

BYLAWS

OF

THE VILLAGES OF LOUETTA ROAD CONDOMINIUM OWNER'S ASSOCIATION

A duly formed Texas Nonprofit Corporation, established by the Certificate of Formation filed with the Texas Secretary of State on **August 15, 2018** under File Number 803092911

Prepared by:

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INTRODUCTION

Association:	The Villages of Louetta Road Condominium Owner's Association is a duly formed Texas Nonprofit Corporation, established by the Certificate of Formation filed with the Texas Secretary of State on August 15, 2018 under File Number 803092911 .
Declarant:	Texas Equity Ventures, LLC, a Texas limited liability company
Principal Office:	61 Carlton Woods Drive, The Woodlands, Texas 77382.
Purpose of the Bylaws:	These Bylaws provide for the governance of the condominium development known as The Villages of Louetta Road, located in Harris County, Texas, subject to and more fully described in the Declarations of The Villages of Louetta Road to be recorded in the Real Property Records of Harris County, Texas and as amended (the "Declarations").
Parties to the Bylaws:	Declarant & All present or future Owners and all other persons who use or occupy The Villages of Louetta Road in any manner are subject to these Bylaws and the other governing documents, as defined in the Declarations. The mere acquisition or occupancy of a Building or condominium unit ("Unit") will signify that these Bylaws are accepted, ratified, and shall be strictly followed.
Declaration:	The Restatement of Declaration of the Villages of Louetta Road Condominium Owner's Association, Inc, a condominium, [include recording information].
Definitions:	Capitalized terms used but not defined in the Bylaws have the meaning set forth in the Declaration.
Voting Members:	Members entitled to vote or their proxies. Any Member delinquent in payment of any Assessment is not a Voting Member.

A. Members

A.1. Membership. Every Owner is a Member of the Property Owners Association. Membership is appurtenant to and shall not be separated from the ownership interest of a Unit. The Property Owners Association has two (2) classes of Voting Members:

A.1.a. Class A. Class A Members are all Owners, other than Declarant. Class A Members have one (1) vote per Unit. When more than one (1) person is an Owner, each is a Class A Member, but only one (1) vote may be cast for a Unit.

A.1.b. Class B. The Class B Member is Declarant and has two (2) votes for each Unit owned. The Class B membership ceases and converts to Class A membership on the earlier of —

- i. When one hundred percent (100.0%) of the total number of Units have been purchased from the Declarant; or
- ii. The date specified in the Declaration.

A.2. Place of Meeting. Members meetings will be held at the Association's principal office or at another place designated by the Board.

A.3. Annual Meetings. The first Members meeting will be held in February 2021. Subsequent regular annual Members meetings will be held on the second Tuesday in January.

A.4. Special Meetings. The President, a majority of the Board, or Owners having at least twenty percent (20%) of the Class A votes of the Association may call Special Meetings.

A.5. Notice of Meetings. Except as provided in paragraph F.6., written notice stating the place, day, and hour of each Members meeting, other than a reconvened meeting, must be given to each Member not less than ten (10) days nor more than thirty (30) days before the meeting. The special Members meeting notices must also state the meeting's purpose, and no business may be conducted except as stated in the notice. Notice to a Member is deemed given when hand delivered or mailed. If mailed, notice is deemed given (whether actually received or not) when deposited with the United States Postal Service, properly addressed, postage prepaid.

A.6. Waiver of Notice. A Member may, in writing, waive notice of a meeting. Attendance at a meeting is a waiver of notice of the meeting, unless the Member objects to lack of notice when the meeting is called to order.

A.7. Quorum. A majority of the Voting Members is a quorum. If a Members' meeting cannot be held because a quorum is not present, a majority of the Voting Members who are present may adjourn the meeting. At the reconvened meeting, sixty-seven percent (67%) of the Voting Members is a quorum. If a quorum is not present, a majority of the Voting Members who are present may adjourn the meeting. At the second reconvened meeting, a majority of the Board is a quorum. Written notice of the place, date and hour of each reconvened meeting must be given to each Member not less than ten (10) days nor more than thirty (30) days before the reconvened meeting.

A.8. Majority Vote. Votes representing more than fifty percent (50%) percent of the votes at a meeting at which a quorum is present are a majority vote.

A.9. Proxies. Voting Members may vote by written proxy.

A.10. Conduct of Meetings. The President will preside over Members meetings. The Secretary will keep minutes of the meetings and will record in a minutes book the votes of the Members.

B. Board

B.1. Governing Body; Composition. The affairs of the Association are governed by the Board. Each director has one (1) vote. The initial Board is composed of the directors appointed in the certificate of formation. Each director must be a Member or, in the case of an entity Member, a person designated in writing to the Secretary.

B.2. Number of Directors. The Board consists of not less than three (3) nor more than seven (7) directors. Within those limits, the Board may change the number of directors. No decrease may shorten the term of a director.

B.3. Term of Office. The initial directors serve until the first annual meeting of Members. The terms of directors will be staggered. At least one-third (1/3) of the Board will be elected each year. The initial Board will determine the initial term, not to exceed three (3) years, of each director. At the expiration of the initial term of a director, each successor will have a term of three (3) years. Directors may serve consecutive terms.

B.4. Election. Within one hundred twenty (120) days after Declarant has conveyed fifty percent (50%) of the Units to Owners other than Declarant, the Members shall elect not less than one-third (1/3) of the Board members at a meeting held for such purpose. Not later than the one hundred twentieth (120th) day after conveyance of seventy five percent (75%) of the Units to Owners other than Declarant, the Voting Members will elect the directors of the Association and its Officers as herein provided. At subsequent annual Members meetings, successors for each director whose term is expiring will be elected. Cumulative voting is prohibited. The candidate or candidates receiving the most votes will be elected. The directors elected by the Voting Members will hold office until their respective successors have been elected.

B.5. Removal of Directors and Vacancies

B.5.a. Removal by Members. Any director may be removed, with or without cause, by a sixty-seven percent (67%) vote of the Voting Members. Any director whose removal is sought will be given notice of the proposed removal.

B.5.b. Removal by Board. Any director may be removed at a Board meeting if the director—

- i. Failed to attend three (3) consecutive Board meetings;
- ii. Failed to attend seventy-five percent (75%) percent of Board meetings within one year;
- iii. Is delinquent in the payment of any Assessment for more than forty-five (45) days; or
- iv. Is the subject of an enforcement action by the Association for violation of the Dedicatory Instruments.

B.5.c. Vacancies. A director's position becomes vacant if the director dies, becomes incapacitated, resigns, or is no longer a Member.

B.5.d. Successors. If a director is removed or a vacancy exists, a successor will be elected by the remaining directors for the remainder of the term.

B.6. Compensation. Directors will not receive compensation. A director may be reimbursed for expenses approved by the Board.

B.7. Powers. The Board has all powers necessary to administer the Association's affairs.

B.8. Management. The Declarant or the Board may employ a managing agent.

B.9. Accounts and Reports. Accounting must conform to good accounting practices. The Association shall obtain an annual audit of its records in accordance with section 82.114(c) of the Act. Accounts will not be commingled with accounts of other persons. The following financial reports will be prepared at least annually:

B.9.a. An income statement reflecting all income and expense activity for the preceding period.

B.9.b. A statement reflecting all cash receipts and disbursements for the preceding period.

B.9.c. A variance report reflecting the status of all accounts in an "actual" versus "approved" budget format.

B.9.d. A balance sheet as of the last day of the preceding period.

B.9.e. A delinquency report listing all Owners who are delinquent by more than ninety (90) days in paying any Assessment and describing the status of any action to collect those delinquent Assessments.

B.10. Borrowing. The Board may borrow with approval and consent of sixty-seven percent (67%) of the Members.

B.11. Rights of Association. With respect to the Common Elements, and in accordance with the Declaration, the Association will have the right to contract with any person for the performance of various duties and functions. Such agreements require the approval of the Board.

B.12. Enforcement Procedures

B.12.a. Notice. Before the Board may (i) suspend an Owner's right to use a Common Area, (ii) file a suit against an Owner other than a suit to collect any Assessment, (iii) foreclose the Association's lien, (iv) charge an Owner for property damage, or (v) levy a fine for a violation of the Dedicatory Instruments, the Association or its agent must give written notice to the Owner by certified mail, return receipt requested. 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 Owner. The notice also must inform the Owner that the Owner (i) is entitled to a commercially reasonable period to cure the violation and avoid the fine or suspension unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six (6) months and (ii) may request a hearing on or before the thirtieth (30th) day after the date the Owner receives the notice.

B.12.b. Hearing. If the Owner is entitled to a commercially reasonable period to cure the violation, the Owner has the right to submit a written request for a hearing to discuss and verify facts and resolve the matter in issue before a committee appointed by the Board or before the Board if the Board does not appoint a committee. If a hearing is to be held before a committee, the notice must state that the Owner has the right to appeal the committee's decision to the Board by written notice to the Board.

The Association must hold a hearing under this section not later than the thirtieth (30th) day after the date the Board receives the Owner's request for a hearing and must notify the Owner of the date, time, and place of the hearing not later than the tenth (10th) day before the date of the hearing. The Board or the Owner may request a postponement, and, if requested, a postponement will be granted for a period of not more than ten (10) days. Additional postponements may be granted by agreement of the parties. The Owner or the Association may make an audio recording of the meeting, but only with notice to the other parties.

The hearing will be held in executive session affording the alleged violator a reasonable opportunity to be heard. 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 ten (10) 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.

B.12.c. Appeal. Following hearing before a committee, if any, the violator will have the right to appeal the decision to the Board. To perfect this right, a written notice of appeal must be received by the managing agent, if any, President, or Secretary within thirty (30) days after the hearing date.

B.12.d. Changes in Law. The Board may change the enforcement procedures set out in this section to comply with changes in law.

C. Board Meetings

C.1. Regular Meetings. Regular meetings of the Board will be held at such time and place as determined by the Board, but at least four (4) such meetings will be held during each fiscal year. Notice of the time and place of the meeting[s] will be given to directors not less than ten (10) days before the meetings.

C.2. Special Meetings. Special Meetings will be held when called by written notice signed by the President or by any two (2) Directors. The notice will specify the time and place of the meeting and the matters to be covered at the meeting.

C.3. Waiver of Notice. The actions of the Board at any meeting are valid if (a) a quorum is present and (b) either proper notice of the meeting was given to each director or a written waiver of notice is given by any director who did not receive proper notice of the meeting. Proper notice of a meeting will be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of proper notice.

C.4. Quorum of Board. At all meetings, a majority of the Board will constitute a quorum, and the votes of a majority of the directors present at a meeting at which a quorum is present constitutes the decision of the Board. If the Board cannot act because a quorum is not present, a majority of the directors who are present may adjourn the meeting to a date not less than ten (10) nor more than thirty (30) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business that may have been transacted at the meeting originally called may be transacted without further notice.

C.5. Conduct of Meetings. The President will preside at Board meetings. The Secretary will keep minutes of the meetings and will record in a minute book the votes of the Directors.

C.6. Proxies. Directors may vote by written proxy.

C.7. Action without Meeting. Any action that may be taken at a Board meeting may be taken without a meeting by written consent setting forth the action taken signed by a sufficient number of the Board as would be necessary to take that action at a meeting.

D. Officers

D.1. Officers. The Officers of the Association are a President, Vice President, Secretary, and Treasurer, to be elected from the Members. The Board may appoint other officers having the authority and duties prescribed by the Board. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

D.2. Election, Term of Office, and Vacancies. Officers will be elected annually by the Board at the first meeting of the Board following each annual meeting of the Voting Members. A vacancy in any office may be filled by the Board for the unexpired portion of the term.

D.3. Removal. The Board may remove any officer whenever, in the Board's judgment, the interests of the Association will be served thereby.

D.4. Powers and Duties. Officers have such powers and duties as are generally associated with their respective offices and as may be specifically conferred by the Board. The President is the chief executive officer of the Association. The Treasurer has primary responsibility for the preparation of the budget and financial reports and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

D.5. Resignation. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Resignation takes effect on the date of the receipt of the notice or at any later time specified in the notice.

E. Committees

E.1. Establishment. The Board may establish committees by resolution and authorize the committees to perform the duties described in the resolution.

F. Miscellaneous

F.1. Fiscal Year. The Board may establish the Association's fiscal year by resolution. In the absence of a Board resolution determining otherwise, the Association's fiscal year is a calendar year.

F.2. Rules for Meeting. The Board may adopt rules for the conduct of meetings of Members, Board, and committees.

F.3. Conflict. The Declaration controls over these Bylaws.

F.4. Inspection of Books and Records

F.4.a. Inspection by Member. After a written request to the Association, a Member may examine and copy, in person or by agent, any Association books and records relevant to that purpose. The Board may establish rules concerning the (i) written request; (ii) hours, days of the week, and place; and (iii) payment of costs related to a Member's inspection and copying of books and records.

F.4.b. Inspection by Director. A director has the right, at any reasonable time and at the Association's expense, to examine and copy the Association's books and records at the Association's Principal Office and to inspect the Association's properties.

F.5. Notices. Any notice required or permitted by the Dedicatory Instruments must be in writing. Notices regarding enforcement actions must be given by certified mail, return receipt requested. All other notices may be given by regular mail. Notice is deemed delivered (whether actually received or not) when properly deposited with the United States Postal Service, addressed to a Member at the Member's last known address according to the Association's records and the Association, the Board, or a managing agent at the Association's Principal Office or another address designated in a notice to the Members. Unless otherwise required by law or the Dedicatory Instruments, actual notice, however delivered, is sufficient.

F.6. Amendment. These Bylaws may be amended only by the vote of two thirds (2/3) of the Voting Members in the Association. This provision will not be construed as limiting the Board's power to amend the enforcement procedures to comply with changes in law.