

**AMENDED BYLAWS OF
BLUE BRANCH RANCH PROPERTY
OWNERS ASSOCIATION, INC.**

The BLUE BRANCH RANCH PROPERTY OWNERS ASSOCIATION, INC. is the “Association” described within the “Declaration of Covenants, Conditions, Restrictions, Easements, Charges and Liens” instrument (the “Declaration”) pertaining to Blue Branch Ranch, a development in Hood County, Texas, such Declaration text originally recorded in Volume 1688, Page 203 of the Real Records of Hood County, Texas and incorporated herein by reference for all purposes. For convenience, several of the provisions of the Declaration will be repeated or summarized within these Bylaws. The remaining terms and provisions of these Bylaws are intended to complement and supplement the Declaration. In the event of any conflict or ambiguity between the Declaration (on the one hand) and these Bylaws (on the other hand) and unless otherwise required by law, the terms and conditions of the Declarations shall control and govern.

**ARTICLE I
NAME, DEFINITIONS, MEMBERSHIP AND VOTING RIGHTS**

Section 1. Name. The name of the Association shall be BLUE BRANCH RANCH PROPERTY OWNERS ASSOCIATION, INC. (herein sometimes referred to as the “Association”).

Section 2. Definitions. Capitalized terms used in these Bylaws but not defined herein shall have the same meaning as set forth in the Declaration, some of which are set forth below either in their entirety or in an abridged format:

“Amended Declaration” shall mean and refer to each and every instrument recorded in the Public Real Estate Records of Hood County, Texas which amends, supplements, modifies, clarifies or restates some or all of the terms and provisions of the original Declaration.

“Annual Assessment” shall have the meaning specified in Article II and further described in Article VI of the Declaration.

“Annual Organization Meeting” shall refer to the annual meeting in which the Officers of the Board of Directors are chosen, subsequent to election by the Membership.

“Architectural Review Committee” (sometimes referred to herein as the “ARC”) shall mean and refer to that particular committee which is defined in Article II and further described and explained within Article X of the Declaration.

“Articles” shall mean and refer to the Articles of Incorporation (and 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 Properties which: (i) the Declarant has subjected to and imposed upon a set of restrictive covenants calling for the payment of an Annual Assessment to the Association; (ii) may have been or will be given a separately identifiable tax or parcel number by the Central Appraisal District (“CAD”) of the county or a similar governmental agency; (iii) is not designated an “open space” or otherwise a portion of the Common Properties. The Declarant proposes to cause each residential Lot within the Properties to constitute an Assessable Property.

“Association” shall mean and refer to the Blue Branch Ranch Property Owners Association, Inc., a non-profit Texas corporation which has the power, duty and responsibility of maintaining and administering certain portions of the Properties and all of the Common Properties, administering and enforcing the Covenants and otherwise maintaining and enhancing the quality of life within Blue Branch Ranch.

“Board” shall mean and refer to the Board of Directors of the Association.

“Bylaws” shall mean and refer to the Bylaws 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.

“Central Appraisal District” (“CAD”) shall mean and refer to the governmental and/or quasi-governmental agency(ies) (including without limitation the Central Appraisal District of Hood County, Texas) established in accordance with Texas Property Tax Code Section 6.01 et seq. (and its successor 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 Hood County, Texas.

“Common Properties” shall mean and refer to any and all areas of land within or adjacent to the Properties which are known described or designated as Common Properties, private roads, lakes, pavilions and gate apparatus together with any and all improvements that are now or that may hereinafter be constructed thereon.

“Covenants” shall mean and refer to all covenants, conditions, restrictions, easements, charges and liens set forth within the Declaration.

“Declaration” shall mean and refer to the particular instrument entitled “Declaration of Covenants, Conditions, Restrictions, Easements, Charges and Liens” recorded in Volume 1688, Page 203, Real Records of Hood County, Texas, together with any and all amendments or supplements thereto including the Revised and Restated Declaration of Covenants, Conditions,

Restrictions, Easements, Charges and Liens recorded on February 9, 2021 in Document No. 2021-0002607, Real Records of Hood 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.

“Dwelling Unit” shall mean a detached single-family residential building constructed and having accommodations for and occupied by not more than one single family (as further defined in the Declaration).

“Easement Area” shall mean and refer to those areas which may be covered by an easement specified in Article XI of the Declaration or shown on the subdivision plat.

“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 is regularly engaged in the ordinary business of constructing residential dwellings or subdivision lots for sale to third-party homeowners as their intended primary residence.

“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 adding or removing square footage area space to or from a structure, painting or repainting a structure, or in any way altering the size, shape or physical appearance of any land or structure.

“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 Hood 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 Properties. Any two (2) or more contiguous Lots which are platted into a new, single Lot shall be treated as a single Lot for all purposes herein. As a defined term, “Lot” does not refer to common areas, unless they are platted and numbered as a Lot in accordance with Article V Section 8 of the Declarations. Where the context indicates or requires, “Lot” includes all improvements thereon and any portion of a right-of-way that customarily is used exclusively by and in connection with the Lot.

“Management Certificate” shall refer to the management document required to be filed with the County Clerk. (Texas Property Code, Title 11, Chapter 209, Section 209.004).

“Member” shall mean a Member of the Association, each Member being an owner of a Lot, unless the context indicates that Member means a Member of the Board or a Member of a committee of the Association. In the context of votes and decision-making, each Lot has only one membership, although it may be shared by co-owners of a Lot.

“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.

“Property” shall mean all the land subject to the Declaration and all Improvements, easements, rights, and appurtenances to the land. The name of the property is Blue Branch Ranch. The property is located on land described in Exhibit “A” attached to the Declaration and includes every Lot and any Common Area thereon the Plat.

“Resident” shall mean and refer to:

- (a) each Owner of the fee simple title to any Lot within the Properties;
- (b) each person residing on any part of the Assessable Property who is a bona-fide lessee pursuant to a legally cognizable 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: (i) anything 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 building, garage, porch, shed, greenhouse or bathhouse, cabana, coop or cage, 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; (ii) 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; (iii) any enclosure or receptacle for the concealment, collection and/or disposition of refuse; or (iv) any change in the grade of any Lot of more than three (3”) inches from that existing at the time of initial approval by the Architectural Review Committee.

“Subdivision” shall mean and refer to Blue Branch Ranch in accordance with the corrected plat thereof filed of record in Slide B-97 the Map and Plat Records of Hood County, Texas, as well as the additional annexed lands in the plat filed of record in Slid P-622 Plat Record of Hood County, Texas, and any and all revisions, modifications, corrections or clarifications thereto.

“Taxing Authorities” shall mean and refer to Hood County, the Granbury 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.

ARTICLE II

MEMBERSHIP, MEETINGS, VOTING RIGHTS IN THE ASSOCIATION

Section 1. 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 in good standing. Each and every Resident (who is not otherwise an Owner) may, but is not required to, be a non-voting Member of the Association. Any Owner, Resident or Member shall not be in “good standing” if 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 and/or any portion of the Zoning Ordinance; (b) delinquent in the full, complete and timely payment of any assessments or fees pursuant to the provisions of the Declaration, these Bylaws or any rule or regulation promulgated by the Board. The Board may make such rules and regulations, consistent with the terms of the Declaration and these Bylaws, as it deems advisable for: any meeting of Members; proof of membership in the Association; the status of good standing; evidence of 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; fines and fee schedule; Common Property rules; and such other matters concerning the conduct of meetings and voting as the Board shall deem fit.

Section 2. Place of Meetings. Meetings of the Association shall be at a place convenient to the Members as may be designated by the Board of Directors, either within Blue Branch Ranch or as convenient thereto as is possible and practical. Additionally, meetings of the Association may be conducted via video teleconference or any other technology provided the Association adopts this method of communicating, the technology is used by Members of at least 75% of the Property and all Members have access to the communication at the meeting as required by law.

Section 3. Annual Meetings. The annual meeting of the Members shall be held within forty-five (45) days after the close of the Association’s fiscal year, which is December 31st.

Section 4. Special Meetings. The President 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 or a quorum of the Board of Directors or upon a petition signed by at least twenty percent (20%), or 50, whichever is the lesser amount, 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 5. 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, and providing the notice to all Members of the Association. Notice may be sent by electronic, verified mail, or certified mail to the party's last known address as it appears on the records of the Association at the time of mailing. If a Member fails to give the Association a home address or email for mailing notices, all notices may be sent to the Member's Lot, and the Member is deemed to have been given notice whether or not he actually receives it. The Notice must be given not later than the 10th day or earlier than the 60th day before the date of the election or vote. Quorum, notice, and voting requirements of any pertaining to the Association shall be in accordance with the Declarations, these Bylaws, and permitted Texas law.

Section 6. 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 thereat 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 7. 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 8. Voting. The voting rights of the Members shall be as set forth in the Declaration and Section 1 of Article II above. A vote cast by a Member of the Association on any matter shall be in writing and signed by the Member who cast the vote. Electronic votes cast in accordance with the Texas Property Code, the Declarations, and these Bylaws constitute a written and signed ballot. No written and signed ballot is necessary if the race is uncontested. The Board may adopt rules to allow voting by secret ballot of the Members provided the Board takes measures to reasonably ensure:

- A. A Member cannot cast more votes than the Member is eligible to cast in an election or vote;
- B. The Association counts each vote cast by a Member that the Member is eligible to cast; and
- C. In any election for the Board, each candidate may name one person to observe the counting of the ballots, provided that this does not entitle any observer to see the name of the person who cast any ballot, and that any disruptive observer may be removed.

Section 9. Absentee Ballots. All Members shall be entitled to vote on any matter by absentee ballot. A Member voting by absentee ballot shall be counted as a Member present for the purposes of establishing quorum. An absentee ballot may not be counted if the Member attends the meeting and votes in person. The Board shall provide an absentee ballot to any Member upon request, such ballot to contain the following:

- A. The ballot must contain each proposed action and provide an opportunity to vote for or against each action;
- B. Instructions for the delivery of the completed absentee ballot, including delivery location; and
- C. The following language: "By casting your vote via absentee ballot you will forgo the opportunity to consider and vote on any action from the floor on these proposals, if a meeting is held. This means that if there are amendments to these proposals your votes will not be counted on the final vote on these measures. If you desire to retain this ability, please attend any meeting in person. You may submit an absentee ballot and later choose to attend any meeting in person, in which case any in-person vote will prevail."

Section 10. 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 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 specific approval or disapproval with respect to any proposal.

Section 11. Majority. As used in these Bylaws, the term majority shall mean those votes totaling more than fifty percent (50%) of the total number of votes cast by voting Members attending any meeting (or represented by proxy) of the Association.

Section 12. Quorum. Except as otherwise provided in these Bylaws or in the Declaration (specifically Article VI Section 3), the presence in person or by proxy of twenty percent (20%), or 50, of the Members, whichever is the lesser amount, shall constitute a quorum at all meetings of the Association.

Section 13. 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 thereat.

Section 14. 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. Specifically, the Association shall give notice of the election or vote to all Members entitled to vote on any matter under consideration. The notice shall be given not later than the 20th day before the latest date on which a ballot may be submitted to be counted.

ARTICLE III GENERAL POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Governing Body; Composition. The affairs of the Association shall be governed by a Board of Directors. The Directors shall be Members or spouses of such Members; provided, however, no person and his or her spouse or any other person cohabitating with him may serve on the Board at the same time.

Section 2. Number of and Voting for Directors. The affairs of the Association shall be managed by a board of three individual Directors, all of whom shall be elected by the Members.

Directors shall be elected for a two year term 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 and in accordance with Texas law. 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.

Unless otherwise prohibited by the Bylaws, the Board shall be entitled to have one or more private workshop meetings and one or more public meetings per year. The actual election of the Directors shall take place in accordance with the Bylaws or, to the extent not inconsistent with the Bylaws and the directives of the then-existing Board.

Section 3. Nomination of Directors. Prior to each annual meeting of Members the Board shall prescribe:

- (a) that there shall be a ten (10) day 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 and provide notice to all Members at least ten (10) days prior to the filing period;
- (b) that each and every Member who has properly filed shall be included within the ballot and there shall be no write-in candidates;

- (c) that all candidates shall be placed in a pool and each Member shall be able to vote for one candidate per open position on the Board, and such election of said candidates shall occur by a plurality (rather than a simple majority) of the votes cast;
- (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 4. 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 5. Removal of Directors. At any regular or special meeting, or special voting process (in lieu of a meeting) by secret written ballot, of the Members of the Association duly called, where the bona-fide signatures of at least twenty percent (20%) or 50 (whichever is the greater number) of the Members appear on an appropriate petition, any one or more of the Directors may be removed, with or without cause, by a majority vote of those Members voting in person or by proxy, and a successor may then and there be elected to fill the vacancy thus created. A Director whose removal has been proposed by the Members shall be given at least five (5) days' notice of the calling of the meeting or the special voting process (in lieu of a meeting) and the purpose thereof and shall be given an opportunity to be heard at the meeting or to communicate his position in connection with the special voting process in lieu of a meeting. Additionally, any Director who has three (3) consecutive unexcused absences from Board meetings, is fined three (3) or more times for the same offense in a four (4) month period, or who is delinquent in the payment of an assessment or a fine for more than thirty (30) days may be removed by a majority vote of the remaining Directors at a regular or special Board meeting. In the event of death, incapacity, resignation of a Director, or if a Director is no longer a Member of the Association, his or her successor shall be a Member selected by a majority of the remaining Members of the Board and shall serve the unexpired term of the predecessor.

Section 6. Voting Procedure for Directors. The election of each director position shall be conducted on or shortly before the next earliest applicable meeting of the Association. At such election, the Members or their proxies may cast, with respect to each such director position, as many votes as they are entitled to exercise under the provisions of the Declaration. The person(s) receiving the largest number of votes (which may be a plurality and not a majority) shall be elected. Voting for Directors shall be by secret written ballot.

Section 7. Notice of Meetings. 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; or provided at least 144 hours before the start of a Regular Meeting or 72 hours before the start of a Special Meeting by:

(A) posting the notice in a conspicuous manner reasonably designed to provide notice to property owners' association members in a place located on the association's common property or, with the property owner's consent, on other conspicuously located privately owned property within the subdivision or on any Internet website maintained by the association or other Internet media; and

(B) sending the notice by e-mail to each owner who has registered an e-mail address with the association. It is an owner's duty to keep an updated e-mail address registered with the property owners' association under Section 209.0051 of the Texas Property Code.

Section 8. Annual 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. Officers will be elected at the Organization Meeting, and the Management Certificate will be inspected to determine if a new Certificate should be filed with the Hood County Clerk and if an update of the Texas Secretary of State records is required.

Section 9. 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 four (4) such meetings shall be held during each Fiscal Year with at least one (1) meeting per quarter. Notice of the time and place of the meeting shall be posted at a prominent place within the Properties and shall be communicated to Directors not less than one hundred and forty four (144) hours 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.

Section 10. 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; (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 email. 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 email shall be delivered, telephoned, or emailed at least seventy-two (72) hours before the time set for the

meeting. Notices should be posted at a prominent place within the Properties not less than seventy-two (72) hours prior to the scheduled time of the meeting.

Section 11. 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, and (b) either before or after the meeting each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of 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 12. 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, such quorum to never be less than three (3) Directors, 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. Directors may vote by written proxy in accordance with such rules as the Board of Directors may adopt.

Section 13. Compensation. Unless otherwise approved in advance by a majority vote, at a regular or special meeting of the Association, no Director shall receive any compensation from the Association for acting as such.

Section 14. Conduct of Meetings. The President (or, in the President's absence, a Vice-President shall preside over all meetings of the Board of Directors, and the Secretary of 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 15. Open Meetings. Except as permitted by law, all meetings of the Board must be open to the Members. Except for a meeting held by electronic means, a Board meeting must be held in a county in which all or part of the property in the subdivision is located or in a county adjacent to that county. A Board meeting may be held by electronic means provided all Members and Board Members have access to the communication at the meeting as required by law. Members other than Directors may not participate in any discussion or deliberation in a Board meeting except as follows in accordance with a format approved by the Directors from time to time:

- (a) 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

- (b) 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.

The Directors shall at all times have the right to reasonably limit the number of speakers, the time limit for each presentation and speaker, and to adopt other rules of efficiency and decorum.

Section 16. 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, pending or threatened litigation, contract negotiations, enforcement actions, confidential communications with the Associations attorney, matters involving the invasion of privacy of individual owners, or matters that are to remain confidential by request of all affected parties and agreement of the Board. The nature of any and all business to be considered in executive session shall first be announced in open session in general terms. Following an executive session, any decision made in the executive session must be summarized orally and placed in the minutes, in general terms, without breaching the privacy of individual Members, violating any privilege, or disclosing information that was to remain confidential at the request of affected parties. The oral summary must include a general explanation of expenditures approved in executive 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 17. Action Without a Formal Meeting. The Board of Directors may take action outside of a meeting, including voting by electronic or telephonic means, without prior notice to Members if each Board Member is given a reasonable opportunity to express the board member's opinion to all other Board Members and to vote. Any action taken without notice to Members must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting, and documented in the minutes of the next regular or special board meeting. The Board may not, unless done in an open meeting for which prior notice was given to owners under these Bylaws, consider or vote on:

- (1) fines;
- (2) damage assessments;
- (3) initiation of foreclosure actions;
- (4) initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety;
- (5) increases in assessments;
- (6) levying of special assessments;
- (7) appeals from a denial of architectural control approval;
- (8) a suspension of a right of a particular owner before the owner has an opportunity to attend a board meeting to present the owner's position, including any defense, on the issue;
- (9) lending or borrowing money;
- (10) the adoption or amendment of a dedicatory instrument;
- (11) the approval of an annual budget or the approval of an amendment of an annual budget;
- (12) the sale or purchase of real property;

- (13) the filling of a vacancy on the board;
- (14) the construction of capital improvements other than the repair, replacement, or enhancement of existing capital improvements; or
- (15) the election of an officer.

Section 18. 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 Bylaws directed to be done and exercised exclusively by the Members. 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 the meetings of the Board of Directors. In addition to the duties imposed by these Bylaws 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 Properties;
- (d) designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, and the Common Properties 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 Properties in accordance with the other provisions of the Declaration and these Bylaws after damage or destruction by fire or other casualty;

- (i) enforcing by legal means the provisions of the Declaration, these Bylaws, 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 or its Members;
- (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 Properties reasonably necessary to the ongoing development or operation of the Development Plan.

Section 19. 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 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 19(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), and (f) in Section 19 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 without cause and without any materially adverse termination fee upon at least ninety (90) days advance written notice of such termination.

Section 20. Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

- (a) cash or accrual accounting (as determined by the Board from time to time) shall be employed;

- (b) 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);
- (c) cash accounts of the Association shall not be commingled with any other accounts;
- (d) 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;
- (e) 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; and
- (f) at the end of the Fiscal Year, the Treasurer's report shall be prepared for the Association containing:
 - i. an Income Statement reflecting all income and expense activity for the preceding twelve (12) months on a cash or accrual basis, as the Board may prescribe;
 - ii. an Expense and Disbursement Statement reflecting all receipt and disbursement activity for the preceding twelve (12) months on a cash or accrual basis, as the Board may prescribe;
 - iii. an Account Status Report reflecting the status of all accounts in an actual versus approved budget format with a Budget Report reflecting any actual or pending obligations which are in excess of budgeted amounts by an amount exceeding the operating reserves or ten percent (10%) of a major budget category (as distinct from a specific line item in an expanded chart of accounts);
 - iv. a Balance Sheet as of the last day of the Association's Fiscal Year and an Operating Statement for said Fiscal Year which shall be made available for distribution within ninety (90) days after the close of a Fiscal Year; and
 - v. a Delinquency Report listing all Members who have been delinquent during the preceding twelve (12) month period in paying the assessments and who remain delinquent at the time of the report and describing the status of any action to collect such amounts which remain delinquent.

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

Section 21. Borrowing. The Association shall have the right to borrow money for the purpose of improving the Common Areas, for acquiring additional Common Areas, or for constructing, repairing or improving any facilities located or to be located on the Common Areas, and to give as security for the payment of any loan a mortgage conveying all or any portion of the Common Areas, provided two-thirds (2/3) of the Members present at a meeting called for that purpose shall approve. The lien and encumbrance of any mortgage given by the Association shall be subject and subordinate to any and all rights, interest, options, easements, and privileges reserved or established in this Declaration for the benefit of Declarant or any Owner, or the holder of any mortgage (irrespective of when executed) given by Declarant or any Owner encumbering any Lot or other property located within the Subdivision.

Section 22. Rights of the Association. With respect to the Common Properties, 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 23. Hearing Procedure.

(a) Notice. Before the Board may (i) suspend a Member's right to use a Common Area, (ii) file a suit against a Member other than a suit to collect any Assessment, (iii) foreclose the Association's lien, (iv) charge a Member for property damage, or (v) levy a fine for a violation of the Declarations, the Association or its agent must give written notice to the Member as required or permitted by law. The notice must describe the violation or property damage that is the basis for the suspension action, charge, or fine and state any amount due the Association from the Member. The notice must also (i) inform the Member that if the violation is curable and does not pose a threat to public health or safety, which means it could not materially affect the health or safety of an ordinary resident, the Member is entitled to a reasonable period to cure the violation and avoid the fine or suspension unless the Member was given notice and a reasonable opportunity to cure a similar violation within the preceding six months; (ii) indicate that the Member may request a hearing in accordance with Texas Property Code section 209.007 on or before the thirtieth day after the date the notice was sent to the Member; (iii) state that the Member may have special rights if the Member is serving on active military duty; (iv) state the date by which the Member must cure a curable violation that does not pose a threat to public health and safety; (v) state that if fined, the Member has the option to enter a payment plan with the Association in order to avoid having their account turned over to a collection agent; and (vi) state that attorney's fees and costs associated with collecting the debt incurred by the Association after the forty-fifth day from the notice or after the hearing date if requested by Member, whichever is later, will be charged to the owner if the delinquency or violation continues after a date certain.

(b) Hearing. If the Member is entitled to an opportunity to cure the violation, the Member has the right to submit a written request for a hearing to discuss and verify facts and resolve the matter in issue before the Board.

The Association must hold a hearing under this section not later than the thirtieth day after the date the Board receives the Member's request for a hearing and must notify the Member of the date, time, and place of the hearing not later than the tenth day before the date of the hearing. The Board or the Member may request a postponement, and, if requested, a postponement will be granted for a period of not more than ten days. Additional postponements may be granted by agreement of the parties. The Member or the Association may make an audio recording of the meeting.

The notice and hearing provisions do not apply if the Association files a suit seeking a temporary restraining order or temporary injunctive relief or files a suit that includes foreclosure as a cause of action. If a suit is filed relating to these matters a party to the suit may file a motion to compel mediation. The notice and hearing provisions do not apply to a temporary suspension of a Member's right to use common areas if the temporary suspension is the result of a violation that occurred in a common area and involved a significant and immediate risk of harm to others in the subdivision. The temporary suspension is effective until the Board makes a final determination on the suspension action after following the procedures prescribed by this section.

Not later than 10 days before the Association holds a hearing under this section, the association shall provide to an owner a packet containing all documents, photographs, and communications relating to the matter the association intends to introduce at the hearing. If the association does not provide a packet within this period, a Member is entitled to an automatic 15-day postponement of the hearing.

The hearing will be held in executive session affording the alleged violator a reasonable opportunity to be heard. During the hearing, a member of the Board or the Association's designated representative shall first present the Association's case against the Member. A Member or the Member's designated representative is entitled to present the Member's information and issues relevant to the appeal or dispute. Before any sanction hereunder becomes effective, proof of proper notice will be placed in the minutes of the meeting. Such proof will 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 the notice. The notice requirement will be satisfied if the alleged violator appears at the meeting. The minutes of the meeting will contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board may, but will not be obligated to, suspend any proposed sanction if the violation is cured within a thirty-day period. Such suspension will not constitute a waiver of the right to sanction violations of the same or other provisions and rules by any person.

(c) Changes in Law. The Board may change the enforcement procedures set out in this section to comply with changes in law.

ARTICLE IV OFFICERS

Section 1. Officers. The officers of the Association may include a President, Vice President, Secretary, Treasurer, Parliamentarian and such other officers, including one or more

Assistant Secretaries and one or more Assistant Treasurers, as the Board shall deem desirable. Officers shall have the authority 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 office of President. The office of President must be held by a member of the Board. Any member of the Board, the Association, or of the Managing Agent may serve in any other officer position.

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. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3. Removal. Any officer may be removed by 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. Powers 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 and shall be responsible for the preparation of the annual budget as provided for hereinabove and may delegate all or part of the preparation and notification duties to another Board Member (except if that Board Member holds the office of Treasurer), to a finance committee, Managing Agent, or both. The Treasurer shall have primary responsibility for the receipt and disbursement of funds and providing the Board such financial account updates as may be required. The Secretary shall have the responsibility of taking, preparing, and maintaining all meeting minutes and of counting all votes of the Association provided the vote is not for a position in which the Secretary is currently running.

Additionally, the President of the Association shall be responsible for obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, paying the premium cost thereof, and certifying by notarized affidavit the accomplishment of this task to the satisfaction of the Board by the 31st day of May each year.

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 after approval by the Board of Directors.

ARTICLE V COMMITTEES

Section 1. General. Committees to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present 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. The Board of Directors shall appoint an Architectural Review Committee consisting of at least three (3) individuals to act in accordance with the provisions of the Design Guidelines, the Declaration, and these Bylaws. An individual may not serve on the Architectural Review Committee if the individual is a current Board member, a current Board member's spouse, or a person residing in a current Board member's household.

All rulings of the Architectural Review Committee shall be appealable to the Board of Directors on or before the 30th day after the date the notice of the Architectural Review Committee was mailed to the Member. Any appeal from a ruling of the Architectural Review Committee to the Board of Directors shall be heard not later than the 30th day after the date the Board receives the owner's request for a hearing. The Board shall notify the owner of the date, time, and place of the hearing not later than the 10th day before the date of the hearing. During the hearing, the Board or the designated representative of the Association and the Member or the Member's designated representative will each be provided the opportunity to discuss, verify facts, and resolve the denial of the Member's application or request for the construction of improvements, and the changes, if any, requested by the architectural review authority in the notice provided to the Member. The Board or the Member may request a postponement. If requested, a postponement shall be granted for a period of not more than 10 days. Additional postponements may be granted by agreement of the parties. The Association or the Member may make an audio recording of the meeting. The Board may affirm, modify, or reverse, in whole or in part, any decision of the Architectural Review Committee as consistent with the Association's Declarations.

ARTICLE VI MISCELLANEOUS

Section 1. Fiscal Year. The 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 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 Bylaws.

Section 3. Conflicts. If there are conflicts or inconsistencies between the provisions of Texas law, the Articles of Incorporation, the Declaration, and these Bylaws, then the provisions of Texas law, the Declaration, the Articles of Incorporation, and the Bylaws (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:

- i. notice to be given to the custodian of the records by the Member desiring to make the inspection;
- ii. hours and days of the week when such an inspection may be made;
- iii. payment (or repayment) for compilation, production and reproduction costs for information requested by a Member. These costs may include all reasonable costs of materials, labor and overhead and in accordance with Section 202.006 recorded in Hood County.
- iv. 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 properties 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 Bylaws, or to adopt new Bylaws, has been delegated by the Members to the Board of Directors.

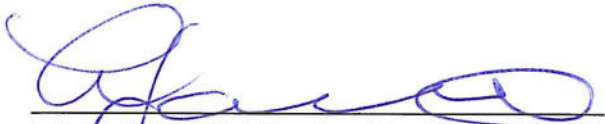
Section 6. Architectural Variances. All variance requests from the requirements of the Covenants shall require approval of the Board of Directors.. The approval or denial of any variance request shall be documented in the minutes of the Board with such detail as to be clear to the ARC the particulars of the variance granted. Upon the granting or denial of a variance the Board shall provide a copy of the minutes to the ARC for the ARC's records.

We, the undersigned, being all of the existing Directors of BLUE BRANCH RANCH PROPERTY OWNERS ASSOCIATION, INC., do hereby certify that we assent to the foregoing Bylaws and adopt the same as the Bylaws of said Association.

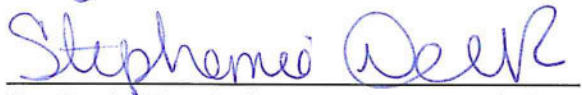
IN WITNESS WHEREOF, we have hereunto subscribed our names as of the 19th day of November, 2021.



Jim Henderson, President/Director



Michael Farrell, Vice President/Director
Treasurer



Stephanie Novak, Secretary/Treasurer/Director
SR