

**STATE OF TEXAS
COUNTY OF TRAVIS**

**AMENDED BYLAWS OF
INVERNESS POINT PROPERTY OWNERS' ASSOCIATION, INC.
A NONPROFIT CORPORATION**

The protective restrictions and covenants for Inverness Point have previously been filed of record in Volume 5746, Page 1944, of the Deed Records of Travis County, and amended by instruments recorded in Volume 11980 Page 195 of the Travis County Real Property Records, and instruments number 2002051598 and 2004096308 of the Official Public Records of Travis County Texas (all the above restrictions and amendments, together with all subsequent amendments, shall be referred to as the "Declaration").

These Amended Bylaws were duly adopted and replace and supercede any previous bylaws.

ARTICLE I. NAME AND LOCATION

The name of the corporation is Inverness Point Property Owners' Association, Inc. Meetings of members and directors may be held at such places within the State of Texas as may be designated by the board of directors.

ARTICLE II. DEFINITIONS

All defined terms referenced herein shall refer to their definition in the Declaration or other Governing Documents.

ARTICLE III. FUNCTIONS OF THE ASSOCIATION

Section 1. Purposes. The purposes for which the association is formed are to provide for maintenance, preservation, and architectural control of the residence lots and common area within the Inverness Point subdivision, and to promote the health, safety, and welfare of the residents within the Inverness Point subdivision and such additions thereto as may hereafter be brought within the jurisdiction of the association for such purpose. To carry out such purposes properly, the association may at the discretion of its board of directors perform the following functions, and the exercise of such functions shall be within the scope of activities.

- (a) The association may care for vacant, unimproved and unkempt lots in said subdivision, remove and destroy grass weeds and rodents therefrom, and any unsightly and obnoxious thing therefrom and do any other things and perform any

labor necessary or desirable in the judgment of this association to keep the property, and the land contiguous and adjacent thereto neat and in good order;

(b) The association may enforce charges, restrictions, conditions, and covenants existing upon and created for the benefit of said property over which this association has jurisdiction; the association may pay all expenses incidental thereto if not exceeding amounts set forth in this document; the association may enforce the decisions and rulings of this association having the jurisdiction over any of said property; the association may pay all of the expenses in connection therewith if not exceeding amounts set forth in this document;

(c) The association may improve, beautify and maintain parks, parkways, esplanades, rights-of-way easements, and other public areas;

(d) The association may construct and maintain recreational facilities;

(e) The association may perform any and all lawful things and acts which this association at any time, and from time to time, shall, in its discretion, deem to be to the best interests of said property and the owners of the building sites thereon, and shall pay all costs and expenses in connection therewith;

(f) Any powers and duties exercised by said association relating to maintenance, operation, construction, or reconstruction of any facilities provided for herein may be contracted for with a qualified contractor as agent;

(g) The association may provide for garbage and rubbish collection and disposal;

(h) The association may provide police protection for the property if the directors deem it advisable;

(i) The association may acquire by gift, purchase or otherwise own, hold, enjoy, lease, operate, maintain, and convey, sell, lease, transfer, mortgage or otherwise encumber, dedicate for public use or otherwise dispose of real or personal property in connection with the business of this association;

(j) The association may assess and collect taxes on property submitted to the jurisdiction of this association and shall be restricted in such function as provided in the agreements under which such property is submitted;

(k) The association may expend the monies collected by this association from assessments or charges and other sums received by this association for the payment and discharge of all proper costs, expenses, and obligations incurred by this association in carrying out any or all of the purposes for which this association is formed;

(1) The association may borrow money for the purpose of carrying out the corporate affairs, if the directors deem such advisable.

ARTICLE IV MEETINGS OF MEMBERS

Section 1. Annual Meetings. The annual meeting of members shall be held by April 30th of each year.

Section 2. Special Meetings. Special meetings of members may be called at any time by the president or by the board of directors, or on written request of members who are entitled to vote one-fourth of all eligible votes.

Section 3. Notice of Meetings. Written notice of each meeting of members shall be given by, or at the direction of, the secretary or other person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) but not more than fifty (50) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the association, or supplied by such member to the association for the purpose of receiving notice. Such notice shall specify the day, hour, and place of the meeting, and in the case of a special meeting, the purpose of the meeting and agenda items. In lieu of mailing, notice may be sent by electronic mail to the last email address appearing on the books of the Association.

Section 4. Quorum. The presence at the meeting, in person or by proxy, of members entitled to cast at least 20% of the votes of the membership shall constitute a quorum for authorization of any action, except as may otherwise be provided in the declaration, the articles of incorporation or these bylaws. If a quorum is not present at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting-from time to time, and a new notice shall be sent out stating a new meeting date, such new date being at least 10 days from the date of mailing of the notice. At the rescheduled meeting, all owners present in person or by proxy will be deemed to constitute a quorum. No member shall be entitled to vote while delinquent according to association records in the payment of any association charges or assessments, nor shall such member be counted toward quorum requirements or requirements for the number or percentage of requisite votes to be obtained.

Section 5. 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. Proxies shall be revocable, and the proxy of any owner shall automatically terminate on conveyance by him of his lot.

ARTICLE V. BOARD OF DIRECTORS TERM OF OFFICE, FIRST ELECTION, REMOVAL

Section 1. Number. The affairs of the association shall be managed by a board of five (5) directors who shall be members of the association.

Section 2. Term of Office. At the first annual meeting, the members shall elect three directors for a term of one year, and two directors for a term of two years; at each annual meeting thereafter, the members shall elect directors for a term of two years.

Section 3. Removal. Any director may be removed from the board, with or without cause, by a two-thirds (2/3) vote of members of the association. In the event of death, resignation, or removal of a director, his successor shall be selected by the remaining members of the board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the association in his capacity as director. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE VI. BOARD OF DIRECTORS NOMINATION AND ELECTION

Section 1. Nomination. Nomination for election to the board of directors shall be by nominating committee. At least ninety days before the annual meeting, the board of directors shall appoint a nominating committee composed of at least three members of the association. The nominating committee shall consist of a chairman who shall be a member of the board of directors, and two or more members of the association. The nominating committee shall, within forty-five days of the annual meeting, present to the membership by mail their slate of candidates for each director position. The nominating committee shall make as many nominations for election to the board of directors as it shall in its discretion determine, but in no event shall it nominate less than the number of vacancies to be filled. Nothing in these bylaws shall be construed to prevent additional nominations by members. In order to place the names of additional nominees on the printed ballot, it shall be necessary for the names of such candidates to be received by the secretary at least thirty days prior to the annual meeting. Write-in candidates shall be considered permissible nominees providing the names of such candidates are received by the secretary at least twenty-four hours prior to the convening of the annual meeting. All nominations must be accompanied by the written consent of the candidates.

Section 2. Election. Election to the board of directors shall be by secret written ballot. A ballot shall be mailed to all members no later than ten (10) days prior to the annual meeting. Completed ballots will be returned to an election committee appointed by the board of directors in sealed envelopes, either by mail or presented at the annual meeting. Immediately following vote tabulation and certification by the election committee, the candidates will take office. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the declaration. Persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VII. BOARD OF DIRECTORS MEETINGS

Section 1. Regular meetings. Regular meetings of the board of directors shall be held at least quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the board.

Section 2. Special Meetings. Special meetings of the board of directors shall be held when called by the president of the association, or by any two directors, after not less than seven (7) days' notice to each director.

Section 3. Quorum. A majority of the directors shall constitute a quorum for the transaction of business. Every act performed or decision made by a majority of directors present at a duly held meeting in which a quorum is present shall constitute the act or decision of the board.

ARTICLE VIII. BOARD OF DIRECTORS POWERS AND DUTIES

Section 1. Powers. The board of directors shall have power to:

- (a) Adopt and publish rules and regulations governing the-use of the Subdivision including the common areas and facilities including the personal conduct of the members and their guests thereon; and to establish penalties for infractions of such rules and regulations, the Declaration, Bylaws, and any other governing document;
- (b) Suspend the voting rights and right to use of the recreational facilities of any member during any period in which such member is in default in the payment of any assessment levied by the association. Such rights may also be suspended after notice and hearing, for a period not to exceed thirty (30) days for infraction of published rules and regulations. If an owner is in default, the owner's vote is not counted toward any quorum requirements and the owner shall not have the right to prohibit additional restrictions from applying to such owner's land pursuant to Article IX Section 5 of the Declaration (if applicable);
- (c) Exercise on behalf of the association all powers, duties, and authority vested in or delegated to the association and not specifically reserved to the membership by the declaration, articles of incorporation, or by other provisions of these bylaws;
- (d) Declare the office of a member of the board of directors to be vacant in the event that such member is absent from three (3) consecutive regular meetings of the board of directors without good and valid reason for such absence; and
- (e) Employ a manager, independent contractors, and such other employees as they may deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the board of directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at each annual meeting, or at any special meeting at which such a statement is requested in writing by one-fourth of the members entitled to vote thereat;

(b) Supervise all offices, agents, and employees of the association and see to it that their duties are properly performed;

(c) As more fully provided in the declaration, to:

(1) Fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period;

(2) Send written notice of each-assessment to every owner subject thereto at least thirty {30} days in advance of each annual assessment period; and

(3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after the due date, or to bring an action at law against the owner personally obligated to pay the same.

(d) Issue, or cause an appropriate officer to issue, on demand by any person, a certificate setting forth whether or not any assessment has been paid. A statement in a certificate to the effect that an assessment has been paid shall constitute conclusive evidence of such payment. The board may impose a reasonable charge for the issuance of these certificates;

(e) Procure and maintain adequate liability and hazard insurance on all property owned by the association;

(f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(g) Cause the common area to be maintained, including the two lighted tennis courts to be constructed on Lots 28 and 29 of the subdivision. Said courts shall be maintained and kept in good and proper playing condition at all times unless a majority of members voting at a regular or special meeting of the association choose to discontinue maintenance.

Section 3. Services. No director or officer of the association shall be required to devote his time or render services exclusively to the association. Each director and officer of the association shall be free to engage in any and all businesses and activities, either similar or dissimilar to the business of this association without breach of duty to this association and without liability to this association. Likewise, each and every director and officer of this association shall be entirely free to act for and serve any other corporation or corporations, entity or entities, in any capacity or capacities and become a director or officer of any other corporation or corporations, entity or entities, whether or not the purposes, business, and

activities thereof be similar or dissimilar to the purposes, business or activities of this association, without breach of duty to this association or its members and without liability of any character or description to the association or its members. No contract or other transaction of this association shall ever be affected by the fact that any director or officer of the association is interested in, or connected with any party to such contract or transaction, or is a party to such contract or transaction, provided that such contract or transaction shall be approved by a majority of the directors present at a meeting of the board of directors at which such contract or transaction shall be authorized or confirmed, which majority shall consist of directors not so interested or connected.

ARTICLE IX. OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of the association shall be a president and vice president, who shall at all times be members of the board of directors, and a secretary, treasurer, and such other officers as the board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the board of directors following each annual meeting of members.

Section 3. Term. The officers of the association shall be elected annually by the board. Each shall hold office for a term of two (2) years unless he shall sooner resign, or shall be removed or otherwise disqualified to serve. No officer may hold the same office for more than two (2) consecutive terms without prior approval of the members voting in person or by proxy at a regular or special association meeting.

Section 4. Special Appointments. The board may elect such other officers as the affairs in the association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the board may, from time to time, determine.

Section 5. Resignation and removal. Any officer may be removed from office by the board at any time with or without cause by a two-thirds (2/3) vote of the members of the board of directors. Any officer may resign at any time by giving written notice to the board, the president, or the secretary. Such resignation shall take effect on the date of 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. When possible, officer should give at least one month's notice of resignation.

Section 6. Vacancies. A vacancy in any office may be filled by appointment of the board. The officer appointed to such vacancy shall serve for the unexpired term of the officer he replaces.

Section 7. Multiple offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices, except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

(a) President. Meetings of the board of directors shall see that orders and resolutions of the board are carried out; shall, with proper attestation of the secretary, sign all leases, mortgages, deeds, and other instruments, and shall cosign all checks and promissory notes.

(b) Vice President. The vice president shall act in the place of the president in the event of his absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of him by the board.

(c) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the board and of the members; keep the corporate seal of the association and affix it to all papers so requiring; serve notice of meetings of the board and of members; keep appropriate current records showing the members of the associations together with their addresses; and perform such other duties as may be required by the board or by law.

(d) Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all funds of the association, and shall disburse such funds as directed by resolution of the board of directors; shall sign all checks and promissory notes of the association; shall keep proper books of account; shall cause an annual audit of the association books to be made by a certified public accountant at the completion of each fiscal year; and shall prepare an annual budget and statement of income and expenditures, a copy of which documents shall be delivered to each member, and a report on which shall be given at the regular annual meeting of members. Notwithstanding any language in this subparagraph (d), the treasurer is specifically authorized to use online banking services, including bill paying.

Section 9. Bond requirements. Unless the board otherwise decides, any officer, director or employee of the association who shall have custody of funds must give a proper surety bond for the faithful accounting of such funds, with surety or sureties satisfactory to the board and with premium of the bond paid by the association. Bond requirements may be waived by the board.

Section 10. Indemnification. Each director and officer of the association shall be indemnified by the association against all expenses (including costs and attorneys fees), which may hereafter reasonably be incurred or paid by him in connection with any action, suit or proceeding to which he may hereafter be made a party by reason of his being or having been such director or officer, or by reason of any action or omission or alleged action or omission by him in such capacity, and against any amount or amounts which may be paid by him (other than to the association) in reasonable settlement of any such action, suit or proceeding, where it is in the interest of the corporation that such settlement be made. In cases where such action, suit or proceeding shall proceed to final adjudications, such indemnification shall not extend to matters as to which it shall be adjudged that such director or officer is liable for negligence or misconduct in performance of his duties to the

corporation. The right of indemnification herein provided shall not be exclusive of other rights to which any director or officer may now or hereafter be entitled, shall continue as to a person who has ceased to be such director or officer, and shall inure to the benefit of the heirs, executors, and administrators of a director or officer.

Section 11. Compensation. All officers and employees appointed, or whose appointment is authorized by the board of directors, may receive compensation in reasonable amounts, commensurate with the duties of their respective positions, as may be determined by the board.

ARTICLE X. FINANCIAL MANAGEMENT

Section 1. Contracts. The board of directors, except as in these bylaws otherwise provided, may authorize any officer or officers, agent or agents, in the name of and on behalf of the association to enter into any contract or execute and deliver any instrument, and such authority may be general or confined to specific instances; and, unless so authorized by the board of directors or especially authorized by the bylaws, no officer or agent or employee shall have any power or authority to bind the association by, any contract or engagement or to pledge its credit or to render it liable pecuniarily for any purpose or to any amount.

Notwithstanding the other provisions of this paragraph, no contract or other instrument which requires the expenditure or more than \$5,000 in unbudgeted funds of the Association may be entered into by the board of Directors without prior consent of the Members voting in person or by proxy at a meeting, or via mail or email vote. The Board is expressly authorized to enter into contracts and other instruments (without the prior consent of the Members) for any amounts which are contained in the annual budget and for amounts up to, but not exceeding, \$5,000 for any non-budgeted expense.

Section 2. Loans. No loan or other indebtedness shall be contracted on behalf of the association, and no negotiable papers shall be issued in its name unless authorized by the vote of the board of directors.

Section 3. Checks and drafts. All checks, drafts, and other orders for the payment of money out of the funds of the association and all notes or other evidence of indebtedness of the association shall be signed on behalf of the association and in such manner as shall from time to time be determined by resolution of the board of directors.

Section 4. Depositories. All funds of the association not otherwise employed shall be deposited from time to time to the credit of the association in such banks or other depositories as the board of directors may select, and for the purpose of such deposit the president, vice president, treasurer, secretary or any other officer or agent or employee of the association to whom such power may be delegated by the board of directors, may endorse, assign, and deliver checks, drafts, and other orders for the payment of money which are payable to the order of the association.

Section 5. Accounts. All funds of the association shall be merged into and hereinafter maintained in one account hereafter known as the operating and maintenance account. All funds, plus any interest accrued from the deposit of these funds, plus all funds received from assessments levied on the lots in the subdivision owned by the members, plus any interest accrued by deposit of these funds, or any other monies received from the sale of maintenance equipment or other association property, plus any gifts or donations, or monies received from any other source in the normal operation of the association shall be kept in this account. All expenses for the association shall be paid from this account.

Section 6. The Budget. The board of directors shall formulate and adopt a budget for the following fiscal year not later than the regular December meeting of said board.

(a) All regular and/or predictable expenses that have been delineated in the budget, said budget having been adopted by the board of directors may be paid by the treasurer without further authorization from the board. Bids shall be solicited for any items exceeding \$1,000 in costs which are not authorized in the budget.

(b) Items for which costs have not been established or any non-predictable expense not itemized in the budget shall be authorized by the board.

ARTICLE XI. COMMITTEES

The board shall appoint an architectural committee, as provided in the declaration , and a nominating committee as provided in Article VI of these bylaws. In addition, the board of directors may appoint such other committees and committee chairs as it may deem appropriate in the performance of its duties.

ARTICLE XII. ASSESSMENTS

As more fully provided in the declaration, each member is obligated to pay to the association annual and special assessments which are secured by a continuing lien on the property against which such assessments are made. Any assessments or other amounts that are not paid when due are considered delinquent. If an assessment or other amount due the association are not paid within thirty (30) days after the due date, a late fee in an amount determined by the board from time to time may be assessed, and the association may bring an action at law against the owner personally to pay the same, or may foreclose the lien against the affected property. Interest at 18% or the highest rate allowed by law, whichever is lower, shall also accrue on any amounts delinquent 30 days to the association. In any collection action, costs, and reasonable attorneys fees of any such action shall be added to the amount of any assessment or other amount due. No owner may waive or otherwise escape liability for assessments by nonuse of the common area or abandonment of his lot. In the event that foreclosure proceedings are commenced for collection of delinquent amounts, then in addition to any other damages provided herein, the association shall be entitled to recover the sum of \$1,000 as liquidated damages for the overhead and inconvenience of affecting such collection.

ARTICLE XIII. BOOKS AND RECORDS INSPECTION

The financial books, financial records, and financial papers of the association shall be subject to inspection by any member during ordinary ' business hours. The declaration, articles of incorporation, and bylaws of the association shall be available for inspection by any member at the principal office of the association, where copies shall be made available for sale at a reasonable price.

ARTICLE XIV. FISCAL YEAR

The fiscal year of the association shall be the calendar year, except that the first fiscal period shall begin on the date of incorporation and shall end on December 31st of the year of incorporation.

ARTICLE XV. NOTICE AND WAIVER OF NOTICE; CONSENTS

Whenever any notice whatever is required to be given under the provisions of these bylaws, said notice shall be deemed to be sufficient if given by depositing the same in a post office box in a sealed, postpaid wrapper, addressed to the person entitled thereto at his post office address, as it appears on the books of the association, and such notice shall be deemed to have been given on the date of such mailing. A waiver of notice, signed by the person or persons entitled to said notice, whether before or after the time stated therein shall be deemed equivalent to notice. Any notice required by law or these Bylaws may be waived by the execution of a written Waiver of Notice (emailed or faxed waiver is sufficient) by the party to whom notice was to be given, or by his proxy, which may be signed or otherwise acknowledged before or after the event requiring notice. Attendance in person or by proxy at a meeting shall be deemed to be a Waiver of Notice unless the person attending does so solely for the purpose of protesting the legality of the meeting and announces such purposes before casting a vote on any business transacted at the meeting.

Any action which may be taken at a meeting of the Board of Directors or owners may be taken without a meeting if such action is authorized by a written consent signed by a majority of all those who would be entitled to vote on such action at a meeting. The executed consent shall be filed with the Secretary and placed in the minute book of the Association.

ARTICLE XVI. RESIGNATIONS

Any director or officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the president or secretary. The acceptance of the resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

ARTICLE XVII. AMENDMENTS

These bylaws may be amended, at a regular or special meeting of members, by vote of two-thirds of a quorum of members present in person or by proxy.

ARTICLE XIII. NO WAIVER OF RIGHTS

The failure of the Inverness Point Property Owners Association, Inc., or any subdivision owner to enforce any covenants, restrictions or any other provisions of the Inverness Point Subdivision restrictions, the association charter, bylaws or the regulations adopted pursuant thereto, shall not constitute a waiver of the right to do so thereafter.

ARTICLE XIX. ATTORNEYS FEES

In the event any Inverness Point Subdivision owner or resident fails to comply with the terms of the protective restrictions and covenants for Inverness Point and the association or any other owner or resident in Inverness Point Subdivision finds it necessary to enforce the terms and provisions of the said restrictions by way of any civil proceeding or judicial action, the party against whom such proceeding is brought (should it be judicially determined that said party has failed to comply with the terms and provisions of Inverness Point Subdivision restrictions) shall pay the reasonable attorneys fees which are approved by the applicable Court and are incurred by the party seeking the enforcement of the terms and provisions of the Inverness Point restrictions.

ARTICLE XX. CONFLICTS

In the case of any conflict between the articles of incorporation and these bylaws, the articles shall control; in the case of any conflict between the declaration and these bylaws, the declaration shall control.

Inverness Point Property Owners Association, Inc.

By: _____

Title: _____

STATE OF TEXAS
COUNTY OF TRAVIS

This instrument was acknowledged before me on _____ by
_____.

Notary Public for the State of Texas
Printed name of notary

My commission expires

After recording, please return to:
Niemann & Niemann, L.L.P.
1122 Colorado St., Suite 313
Austin, Texas 78701