at all times have and retain the right to effect minor redesigns or minor reconfigurations of the Common Area (particularly along the edges) and to execute any open space declarations applicable to the Common Area which may be permitted in order to reduce property taxes, and to take whatever steps may be appropriate to lawfully avoid or minimize the imposition of federal and state ad valorem and/or income taxes.

"Covenants" shall mean and refer to all covenants, conditions, restrictions, easements, charges and liens set forth within the Declaration and By-Laws.

"Declarant" shall mean Prairie Pointe Estates Inc., a Texas corporation, having its principal office at 2000 S. Interstate Hwy 35, Suite Q11 Round Rock, TX 78681.

"Declaration" shall have the meaning as set forth in Article I, including any duly enacted amendments or supplements thereto as from time to time are recorded in the Official Public Records of Burnet County, Texas.

"Deed" shall mean and refer to any deed, assignment, testamentary bequest, muniment of title or other instrument, or intestate inheritance and succession, conveying or transferring fee simple title or a leasehold interest or another legally recognized estate in a Lot.

"Design Guidelines" shall mean and refer to those particular standards, restrictions, guidelines, recommendations and specifications applicable to most of the aspects of construction, placement location, alteration, maintenance and design of any improvements to or within the Property, and all amendments, bulletins, modifications, supplements and interpretations thereof.

"Developed Lot" shall mean any Lot that has had any Improvement made to it.

"Development Period" shall mean a period commencing on the date of the recording of the Declaration in the public real estate records of Burnet County, Texas and continuing thereafter until and

ending the earlier to occur of: (i) substantial completion of all development within the Property, as determined by the Declarant; or (ii) the fifth (5th) anniversary of the date of recordation of the Declaration in the public real estate records of Burnet County, Texas.

"Dwelling Unit" shall mean and refer to any building or portion of a building situated upon the Property which is designed and intended for use and occupancy as a residence by a single person, a couple, a family or a permitted family size group of persons.

"Exempt Property" shall mean and refer to the following portions of the Property: (i) all land and Improvements owned by the United States of America, the State of Texas, Burnet County or any instrumentality, political subdivision or agency of any such governmental entity acting in a governmental (rather than a proprietary) capacity; (ii) all land and Improvements owned (including legal and beneficial ownership, whether now or in the future) by the Association or constituting a portion of the Common Area; (iii) all land and Improvements which are not only exempt from the payment of ad valorem real property taxes by the Taxing Authorities, but also are exempt from the payment of any assessments hereunder as expressly determined by written resolution of the Declarant and/or the Association; (iv) all land owned by Declarant, but only during the Development Period; and (v) such other land(s) and/or Improvement(s) and/or Lot(s) which are specifically exempted from the payment of annual Assessments in accordance with a special resolution of the Board.

"Fiscal Year" shall mean each twelve (12) month period commencing on January 1 and ending on the following December 31, unless the Board shall otherwise select an alternative twelve-month period.

"Homebuilder" shall mean and refer to each entity and/or individual which: (i) is regularly engaged in the ordinary business of constructing residential dwellings on subdivision lots for sale to third-party homeowners as their intended primary residence; and (ii) has entered into a contract with the Declarant to purchase one or more Lots.

"Improvement" shall mean any physical change to raw land or to an existing Structure which alters the physical appearance, characteristics or properties of the land or Structure, including but not limited to (a) adding or removing square footage area space to or from a Structure, (b) painting or repainting a Structure, (c) in any way altering the size, shape or physical appearance of any land or Structure, (d) any excavation, fill, ditch, diversion dam or other thing or device which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel from, upon or across any Lot, or (e) any change in the grade of any Lot of more than twelve (12) inches from that existing at the time of initial approval by the Architectural Review Committee.

"Institutional Mortgage" shall mean and refer to any bona-fide mortgage lien or security interest held by a bank, trust company, insurance company, savings and loan association or other recognized lending institution, or by an institutional or governmental purchaser of mortgage loans in the secondary market, such as Federal National Mortgage Association, Federal Home Loan Mortgage Corporation or their successors, or guaranteed or subsidized by the FHA and/or VA.

"Lot" shall mean and refer to each separately identifiable portion of the Assessable Property which is platted, filed and recorded in the office of the County Clerk of Burnet County, Texas and which is assessed by any one or more of the Taxing Authorities and which is not intended to be an "open space" or a portion of the Common Area.

"Member" as defined for purposes of these By-Laws shall mean and refer to any Owner, except for a Member Not in Good Standing.

"Member Not in Good Standing" means an Owner that is then in default of any of their obligations to the Association or under the Covenants beyond any applicable notice and cure period or appeal proceeding. A Member Not in Good Standing retains their membership interest in the Association, but their voting rights and certain privileges afforded to Members as defined are suspended.

"Owner" shall mean and refer to the holder(s) of record title to the fee simple interest of any Lot, whether or not such holder(s) actually reside(s) on any part of the Lot. Regardless of the manner in which title is held, there shall be only one Owner for each Lot, notwithstanding multiple natural persons who may constitute an Owner.

"Payment and Performance Lien" shall mean and refer to the lien described within Sections 8 and 9 of Article V of the Declaration.

"Plat" means the Plat of the Property and Subdivision recorded in Instrument No. 202116457 of the real property records of Burnet County, Texas.

"Property" means those certain tracts of land designated as Lots on the Plat.

"Resident" shall mean and refer to:

- (a) each Owner of the fee simple title to any Lot within the Property;
- (b) each person residing on any part of the Assessable Property who is a bona-fide lessee pursuant to a written lease agreement with an Owner; and
- (c) each individual lawfully domiciled in a Dwelling Unit other than an Owner or bona-fide lessee.

"Structure" shall mean and refer to:

- (a) any thing or device, other than trees, shrubbery (less than two feet high if in the form of a hedge) and landscaping (the placement of which upon any Lot shall not adversely affect the appearance of such Lot) including but not limited to any Dwelling Unit, Outbuilding, garage, porch, covered or uncovered patio, swimming pool, play apparatus, clothesline, fence, curbing, paving, wall or hedge more than two feet in height, signboard or other temporary or permanent living quarters or any temporary or permanent Improvement to any Lot; or
- (b) any enclosure or receptacle for the concealment, collection and/or disposition of refuse.

"Subdivision" shall mean and refer to The Point Subdivision, as shown on the Plat.

"Taxing Authorities" shall mean and refer to Burnet County, the Burnet Independent School District, and the State of Texas and any and all other governmental entities or agencies which have, or may in the future have, the power and authority to impose and collect ad valorem taxes on real property estates, in accordance with the Texas Constitution and applicable statutes and codes.

"Trustee" shall mean and refer to that certain individual(s) or entity(ies) designated or appointed from time to time and at any time by the Association to perform the duties and responsibilities described within Section 9 of Article V of the Declaration, and its successors and assigns.

"Undeveloped Lot" shall mean any Lot that has not had any Improvement made to it.

Section 3. Membership. Each and every Owner of each and every Lot within the Subdivision shall automatically be, and must at all times remain, a member of the Association. The defined term "Member" refers to a member of the Association who is in good standing. A member shall be a "Member Not in Good Standing" if beyond any applicable notice and cure period or appeal period, such person or entity is: (a) in violation of any portion of the Covenants, the Design Guidelines, or any rule or regulation promulgated by the Board; or (b) delinquent in the full, complete and timely payment of any Annual Assessment, special assessment, or any other fee, charge or fine which is levied, payable or collectible pursuant to the provisions of the Declaration, these By-Laws or any rule or regulation promulgated by the Board.

Section 4. Voting Rights. Each Member shall be entitled to one (1) vote per Undeveloped Lot and two (2) votes per Developed Lot.

ARTICLE III.

MEMBERS: MEETINGS, QUORUM, VOTING, PROXIES

Section 1. Place of Meetings. Meetings of the Association shall be at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board of Directors, including video conferencing if deemed appropriate by the Board.

Section 2. Annual Meetings. The first meeting of the Members, whether a regular or special meeting, shall be held within one (1) year from the date of incorporation of the Association and not later than ten (10) months after the closing of the sale of the first residential Dwelling Unit. The next annual meeting shall be set by the Board so as to occur within one hundred and twenty (120) days after the close of the Association's fiscal year. Subsequent regular annual meetings of the Members shall be held within one hundred and twenty (120) days of the same day of the same month of each year thereafter, at a specific date and hour set by the Board.

Section 3. Special Meeting. The President of the Board may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of a majority of the Board of Directors or upon a petition signed by Members holding at least twenty percent (20%), of the total votes of the Association. The notice of any special meeting shall 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 shall be the duty of the Secretary to cause notices to be prepared concerning each annual or special meeting of the Association, stating the purpose of the special meeting, as well as the time and place where it is to be held. Quorum, notice and voting requirements of and pertaining to the Association shall be in accordance with permitted Texas law.

Section 5. Waiver of Notice. Waiver of notice of any 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 thereafter unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

Section 6. Adjournment of Meetings. If any meetings of the Association cannot be held because a quorum is not present, a majority of the Members who are present at such meeting, either in person or by proxy may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting, or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to Members in the manner prescribed for regular meetings. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, provided that any action taken shall be approved by at least a majority of the Members required to constitute a quorum.

Section 7. Voting. The voting rights of the Members shall be as set forth in Section 4 of Article II above.

Section 8. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon loss of good standing by any such Member or upon receipt of notice by the Secretary of the Board of the death or judicially declared incompetence of a Member, or upon the expiration of eleven (11) months from the date of the proxy. A form of proxy or written ballot may provide an opportunity to specify approval or disapproval with respect to any proposal.

Section 9. Majority. As used in these By-Laws, the term "majority" shall mean those votes totaling more than fifty percent (50%) of the total number of votes cast by voting Members in good standing attending any meeting (or represented by proxy) of the Association.

Section 10. Quorum. Except as otherwise provided in these By-Laws or in the Declaration, the presence in person or by proxy of twenty percent (20%) of the Members determined without regard to their voting rights shall constitute a quorum at all meetings of the Association.

Section 11. Conduct of Meetings. The President (or, in the absence of the President, a Vice-President) shall preside over all meetings of the Association, and the Secretary or an Assistant Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

Section 12. Action Without a Meeting. Any action which may be taken by the vote of the voting Members at a regular or special meeting may be taken without a meeting as and to the extent permitted by applicable Texas law.

Section 13. Additional Powers of the Board. The Board may make such rules and regulations, consistent with the terms of the Declaration and these By-Laws, as it deems advisable for: any meeting of Members; proof of membership in the Association; the status of good standing; evidence of the right to vote; the appointment and duties of examiners and inspectors of votes; the procedures for actual voting in person or by proxy; registration of Members for voting purposes; and such other matters concerning the conduct of meetings and voting as the Board shall deem fit.

ARTICLE IV.

BOARD OF DIRECTORS: NUMBER, ELECTION, POWERS, MEETINGS

Section 1. Governing Body Composition. The affairs of the Association shall be governed by a Board of Directors. Except as provided in Section 2 of this Article, the Directors shall be Members; no two Members who are immediate family members of one another may serve on the Board at the same time.

Section 2. Directors During Development Period. During the Development Period and until 75% of the Lots have been sold by Declarant, Directors need not be Members, and the Association may have between one and three Directors appointed by Declarant.

Section 3. Number of and Voting for Directors. After the Development Period and when 75% of the Lots have been sold by Declarant, the affairs of the Association shall be managed initially by a board of three (3) individuals elected by the Members. However, beginning with the third (3rd) annual meeting of the Members of the Association and continuing thereafter, the Board shall be expanded to consist of five individual Directors, elected by the Members.

Directors shall be elected for two-year terms of office and shall serve until their respective successors are elected and qualified. Any vacancy which occurs in the Board, by reason of death, resignation, removal, or otherwise, may be filled at any meeting of the Board by the affirmative vote of a majority of the remaining Directors representing the same class of Members who elected the Director whose position has become vacant. Any Director elected to fill a vacancy shall serve as such until the expiration of the term of the Director whose position he or she was elected to fill.

Section 4. Nomination of Directors. Prior to each annual meeting of Members, the Board shall prescribe:

- (a) the opening date and the closing date of a reasonable filing period in which each and every Member who has a bona-fide interest in serving as a Director may file as a candidate for such position;
- (b) that each and every Member who has properly filed shall be included within the ballot;
- (c) that where three (3) or more candidates are vying for one position election may occur by a plurality (rather than a simple majority) of the votes cast; and
- (d) such other rules and regulations which may then be appropriate to conduct the nomination and election of directors in a fair, efficient and cost effective manner. Each candidate shall be given a reasonable, uniform opportunity to communicate their qualifications to the Members and to solicit votes.

Section 5. Election and Term of Office. The election process shall occur by secret ballot not less than twenty (20) days before the annual meeting of the Members, in accordance with any reasonable procedure approved (from time to time) by the Board, so that the tabulated results can be announced at the annual meeting. Directors shall be elected for two (2) year terms of office and shall serve until their respective successors are elected and qualified.

Section 6. Removal of Directors. Any Director who has three (3) consecutive unexcused absences from Board meetings may be removed by a majority vote of the remaining Directors. In the event of the death, removal or resignation of a Director, his or her successor shall be elected by the Members and shall serve for the unexpired term of the predecessor.

Section 7. Organization Meetings. The first meeting of the members of the Board of Directors following each annual meeting of the Membership shall be held within ninety (90) days thereafter at such time and place as shall be fixed by the Board.

Section 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors, but at least two such meetings shall be held during each Fiscal Year with at least one (1) meeting per calendar half-year. Notice of the time and place of the meeting shall be posted at a prominent place upon the Property or on an internet page designated by the Board and communicated to the Members, and shall be communicated to the Directors not less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be given to any Director who has signed a waiver of notice or a written consent to holding of the meeting. Advance notice of the meeting(s) at which the annual budget and/or the Annual Assessment are likely to be discussed shall be reasonably publicized via email and other forms of electronic communication.

Section 9. Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President, Vice President, or Secretary of the Association, or by any two (2) Directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each Director by one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the Director or to a person at the Director's office or home who would reasonably be expected to communicate such notice promptly to the Director; or (d) by e-mail. All such notices shall be given or sent to the Director's business office and/or home address or telephone number(s) as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least seven (7) days before the time set for the meeting. Notices given by personal delivery, telephone, or e-mail shall be delivered, telephoned, or sent at least seventy-two (72) hours before the time set for the meeting. Notices should also be posted at a prominent place within the Property not less than seventy-two (72) hours prior to the scheduled time of the meeting.

Section 10. 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 is present, or (b) either before or after the meeting each of the Directors 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.

Section 11. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for that meeting. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 12. Compensation. Unless otherwise approved in advance by a majority vote of Members present (or represented by proxy), no Director shall receive any compensation from the Association for acting as such.

Section 13. Conduct at Meetings. The President (or, in the President's absence, a Vic-President) shall preside over all meetings of the Board of Directors, and the Secretary or an Assistant 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 occurring at such meetings.

Section 14. Open Meetings. A. All meetings of the Board (excluding workshop meetings and meetings to discuss personnel, litigation and other similar confidential matters) shall to the extent possible be open to all Owners, but Members other than Directors may not participate in any discussion or deliberation except as follows in accordance with a format approved by the Directors from time to time:

- (1) The Directors shall publish a meeting agenda and permit Members a reasonable opportunity to express their opinions concerning such agenda matters prior to taking any formal action; and
- (2) The Directors shall allow an "open" or "new business" portion of the meeting in which any Member can express his/her opinion concerning any new or previously non-discussed matter.

B. The Directors shall at all times have the right to reasonably limit the number of speakers, the time limit for each presentation and speaker, whether or not Members Not in Good Standing may speak, and to adopt other rules of efficiency and decorum.

Section 15. Executive Session and Workshops. The Board may, with approval of a majority of a quorum, adjourn a meeting and reconvene, in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and other business of a similar confidential nature. The nature of any and all business to be considered in executive session shall first be announced in open session. The Board may also attend "workshop" meetings or sessions to discuss long-range concepts, receive educational assistance and training and the like, provided no official action of any sort is taken.

Section 16. Action Without a Formal Meeting. Any action to be taken at a meeting of the Directors or any action that may be taken at a meeting of the Directors may be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, setting forth the action so taken shall be signed by all the Directors. An explanation of the action taken shall be posted at a prominent place or places within the Property within three (3) days after the written consents of all the Board members have been obtained.

Section 17. Powers. The Board of Directors shall be responsible for the affairs of the Association and shall have all 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, Articles, or these By-Laws directed to be done and exercised exclusively by the Members. The Board of Directors may delegate to one or more of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of, and/or matters directly or indirectly pertaining to the Managing Agent, if any, which might arise between meetings of the Board of Directors. In addition to the duties imposed by these By-Laws or by any resolution of the Association that may be hereafter adopted, the Board of Directors shall have the power to and be responsible for the following, in way of explanation, but not limitation:

- (a) preparation and adoption of an annual budget in which there shall be established the Annual Assessment rate charge;

- (b) making assessments to defray the common expenses, establishing the means and methods of collecting such assessments, and establishing the period of any installment payments of the Annual Assessment;
- (c) providing for the operation, care, upkeep, and maintenance of all the Common Area;
- (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 depository which it shall approve, and using the proceeds to administer the Association;
- (f) making and amending rules and regulations;
- (g) opening of bank accounts and/or banking-type 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 By-Laws after damage or destruction by fire or other casualty;
- (i) enforcing by legal means the provisions of the Declaration, these By-Laws, 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, as provided in the Declaration, and paying the premium cost thereof,
- (k) paying the cost of all services rendered to the Association, its Members, and any Owners who are not Members in good standing;
- (l) keeping books with reasonably detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be available for examination by the Members and bona-fide mortgagees, their respective duly authorized agents, accountants, or attorneys, during general business hours on working days at the time and in a manner that shall be set and announced by the Board of Directors for the general knowledge of the Members;
- (m) filing all requisite forms, documents and information with Taxing Authorities; and
- (n) permit utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Subdivision.

Section 18. Management Agent. The Board of Directors may employ for the Association a professional management agent(s) or executive manager (each and all of whom will be sometimes referred to herein as the "Managing Agent") at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Managing Agent shall provide the Board and the officers with reasonable reports, prepared not less than once a month, concerning the affairs of the Association. The Managing Agent shall provide the Board with quarterly reports regarding the financial data discussed in Section 21 (f) below. The Board may delegate to the Managing Agent some of the powers granted to the Board for the routine operation of the Association. While the Managing Agent may formulate data and make recommendations to the Board, the final powers envisioned by subparagraphs (a), (b), (f), (g) and (i) in Section 17 of this Article shall be exclusively exercised by the Board. No management contract may have a term in excess of three (3) years and must permit termination by either party without cause and without any materially adverse termination fee upon at least ninety (90) days advance written notice of such termination.

Section 19. Accounts and Reports. A. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

- (1) cash or accrual accounting (as determined by the Board from time to time) shall be employed;
- (2) accounting and controls should generally conform with established American Institute of Certified Public Accountants (AICPA) guidelines and principles; a segregation of accounting duties should be maintained, and disbursements by check shall require at least one (1) signature;
- (3) cash accounts of the Association shall not be commingled with any other accounts;
- (4) no remuneration shall be accepted by the 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; anything of value received shall benefit the Association; and
- (5) any financial or other interest which the Managing Agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors.

B. The Managing Agent shall prepare quarterly reports, generally containing the data and information described above, for submission to the Board.

Section 20. Borrowing. The Board of Directors shall have the power to borrow money, without the specific approval of the Members of the Association, for the purpose(s) of:

- (a) operations, capital improvements, repair, replacement or restoration of Common Area where such proposed borrowing has been theretofore reflected in an annual budget of the Association; and
- (b) modifying, improving, or adding amenities, where the total amount of such borrowing would exceed twenty-five percent (25%) of the budgeted gross expenses of the Association for that Fiscal Year provided that any such borrowing proposal shall have the affirmative approval of at least three-fourths (3/4) of the individuals comprising the Board.

Section 21. Rights of the Association. With respect to the Common Area, and in accordance with the Declaration and to the maximum extent permitted by applicable law, the Association shall have the right to contract with any person for the performance of various duties and functions.

Section 22. Hearing Procedure. The Board shall, from time to time and at all times, have the right to prescribe the procedures for the conduct of a hearing and other similar "due process" matters. Until and unless further amended, modified, revised, clarified or repealed and replaced by the Board, the following provisions shall be applicable. The Board shall not impose a fine, suspend voting, initiate a legal proceeding (unless extraordinary circumstances exist), declare that an Owner is no longer a Member in good standing of the Association, or infringe upon any other rights of a Member or Resident for violations of rules and breach of non-monetary Covenants unless and until the following procedure is followed:

- (a) Demand. Written demand to cease and desist from any alleged violations be given to the alleged violator specifying:
 - (i) the alleged violation;
 - (ii) the action required to abate the violation; and
 - (iii) a time period, not less than five (5) days, during which the violation must be abated without incurring further sanctions, if such violation is a continuing one, or a statement that any further violation of the same rule may result in the imposition of a sanction if the violation is not a continuing one.
- (b) Notice. At any time within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty or if the same rule is subsequently violated, the Board or its delegate shall furnish the violator with written notice of a hearing to be held by the Board (in executive session) or its delegate. The notice shall contain:
 - (i) the nature of the alleged violation;
 - (ii) the time and place of the hearing, which time shall not be less than five (5) days from the giving of the notice;
 - (iii) an invitation to attend the hearing and produce any statement, evidence, or witness on behalf of the alleged violator; and
 - (iv) the proposed sanction to be imposed.
- (c) Hearing. The hearing shall be held in executive session pursuant to notice and afford the Member or Resident a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery is entered by the officer, Director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

- (d) Delegation. The Board may, at any time and from time to time, appoint a "Covenants Committee" and delegate to that Committee the powers, duties and responsibilities described within subparagraphs (a), (b) and (c) above. Following a hearing before the Covenants Committee, the violator shall have the right to appeal the decision of the Covenants Committee to the Board in accordance with the procedures then prescribed by the Board.

ARTICLE V

OFFICERS

Section 1. Officers. The officers of the Association may include a President, Vice President, Secretary, Treasurer, and such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as the Board shall deem desirable, such officers to have the authority and to perform the duties prescribed from time to time by the Board of Directors. Any two or more offices may be held by the same person, excepting the offices of President and Secretary. Any member of the Board may serve as an officer. During the Development Period and prior to the sale by Declarant of 75% of the Lots, the officers of Declarant shall be the officers of the Association.

Section 2. Election, Term of Office, and Vacancies. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the Members and shall serve until the election and qualification of their successor. 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 terms.

Section 3. Removal. Any officer may be removed by the affirmative vote of a majority of the Board of Directors whenever in their judgment the best interests of the Association will be served thereby.

Section 4. Power and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time be specifically conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for the preparation of the annual budget as provided for hereinabove and may delegate all or part of the preparation and notification duties to a finance committee, Managing Agent, or both.

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 shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Agreements, Contracts, Deeds, Leases, Checks. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall 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.

ARTICLE VI

COMMITTEES

Section 1. General. Committees to perform such tasks and to serve 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 are hereby authorized. Such committees shall perform such duties and have such powers as may be provided in the resolution. Each committee shall 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. The Board shall appoint the chairperson for each committee who shall preside at its meetings and who shall be responsible for transmitting any and all communications to the Board of Directors.

Section 2. Architectural Review Committee. After the Development Period, the Board of Directors shall appoint an Architectural Review Committee (ARC) consisting of at least three (3) individuals initially selected and appointed to act in accordance with the provisions of the Declaration and the By-Laws.

Section 3. ARC Jurisdiction. No building, Structure, fence, wall or improvement of any kind or nature shall be erected, placed or altered on any Lot until all plans and specifications have been submitted to and approved in writing by the ARC, or a majority of its members, as to all standards set forth within the Declaration (and any amendments thereto).

The ARC is authorized and empowered to consider and review any and all aspects of construction, location and landscaping, which may, in the reasonable opinion of the ARC, adversely affect the living enjoyment of one or more Owner(s) or Resident(s) or the general value of the Property. Also, the ARC is permitted to consider technological advances and changes in design and materials and such comparable or alternative techniques, methods or materials may or may not be permitted, in accordance with the reasonable opinion of the ARC.

Section 4. Changes to the Design Guidelines. In addition to the design guidelines in the Declaration, the ARC may, from time to time, publish and promulgate additional or revised design guidelines.

Section 5. Miscellaneous. The following declarations within this Section apply to the ARC:

A. The ARC shall be entitled, at any time and from time to time, to associate or employ a staff and to seek and obtain professional advice and counsel (including but not limited to architects, attorneys, designers, engineers and landscape technicians) in connection with the performance of its duties with all reasonable costs and expenses related thereto paid for or reimbursed by the Association. The Association may, in turn, reasonably recoup some or all of these expenses from the applicants seeking review and approval of plans and specifications.

B. The Declarant and/or the Association and/or the ARC may require any Owner to restore such Owner's improvements or alterations to the condition existing prior to the construction thereof (including, without limitation, the demolition and removal of any unapproved improvement) if such improvements or alterations were commenced or constructed in violation of this Article. In addition, the Declarant and/or the Association and/or the ARC may, but has no obligation to do so, cause such restoration, demolition and removal and levy the amount of the cost thereof as a special individual assessment against the Lot upon which such improvements or alterations were commenced or constructed. A material violation of the Declaration shall be deemed to have occurred if no prior express written approval of the ARC has been obtained where it

was originally required, even if hindsight reveals that the actual plans and specifications would have been approved by the ARC had they been properly and timely submitted.

C. Neither Declarant, nor the Association, nor the ARC, nor the Board, nor the officers, directors, managers, members, employees and agents of any of them, shall be liable in damages to anyone submitting plans and specifications to any of them for approval, or to any Owner of property affected by these restrictions by reason of mistake in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. No approval of plans and specifications and no publication of any design guidelines, architectural bulletins or lot information sheets shall be construed as representing or implying that such plans, specifications, guidelines, bulletins or sheets will, if followed, result in properly designed improvements and/or improvements built in a good and workmanlike manner.

D. Every person or entity who submits plans or specifications, and every Owner of each and every Lot, agrees that he will not bring any action or suit against Declarant, the Association, the ARC, the Board, or the officers, directors, managers, members, employees and agents of any of them, to recover any such damages and hereby releases, remises and quitclaims all claims, demands and causes of action arising out of or in connection with any judgment, negligence or nonfeasance and hereby waives the provisions of any law which provides that a general release does not extend to claims, demands and causes of action not known at the time the release is given.

E. After reasonable notice to the Owner (and any applicable Resident), any member or agent of the Committee may from time to time at any reasonable hour or hours enter and inspect any property subject to the jurisdiction of the ARC to confirm improvement or maintenance or alteration in compliance with the provisions hereof. No improvements or addition or change or alteration thereof shall be constructed, erected, placed, altered or maintained on any Lot which is in violation of any of the laws or ordinances of Burnet County, Texas. However, Declarant, the Association, the ARC and their respective officers, directors, managers, agents and employees shall have no obligation to enforce or to report the violation of any such law, ordinance, rule or regulation.

F. The ARC shall have the power to grant variances, waivers, tolerances or modifications of the standards set forth within the Declaration under circumstances and conditions deemed reasonable, appropriate and prudent by the ARC. Matters of "quality", "adequacy" and "propriety" are to be considered by the ARC generally from an aesthetic standpoint, rather than from an engineering standpoint. Plans and specifications are not reviewed or approved for engineering or structural design or technical quality of materials, and by approving such plans and specifications neither the ARC, nor the members thereof, nor the Association, assumes liability or responsibility therefor, nor for any defect in any Structure constructed from such plans and specifications.

ARTICLE VII.

RIGHTS OF ENJOYMENT IN THE COMMON AREA

Section 1. Easement. Subject to the provisions of this Article, each and every Member shall have a non-exclusive right and easement of enjoyment in and to all Common Area owned by the Association, and such easement shall be appurtenant to and shall pass with every Lot. All Residents in good standing with the Association shall have a non-transferable, non-exclusive privilege to use and enjoy all Common Area for so long as the Owner of the Lot on which they reside is a Member of the Association.

Section 2. Extent of Members' Easements. The rights and easements of use, recreation and enjoyment created hereby shall be subject to the following:

(a) The right of the Association to prescribe reasonable regulations (e.g. speed limits on the streets and limitations on parking on or in the streets) and policies governing, and to charge reasonable expense reimbursements and/or deposits (e.g., key, access card and/or radio transmitter device deposits) related to, the use, operation and maintenance of the Common Area;

(b) Liens or mortgages placed against all or any portion of the Common Area with respect to monies borrowed by the Association to develop and improve the Property or Common Area or to improve or maintain the Common Area;

(c) The right of the Association to enter into and execute contracts with any party for the purpose of providing management, maintenance or such other materials or services consistent with the purposes of the Association;

(d) The right of the Association to take such steps as are reasonably necessary to protect the Common Area against foreclosure;

(e) The right of the Association to suspend the voting rights of any Owner and to suspend the right of any Owner to use or enjoy any of the Common Area for any period during which any assessment (including without limitation "fines") against a Lot resided upon by such Owner remains unpaid, or during which non-compliance with the Declaration or the Design Guidelines exists, and otherwise for any period deemed reasonable by the Association for an infraction of the then-existing rules and regulations and/or architectural guidelines, subject to the "due process" provisions of Article IV Section 22;

(f) The right of the Association to dedicate or transfer all or any part of the Common Area to any municipal corporation, public agency, governmental authority, or utility for such purposes and upon such conditions as may be agreed to by the Association; and

(g) The right of the Association to grant permits, licenses and easements over the Common Area for utilities, roads and other purposes necessary for the proper operation of associations or any utility company.

Section 3. Restricted Actions by Members. No Member shall permit anything to be done on or in the Common Area which would violate any applicable public law or which would result in the cancellation of or the increase of premiums for any insurance carried by the Association, or which would be in violation of any law or any rule or regulation promulgated by the Board.

Section 4. Damage to the Common Area. Each Member shall be liable to the Association for any damage to any portion of the Common Area caused by the negligence or willful misconduct of the Member or their family and guests.

Section 5. Rules of the Board. All Members shall abide by any rules and regulations adopted by the Board. Subject to Article IV, Section 22, the Board shall have the power to enforce compliance with said rules and regulations by all appropriate legal and equitable remedies, and a Member determined to have violated said rules and regulations shall be liable to the Association for all damages and costs, including reasonable attorneys' fees.

Section 6. Use of Common Area. The Board shall have the power and authority to prescribe rules and regulations which extend to and cover matters such as (but not limited to) smoking, the possession and consumption of alcoholic beverages, loud and obnoxious noises and behavior, dress and attire and the supervision by attending adults of children. No person or entity shall use any portion of the Common Area to: solicit, promote or conduct business, religious, political or propaganda matters; or distribute handbills, newsletters, flyers, circulars or other printed materials, without the prior written consent of the Association (which consent may be withheld in its sole and absolute discretion). The Association may, on its own motion, permit and allow town hall meetings, voting precincts, community garage sales and bazaars and other reasonable activities to occur on the Common Area in accordance with rules and regulations deemed reasonable and appropriate by the Association.

Section 7. User Fees and Charges. The Board may levy and collect special charges and fees for any and all extraordinary operation and maintenance of the Common Area and services which the Board determines to be necessary for the advancement, benefit and welfare of the Owners or Residents. In establishing special user fees, the Board may formulate reasonable classifications of users. Such fees should be uniform within each class but need not be uniform from class to class. If an Owner shall fail to pay a charge or fee when due and payable, said unpaid charge or fee shall be delinquent and upon written notice to said Owner shall become a personal debt of said Owner. Failure of any Owner to pay said fee and charge when due and payable, in addition, shall be a breach of these Covenants.

Section 8. Private Road. The entry and road within The Point residential community are "private" and constitute a portion of the Common Area which are subject to the jurisdiction of, and administration by, the Association. In addition to the other provisions appearing within this Article, the Board of Directors of the Association is specifically authorized to recommend, adopt, implement, and enforce rules, regulations, mechanisms and procedures governing use of the entry and road.

Section 9. Equestrian Trails and Arena. The "Equestrian Trails" and the "Equestrian Arena," as such elements are designated by Declarant on the Subdivision's site plan and if applicable as amended by the Board, are "private" and constitute a portion of the Common Area which is subject to the jurisdiction of, and administration by, the Association. In addition to the other provisions appearing within this Declaration, the following items limit the use of the Equestrian Trails and Equestrian Arena:

(a) No animal of any type may be kept in the Equestrian Arena or any other portion of the Common Area overnight;

(b) All sponsors of events to be held at the Equestrian Arena, and any and all instructors of equestrian classes to be held on any portion of the Common Area, must have general liability insurance coverage of at least two million dollars (\$2,000,000.00) naming the Prairie Point Property Owners Association (and the Declarant, during the Development Period) as an additional insured, and a certificate of insurance reflecting such coverage must be provided to the Association prior to any use of the Equestrian Arena or Common Area

(c) All users of the Equestrian Arena or Equestrian Trail, and all participants in a sponsored event held in the Equestrian Arena or on the Equestrian Trail must, prior to using such arena or trail, sign a waiver of liability indemnifying the Association (and the Declarant, during the Development Period) and holding the Association (and the Declarant, during the Development Period) harmless in the event of any injury (personal, economic or property); and

(d) All users of the Equestrian Arena, Equestrian Trail, or any other Common Area shall be

responsible for the repair of any damage caused by such user, or their family or guests, and shall immediately notify the Association of the nature and location of such damage. All repairs as a result of the above damage shall be subject to the prior written approval of the Association except in the case of emergency.

In addition to the above restrictions and all other provisions appearing within this Declaration, use of the Equestrian Trails and the Equestrian Arena are also subject to the rules and regulations which may hereafter be adopted by the Board in its sole and absolute discretion.

ARTICLE VIII

ASSESSMENTS

Assessments will be levied by the Association as described in the Declaration. **TEXAS LAW REGARDING ASSESSMENTS AND ENFORCEMENT ACTIONS BY PROPERTY OWNERS ASSOCIATIONS IS SUBJECT TO CHANGE. TO THE EXTENT ANY PROVISION OF THESE BY-LAWS OR ANY COVENANT OF THE DECLARATION AS MAY BE INCORPORATED HEREIN IS CONTRARY TO OR UNENFORCEABLE BY REASON OF ANY LAW OR GOVERNMENTAL RULING, REGULATION OR DECISION, SUCH TERMS OR CONDITIONS SHALL BE DEEMED TO BE SEVERED FROM THESE BY-LAWS, AND THE ILLEGALITY OR UNENFORCEABILITY THEREOF SHALL NOT IN ANY MANNER AFFECT OR IMPAIR ANY OTHER TERMS OR CONDITIONS OF THESE BY-LAWS. BOARD MEMBERS AND OTHER USERS OF THESE BY-LAWS SHOULD CONSULT WITH LEGAL COUNSEL PRIOR TO ENFORCING ANY NON-JUDICIAL SALE RIGHTS PROVIDED BY THE DECLARATION OR THESE BY-LAWS.**

Section 1. Purposes of Assessments. The assessments levied by the Association shall be used for the purposes of promoting the comfort, health, recreation, safety, convenience, welfare and quality of life of the Residents of the Property and in supplementing some services and facilities normally provided by or associated with governmental or quasi-governmental entities, and otherwise for the improvement and maintenance of the private entry and road, equestrian trails, recreational areas, equestrian arena and other Property, services and facilities devoted and related to the use and enjoyment of the Common Area and operation of the Association, including, but not limited to or for: the payment of any taxes on the Common Area and insurance in connection with the Common Area; the payment for utilities and the repair, replacement and additions of various items within the Common Area; paying the cost of labor, equipment (including the expense of leasing any equipment) and materials required for, and management and supervision of, the Common Area; carrying out the duties of the Board of Directors of the Association; carrying out the other various matters set forth or envisioned herein or in any Declaration related hereto; and for any matter or thing designated by Burnet County, Texas, if applicable, in connection with any zoning, subdivision, platting, building, development or occupancy requirements. The items and areas described above are not intended to be exhaustive but merely illustrative. Maintenance of Prairie Point Drive as an all-weather surface in good repair shall be a priority use of Annual Assessments, and special group assessments if necessary.

Section 2. Basis and Amount of Annual Assessments. A. Until and unless otherwise determined by the Board of Directors, the initial regular base assessment shall be \$500 per Developed Lot per year and \$250 per Undeveloped Lot per year. The Association's Board of Directors may fix the actual regular base assessment at an amount equal to or less than the maximum regular base assessment. The Association's Board of Directors may establish a time-price differential schedule for the payment of the regular assessment in which the lowest amount is the actual regular base assessment.

B. The Board of Directors may be permitted to increase the Annual Assessment without a vote of the Members, but such an adjustment should not exceed five percent (5%) of the previous year's Annual Assessment, or the change in the Consumer Price Index, whichever is greater. The Annual Assessment may not be otherwise increased without the assent of a majority vote of the Members at a meeting called for that purpose with a quorum of at least sixty percent (60%) of the Members or their proxies present after adequate notice. If sixty percent (60%) do not attend, a second meeting may be called with the same notice and the quorum may be reduced to thirty percent (30%).

C. The Board shall not increase the Annual Assessment except pursuant to this Section and shall not take formal action on or impose a cost-of-living increase in the Annual Assessment more than once in any fiscal year. Any such cost-of-living increase in the Annual Assessment shall thereafter remain in effect indefinitely; and any increase shall not be deemed to limit the Board's authority to increase the annual assessment in succeeding Fiscal Years provided, however, that any further increases are made in accordance with this Section. Each and every meeting of the Board in which final action on an Annual Assessment or special group assessment is taken shall be open to the Owners, regardless of whether they are Members in good standing.

Section 3. Special Group Assessments. In addition to the regular Annual Assessment authorized by Section 3 hereof, the Association may levy in any Fiscal Year a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, unexpected repair or replacement of a capital improvement upon the Common Area, including any necessary fixtures and personal property related thereto or for any unusual or emergency purpose(s) (including without limitation those matters arising out of litigation and/or judgments); provided that any such assessment(s) shall have the affirmative approval of at least three-fourths of the individuals comprising the Board.

Section 4. Rate of Assessments. Both regular and special group assessments must be fixed at a uniform rate for each class of Assessable Property (Developed or Undeveloped), unless otherwise approved by at least three-fourths of the individuals comprising the Board. The 2:1 ratio of the rate of Assessments with respect to Developed and Undeveloped Lots may be amended by the Members in accordance with the amendment provisions of these By-Laws; provided, however, that the voting interest per Lot of each such class of Assessable Property is concurrently amended in like proportion.

Section 5. Date of Commencement of Assessments; Due Dates. A. Upon initial purchase of Lot(s) from Declarant, Owner will pay, at closing, a daily prorated assessment (initially \$0.69 per day per Lot) to the Association for each day remaining in the calendar year in which such closing occurs.

B. After that first prorated assessment, the Annual Assessment shall be due and payable in full, in advance, on the first day of each Fiscal Year following the close of the sale of each Lot in The Point Subdivision and shall, if not automatically paid within thirty consecutive calendar days thereafter, automatically become delinquent. Thirty (30) days prior to the annual Assessment being due, the Board will evaluate each Lot and determine which lots are defined as Developed or Undeveloped for the purpose of the coming Annual Assessment, and the Board shall then use reasonable efforts to provide each Owner with an invoice statement of the appropriate amount due; any failure by the Board to provide such a notice shall not relieve any Owner of the obligation to pay Assessment as established in this Declaration. The Board may (but is not required to), however, prescribe time-price differential payment schedules which would permit the collection of an amount greater than the Annual Assessment on a semi-annual, quarterly or monthly basis provided that the creditworthiness of the Owner was acceptable to the Board and the inconvenience to the staff of the Association for additional invoicing and collection efforts was minimized or eliminated. The Board may further prescribe: (a) procedures for collecting advance regular Annual Assessments from new Owners, Members or Residents out of "closing transactions" if the seller is not the Declarant; and (b) different procedures for

collecting assessments from Owners who have had a recent history of being untimely in the payment(s) of assessments.

Section 6. Duties of the Board of Directors with Respect to Assessments. A. In the event of a revision to the amount or rate of the Annual Assessment, or establishment of a special group assessment, the Board shall fix the amount of the assessment against each Lot, and the applicable due date(s) for each assessment, at least sixty (60) days in advance of such date or period and shall, at that time, prepare a roster of the Lots and assessments applicable thereto which shall be kept in the office of the Association.

B. Written notice of the applicable assessment shall be actually or constructively furnished to every Owner subject thereto in accordance with the procedures then determined by the Board as being reasonable and economical.

C. The Board shall, upon reasonable demand, furnish to any Owner originally liable for said assessment, a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid. A reasonable charge may be made by the Board for the issuance of such certificate.

Section 7. Effect of Non-Payment of Assessment. Article V of the Declaration provides that a delinquent assessment constitutes a lien upon the Lot(s) upon which the assessment was levied but not paid. Subject to applicable Texas law in general and Section 5.08 and 5.09 of the Declaration, the Board has wide latitude in determining what enforcement actions and remedies to exercise in the event of non-payment, including impositions of fines, late fees, and interest charges. Any action filed to foreclose a lien held by the Association shall be taken only after the vote of 75% or greater of the Board members.

ARTICLE IX.

GENERAL PROVISIONS

Section 1. Power of Attorney. A. During the Development Period each and every Owner, Member and Resident hereby makes, constitutes and appoints Declarant as his/her true and lawful attorney-in-fact, coupled with an interest and irrevocable, for him/her and in his/her name, place and stead and for his/her use and benefit, to do the following:

(1) to exercise, do or perform any act, right, power, duty or obligation whatsoever in connection with, arising out of, or relating to any matter whatsoever involving the Declaration and the Property;

(2) to sign, execute, acknowledge, deliver and record any and all instruments which modify, amend, change, enlarge, contract or abandon the terms within the Declaration as Declarant shall deem necessary, proper and expedient under the circumstances and conditions as may be then existing; and

(3) to sign, execute, acknowledge, deliver and record any and all instruments which modify, amend, change, enlarge, reduce or abandon the subdivision plat(s) of the Property, or any part thereof, with any easements and rights-of-way to be therein contained as the Declarant shall deem necessary, proper and expedient under the conditions as may then be existing.

B. The rights, powers and authority of said attorney-in-fact to exercise any and all of the rights and powers herein granted shall commence and be in full force upon recordation of the Declaration in the County Clerk's Office and shall remain in full force and effect thereafter until conclusion of the Development Period.

Section 2. Further Development. During the Development Period, each and every Owner, Resident and Member waives, relinquishes and shall not directly or indirectly exercise any and all rights, powers or abilities, and the Association shall not devote or expend any monies or personnel, regarding the following: to contest, object, challenge, dispute, obstruct, hinder or in any manner disagree with the proposed or actual development (including, without limitation, zoning or rezoning efforts or processes) pertaining to residential uses of any real property owned by the Declarant or by the affiliates, assignees or successors of the Declarant within a two-mile radius of any portion of the Subdivision.

Section 3. Enforcement. Each Owner of each Lot shall be deemed, and held responsible and liable for the acts, conduct and omission of each and every Resident, Member, guest and invitee affiliated with such Lot, and such liability and responsibility of each Owner shall be joint and several with their Resident(s), Member(s), guests and invitees. The Payment and Performance Lien shall extend to, cover and secure the proper payment and performance by each and every Resident, Member, guest and invitee affiliated with each Owner. Each Owner may, upon appropriate application to and approval by the Association, impose greater or additional restraints and restrictions on the "good standing" qualifications of the Residents and Members of such Owner's Lot. Unless otherwise prohibited or modified by law, all parents shall be liable for any and all personal injuries and property damage proximately caused by the conduct of their children (under the age of 18 years) within the Property.

Section 4. Proposals of Declarant. The proposals of the Declarant, as set forth in various provisions hereinabove, are mere proposals and expressions of the existing good faith intentions and plans of the Declarant and shall not be deemed or construed as promises, solicitations, inducements, contractual commitments or material representations by the Declarant upon which any person or entity can or should rely.

Section 5. Disputes. Matters of dispute or disagreement between Owners, Residents or Members with respect to interpretation or application of the provisions of the Declaration or the Association Bylaws, shall be determined by the Board of Directors.

Section 6. Owner Compliance. Each Owner, resident, or occupant of a Lot shall comply with the provisions of The Point Subdivision documents and all decisions and resolutions of the Association or its duly authorized representative, and failure to comply with any such provisions, decisions, or resolutions, shall be grounds, in addition to all other remedies provided herein, for an action to recover sums due, for damages (including costs and attorney's fees) and/or for injunctive relief. All agreements and determinations lawfully made by the Association in accordance with the voting percentages established in the Declaration or in the Bylaws shall be deemed to be binding on all Owners of Lots, their successors, and assigns.

Section 7. Indemnification.

A. The Association shall, to the extent legally permissible, indemnify each person who may serve or who has served at any time as an officer, director, or employee of the Association against all expenses and liabilities, including, without limitation, counsel fees, judgments, fines, excise taxes, penalties and settlement payments, reasonably incurred by or imposed upon such person in connection with any threatened, pending or completed action, suit or proceeding in which he or she may become involved by reason of his or her service in such capacity; provided that no indemnification shall be provided for any such person with respect to any matter as to which he or she shall have been finally adjudicated in any proceeding not to have acted in good

faith in the reasonable belief that such action was in the best interests of the Association; and further provided that any compromise or settlement payment shall be approved by a majority vote of a quorum of the Board who are not at that time parties to the proceeding.

B. The indemnification provided hereunder shall inure to the benefit of the heirs, executors and administrators of persons entitled to indemnification hereunder. The right of indemnification under this Section shall be in addition to and not exclusive of all other rights to which any person may be entitled.

C. This indemnification provision of the By-Laws constitutes a contract between the Association corporation and the indemnified officers, directors, and employees. No amendment or repeal of this Section or any other provision of the By-Laws which adversely affects the right of an indemnified person hereunder shall apply to such person with respect to those acts or omissions which occurred at any time prior to such amendment or repeal unless such amendment or repeal was voted by or was made with the written consent of such indemnified person.

ARTICLE X.

MISCELLANEOUS

Section 1. Fiscal Year. The initial fiscal year of the Association shall commence on January 1.

Section 2. Parliamentary Rules. Except as may be modified by Board resolution establishing modified procedures, Robert's Rules of Order (current edition) shall govern the conduct of the Association proceedings when not in conflict with Texas law, the Articles of Incorporation, the Declaration, or these By-Laws.

Section 3. Conflicts. If there are conflicts or inconsistencies between the provisions of Texas law, the Articles of Incorporation, the Declaration, and these By-Laws, then the provisions of Texas law, the Declaration, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.

Section 4. Books and Records. A. Inspection by Members. The membership register, books of account, and minutes of meetings of the members, the Board, and committees shall be made available for inspection and copying by any Member of the Association or by his or her duly appointed representative at any reasonable time and for a proper purpose reasonably related to his or her interest as a Member at the office of the Association or at such other place as the Board shall prescribe.

B. Rules for Inspection. The Board may establish reasonable rules with respect to:

- (1) notice to be given to the custodian of the records by the Member desiring to make the inspection;
- (2) hours and days of the week when such an inspection may be made;
- (3) payment (or prepayment) of the cost of reproducing;
- (4) copies of documents requested by a Member; and maintenance of confidentiality with respect to records.

C. Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical Property owned or controlled by the Association. The right of inspection by a Director includes the right to make reasonable extracts and copies of documents at the expense of the Association.

Section 5. Amendments. The power and authority to alter, amend or repeal the By-Laws, or to adopt new By-Laws, has been delegated by the Members to the Board of Directors, but any amendment to these By-Laws that would change the fee Structure (not the amounts) of any Assessments, or that potentially discriminates amongst Members in the use of the Common Area or in the application of any rule or regulation of the Association, is subject to rescission within twelve months of enactment by a majority of the Members, to be memorialized either by a writing duly executed by such majority with original "wet signatures," or at a special called meeting of the Members.

I, the undersigned, being the sole existing Director of Prairie Point Property Owners Association Inc., do hereby certify that I hereby assent to the foregoing By-Laws and hereby adopt the same as the By-Laws of said Association.

IN WITNESS WHEREOF, I have hereunto subscribed my name as of the 30th day of September, 2021.



Duane M. Davis, Director

BEFORE ME, the undersigned authority, on this day personally appeared Duane M. Davis, known to me to be the sole director of Prairie Point Property Owners Association, and he executed the foregoing instrument on behalf of said Association.

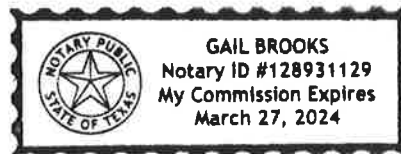
GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 30th day of September 2021.



Notary Public in and for the State of Texas

After Recording Please Return To:

Kari M. Schimpf
c/o Aramcor Inc.
2000 S. Interstate Hwy 35
Ste Q11
Round Rock, TX 78681-6942





**FILED AND RECORDED
OFFICIAL PUBLIC RECORDS**

Janet Parker

Janet Parker, County Clerk

Burnet County Texas

9/30/2021 2:46:26 PM

FEE: \$114.00

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