

BYLAWS
OF
CUSTER RIDGE ALLEN COMMUNITY ASSOCIATION, INC.
A TEXAS NON-PROFIT CORPORATION

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. All terms used herein, such as (but not by way of limitation) "Owner", "Lot", "Common Areas", "Declarant", and "Assessments" shall have the same meanings as set forth in the Declaration of Covenants, Conditions and Restrictions for Custer Ridge Estates filed under Instrument No. 2024000133029 with the Office of the Collin County Clerk, including any amendments, supplements, or restatements thereof (collectively, the "Declaration").

Section 1.01A. "Votes", "ballots", "consents", "approvals", as used in these Bylaws, have their ordinary meanings and are not specially defined. They are not intended to be mutually exclusive and are intended to be interchangeable for most purposes. If any word is defined or limited by applicable law, one may not presume that the word is used in these Bylaws with that meaning.

ARTICLE II

NAME

Section 2.01. Name. The name of this corporation shall be Custer Ridge Allen Community Association, Inc. ("Association").

ARTICLE III

OFFICES OF THE ASSOCIATION

Section 3.01. Principal Office. The initial principal office of the Association shall be located in Collin County, Texas, but meetings of Members and Directors may be held at such place within the State of Texas as may be designated by the Board of Directors ("Board").

ARTICLE IV

**ASSOCIATION RESPONSIBILITIES
AND MEETINGS OF MEMBERS**

Section 4.01. Association Responsibilities. The Members will constitute the Association, and the Association, by and through its Board, shall be responsible for administering and enforcing, *inter alia*, the covenants, conditions and restrictions contained in the Declaration,

including the collection and disbursement of charges and assessments as provided therein. In the event of any dispute or disagreement between any Members relating to the Property, any questions of interpretation or application of the provision of the Declaration, Certificate of Formation or these Bylaws, such dispute or disagreement shall be submitted to the Board. The resolution of such dispute or disagreement by the Board shall be binding on each and all such Members, subject to the right of Members to seek other remedies provided by law after such determination by such Board.

A meeting of the members of the Association, the Board, or any committee designated by the Board may be held by means of a conference telephone or similar communications equipment, another suitable electronic communications system, including videoconferencing technology or the Internet, or any combination of those means. If voting is to take place at the meeting, the Association must (1) implement reasonable measures to verify that every member voting at the meeting by means of remote communications is sufficiently identified and (2) keep a record of any vote or other action taken.

Section 4.02. Place of Meeting. Meetings of the Association following the expiration of the Development Period shall be held at such suitable place, reasonably convenient to the Members, within the State of Texas, County of Collin, as the Board may determine.

Section 4.03. Annual Meetings. The first meeting of the Association shall be held as determined by the initial Board, or their successors, after the date of incorporation of the Association, and each subsequent annual meeting of the Members shall be held as determined by the Board. The Board will attempt to schedule the annual meeting of the Members within ninety (90) days of each calendar year. At the first annual meeting *after* the Development Period, there shall be elected a Board by ballot of the Members in accordance with the requirements of Article V of these Bylaws. The Members may also transact such other business of the Association as may properly come before them at such meeting.

Section 4.04. Special Meetings. It shall be the duty of the President of the Association to call a special meeting of the Members as directed by the President, resolution of the Board or upon receipt of a written request from Members entitled to vote at least one-third (1/3) of all of the votes of either class of membership. The Board may not require a specific form of petition nor require that the petition be offered to every member of the Association. Signatures on petitions need not be notarized or witnessed; however, the "signer's" identity must be reasonably discernible. No business except as stated in the notice shall be transacted at a special meeting of the Members. Notwithstanding the above, any special meetings shall be held within forty-five (45) days after receipt by the President of such request or petition.

Section 4.05. Notice of Meetings. Written or printed notice stating the place, day, and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered by the Association not less than ten (10) nor more than forty-five (45) days before the date of the meeting, either personally, by electronic mail, facsimile or by mail, to each Member according to the records of the Association. If sent via electronic mail or facsimile, such notice shall be deemed delivered when the notice is sent by electronic mail to the electronic mail address provided by the Member to the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Member

at his address according to the records of the Association, with postage thereon prepaid. Business transacted at any special meeting shall be confined to the purposes stated in the notice or waiver thereof.

Section 4.06. Quorum. The presence of holders of twenty percent (20%) of the vote of the Association, represented in person, by proxy, absentee ballot or electronic ballot, shall constitute a quorum for any meeting of Members except as otherwise provided by law or in the Certificate of Formation, the Declaration or the Bylaws. If, however, such quorum shall not be present or represented at any meeting of the Members, the Members present, or represented by proxy, shall have the power to adjourn the meeting from time to time, subject to the above notice requirements. Except as otherwise provided by law or in the Certificate of Formation, the Declaration or these Bylaws, the presence of holders of ten percent (10%) of the votes of the Association, represented in person, by proxy, absentee ballot, or electronic ballot, shall constitute a quorum for any reconvened meeting of Members. The Association may call as many subsequent meetings as may be required to achieve a quorum. At such adjourned or subsequent meeting at which a quorum shall be present or represented, any business may be transacted which may have been transacted at the meeting as originally notified.

Section 4.06A. Lack of Quorum – Election of Directors. Notwithstanding any provision in the Bylaws to the contrary, the presence of the Members, in person, by proxy or other means allowed by law, shall constitute a quorum for the sole and exclusive purpose of conducting an election of directors at any meeting of the Association. No other business may be transacted at a meeting convened under this Section 4.06A. In order to conduct business of the Association at a meeting of the Members other than the election of directors, the applicable quorum requirement contained in Section 4.06 of these Bylaws must be satisfied. In the event of a conflict between this Section 4.06A and any other provision in the Bylaws, the terms and conditions of this Section 4.06A shall control.

Section 4.07. Proxies, Absentee Ballots, and Electronic Ballots. At all meetings of Members, each Member may vote in person, by proxy, absentee ballot, or electronic ballot in accordance with applicable law and as established by the Board. Any vote cast in an Association election or vote by a Member must be in writing and signed by the Member voting. An electronic ballot shall be considered a written and signed ballot for purposes of this Section. An electronic ballot may be given by electronic mail, facsimile transmission or posting on an internet website established for the purpose of registering the votes of Members. All proxies shall be in writing and shall be filed with the Secretary of the Association or as otherwise designated. Every proxy shall be revocable and shall automatically cease upon conveyance by a Member of his or her Lot.

Section 4.08. Voting by Association and Members. The Association shall not be a voting member of the Association by virtue of its ownership of any Common Areas. Each Member may vote the number of votes set forth in the Declaration. A Member's right to vote may not be suspended unless allowed by applicable law.

Section 4.09. Membership List. The officer or agent having charge of the membership books shall make a complete list of the Members entitled to vote at each such meeting or any adjournment thereof arranged in alphabetical order, with the address of each Member, which list shall be kept on file at the principal office of the Association, and shall be subject to inspection by

any Member at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection. The Association membership list shall be prima facie evidence as to who are the Members entitled to examine such list or to vote at any such meeting of Members.

Section 4.10. Tabulation of Votes. Any person who tabulates ballots in an Association election or vote may not disclose how a Member or individual voted. A person who is a candidate or otherwise the subject of an Association vote, or a person related to that person within the third degree of affinity or consanguinity, may not tabulate or otherwise be given access to the ballots cast in an election or vote.

Section 4.11. Recounts. Any Member may, not later than the 15th day after the date of the meeting at which the election or vote was held, require a recount of the votes. A demand for a recount must be submitted in writing either:

- (1) by certified mail, return receipt requested, or by delivery by the USPS with signature confirmation service to Association's mailing address as reflected on the latest management certificate filed under Section 209.004 of the Texas Property Code; or
- (2) in person to the Association's managing agent as reflected on the latest management certificate filed under Section 209.004 of the Texas Property Code or to the address to which absentee and proxy ballots are mailed.

The Association shall, at the expense of the Member requesting the recount, retain for the purpose of performing the recount, the services of a person qualified to conduct a recount. The Association shall enter into a contract for the services of a person who:

- (1) is not a Member of the Association or related to a Member of the Board within the third degree by consanguinity or affinity, and is either:
 - (A) a current or former:
 - (i) county judge;
 - (ii) county elections administrator;
 - (iii) justice of the peace; or
 - (iv) county voter registrar; OR
 - (B) a person who is not a Member of the Association or related to a current director and who is agreed on by the Association and the Member requesting the recount.

Any recount must be performed on or before the 30th day after the date of receipt of a request and payment for a recount. If the recount changes the results of the election, the Association shall reimburse the requesting Member for the cost of the recount. The Association shall provide the results of the recount to each Member who requested the recount. Any action taken by the Board in the period between the initial election vote tally and the completion of the recount is not affected by any recount.

Section 4.12. Declarant Control. Many Articles and Sections of these Bylaws do not apply during the Development Period. Examples of provisions that pertain specifically to Declarant include the number, qualification, appointment, removal, and replacement of directors, meetings of the Board, as well as the weight of votes allocated to Lots and land owned by Declarant. If a provision of the Declaration contradicts a provision of these Bylaws, the Bylaws provision will be construed to apply after the Development Period.

ARTICLE V

BOARD OF DIRECTORS

Section 5.01. Number and Qualification. The affairs of the Association shall be governed by a Board consisting, initially, of the three (3) persons set forth in the Association's Certificate of Formation. During the Development Period, except as otherwise expressly provided by Section 209.00591(c) of the Texas Property Code or any successor statute, all Directors shall be selected and removed by Declarant acting in its sole discretion and shall serve at the pleasure of the Declarant. At the first annual meeting after the Development Period, there shall be elected by the Members at least three (3) and no more than five (5) directors to the Board who shall thereafter govern the affairs of the Association until their successors have been duly elected and qualified. Other than Directors appointed by the Declarant, all Directors must be Members of the Association and no person may serve on the Board if the person cohabits at the same residence with another Board member of the Association. A person convicted of a felony or crime involving moral turpitude within the past 20 years may not serve on the Board. The number of individuals to sit on the Board may be increased to over five (5) directors by amendment of these Bylaws.

Prior to each election, the Board shall prescribe the opening date and the closing date of a reasonable filing period in which each and every eligible person who has a bona-fide interest in serving as a director may file as a candidate for any position. The Board shall also establish such other rules and regulations as it deems appropriate to conduct the nomination of directors in a fair, efficient, and cost-effective manner. Nominations from the floor shall also be permitted.

Section 5.02. Powers and Duties. The Board shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Property and the Common Areas in keeping with the character and quality of the area in which it is located. The business and affairs of the Association shall be managed by or under the direction of the Board which may exercise all such powers of the Association and do all such lawful acts and things as are not by statute, the Certificate of Formation, these Bylaws, or the Declaration, directed or required to be exercised or done by the Members. The Board may, by adoption of such action in accordance with this Article V, delegate specific Association management responsibilities to an authorized person or entity; provided, however, such delegation shall not relieve or release the Board of any duty to oversee, manage or direct the business and affairs of the Association. Except as otherwise provided by law or in the Certificate of Formation, the Declaration or these Bylaws, the Board shall be specifically authorized to promulgate and amend, from time to time, a policy setting forth procedures by which violation fines are to be levied for violations of the Declaration, the design or architectural guidelines, or any rule or regulation of the Association.

The powers and duties of the Board listed below shall compliment the Board's powers enumerated in the Declaration and shall include, without limitation:

- (a) preparing and adopting, in accordance with the Declaration, an annual budget establishing each Owner's share of the Common Expenses, and determining the amount(s) of all assessments;
- (b) levying and collecting such assessments from the Owners;
- (c) providing for the operation, care, upkeep and maintenance of the Common Areas;
- (d) designating, hiring, and dismissing the personnel necessary to carry out the rights and responsibilities of the Association and where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies and materials to be used by such personnel in the performance of their duties;
- (e) depositing all funds received on behalf of the Association in appropriate bank accounts or in other accounts approved by the Board, and using such funds to operate the Association; provided, any reserve funds may be deposited, in the Board's good faith best business judgment, in depositories other than banks;
- (f) making, amending and enforcing policies, resolutions, rules and regulations governing the administration and operation of the Association, including but not limited to, policies and procedures regarding the application of payments for assessments, late charges, interest, costs of collection (including, but not limited to, attorneys' fees), fines and any and all other charges received from Owners;
- (g) opening the bank 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 Areas in accordance with the Declaration and these Bylaws;
- (i) enforcing the provisions of the Declaration and any rules or standards developed pursuant to the Declaration, the Certificate of Formation, and/or these Bylaws, and bringing any legal proceedings which may be instituted on behalf of or against the Owners concerning the Association; provided, the Association's obligation in this regard shall be conditioned in the manner provided in the Declaration;
- (j) obtaining and carrying insurance as provided in the Declaration, paying the cost thereof, and filing and adjusting claims, as appropriate;
- (k) paying the cost of all services rendered to the Association;

- (l) keeping books with detailed accounts of the receipts and expenditures of the Association;
- (m) taking such actions as contemplated by the Board in the Declaration, these Bylaws, and/or the Certificate of Formation;
- (n) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Property; and
- (o) indemnifying a director, officer or committee member, or former director, officer or committee member of the Association or any agent, contractor or management company of the Association to the extent such indemnity is required or permitted under Texas law, the Certificate of Formation or the Declaration.

Section 5.03. No Waiver of Rights. The omission or failure of the Association or any Member to enforce the covenants, conditions, restrictions, easements, uses, liens, limitations, obligations or other provisions of the Declaration, these Bylaws or the rules and regulations adopted pursuant thereto or hereto, shall not, in any event, constitute or be deemed a waiver, modification or release thereof, and the Board shall have the right to enforce the same at any time thereafter.

Section 5.04. Election and Term of Office. As to Directors elected by the Members after the Development Period, by plurality vote, the term of office for at least two (2) Directors shall be fixed at two (2) years and the term of office for the remaining Directors shall be fixed at one (1) year. Thereafter, the term of office for each Director shall be fixed at two (2) years. The Directors shall hold office until their successors have been elected and hold their first meeting, except as is otherwise provided herein. The terms of Directors may be changed by amendment of these Bylaws. If an elected Director vacates the seat during the term, it may be filled, at the discretion of the Board, by appointment of a person to fill the vacancy or by election of the Members at the next annual meeting or at any special meeting called for that purpose. The appropriate number of members of the Board shall be elected by plurality vote at the annual meeting of Members of the Association.

Notwithstanding the foregoing provision or any provision in these Bylaws to the contrary, Declarant will have the sole right to appoint and remove all members of the Board until the tenth (10th) anniversary of the date the Declaration is recorded. No later than the tenth (10th) anniversary of the date the Declaration is recorded, or sooner as determined by Declarant, the Board must hold a meeting of Members of the Association for the purpose of electing one-third ($\frac{1}{3}$) of the Board (the "*Initial Member Election Meeting*"), which Board member(s) must be elected by Owners other than the Declarant. The Member elected at the Initial Member Election Meeting shall serve a one (1) year term. Declarant shall continue to have the sole right to appoint and remove two-thirds ($\frac{2}{3}$) of the Board from and after the Initial Member Election Meeting until expiration or termination of the Development Period.

Section 5.05. Vacancies. Vacancies in the Board caused by death, resignation or disqualification (*i.e.*, by any reason other than the removal of a Director by a vote of the Association as set forth in Section 5.06 hereof) shall be filled by the unanimous vote of the remaining Directors, and each person so elected shall be a Director until the expiration of that term. If the remaining

Directors cannot agree, a special meeting of the Members shall be held to fill the vacancy. Vacancies caused by an increase in the Board shall be filled by a vote of the Members at a special or annual meeting of the Members. Vacancies in the Board caused by a removal of a Director by a vote of the Association shall be filled in the manner set forth in Section 5.06 hereof.

Section 5.06. Removal of Directors by Members. At any annual or special meeting of the Association duly called, any one or more of the Directors elected by the Members may be removed with or without cause by the affirmative vote of a majority of all Members of the Association, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed shall be given an opportunity to be heard at the meeting.

Section 5.06A Removal of Directors by Directors. A Director may not be removed by the remaining Directors, except for the following limited reasons for which a Director may be removed by at least a majority of the other Directors.

- a. **Criminal Conviction.** A majority of the remaining Directors may remove a Director for whom the Board receives documented evidence from a governmental law enforcement authority that the director was convicted of a felony or crime involving moral turpitude within the previous 20 years.
- b. **Additional Reasons.** The following reasons for removal apply to Directors who are owners to the extent not prohibited by applicable law for owners who serve on boards of property owners associations.
 - (1) The Director is a party adverse to the Association, the Board, a committee of the Association, or individual officers, directors, or committee members, acting in those capacities, in pending litigation, provided the Association did not file suit to effect removal of the Director.
 - (2) The Director has refused or failed to attend three (3) or more meetings of the Board.

Section 5.07. Regular Meetings. Regular meetings of the Board 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 one (1) such meeting shall be held every six (6) months. Notice of regular meetings of the Board shall be given to each Director, personally or by mail, telephone, electronic mail, or facsimile, at least one hundred forty-four (144) hours prior to the day named for such meeting.

Section 5.07A. Adversarial Director. This section applies to a director who initiates, threatens, supports, or engages in conduct that is likely to result in legal action against one or more directors in their capacity as Directors, the Board, or the Association ("adversarial director"). A majority of the remaining Directors or the attorney representing the Association may exclude or remove the adversarial director from executive sessions, meetings, or communications during which the likely, threatened, or pending legal action is considered.

Section 5.07B. Emergency Board Meetings. For the sole purpose of responding to an emergency, the Board may convene an emergency board meeting after making a diligent attempt to notify each director and officer by any practical method, without formal notice to the Directors or Members. At such emergency board meeting, the Directors participating constitute a quorum of Directors. The Directors who participate in the emergency Board meeting must orally summarize the decisions at the next meeting of the Board for which the owners have notice. The oral summary must include an explanation of any known expenditures - actual or estimated - that were approved by the Board and must be reported in the meeting minutes.

Section 5.08. Special Meetings. Special meetings of the Board may be called by the President upon at least seventy-two (72) hours' notice to each Director, given personally or by mail, telephone, electronic mail or facsimile, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President, Secretary or Assistant Secretary of the Association in like manner and on like notice on the written request of two (2) or more Directors.

Section 5.09. Meeting by Telephonic or Other Electronic Means. To the extent allowed by applicable law, members of the Board may participate in a meeting by means of telephone or video conference or similar electronic communications equipment, including electronic mail, whereby all persons participating in the meeting can hear each other or see what each other is saying or writing, and participation in a meeting pursuant to this Section 5.09 shall constitute presence in person at the meeting.

Section 5.10. Waiver of Notice. Before or after any meeting of the Board, any Director may, in writing including electronic mail, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him or her of the time and place thereof. Except as otherwise provided by law, if all of the Directors are present at any meeting of the Board, no notice shall be required, and any business may be transacted at such meeting.

Section 5.11. Board of Directors' Quorum. At all meetings of the Board, a majority of the Directors in office shall constitute a quorum for the transaction of business, and the act of the majority of the Directors shall be the act of the Board. Directors present by proxy may not be counted toward a quorum. If at any meeting of the Board, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 5.12. Compensation. No member of the Board shall receive any compensation for acting as such. Any Director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other Directors.

Section 5.13. Action Taken Without a Meeting. To the extent allowed by applicable law, Directors shall have the right to take any action in the absence of a meeting which they could take at any meeting by obtaining the written approval of all the Directors. Such action may be

evidenced by electronic mail sent by any Director. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 5.14. Election of Directors. The appropriate number of members of the Board shall be elected by plurality vote at the annual meeting of Members of the Association, which Members of the Association shall vote the number of votes set forth in the Declaration.

Section 5.14A. Candidates. Prior to an election of one or more Directors for which the Association disseminates ballots with pre-printed names, the Association must meet or exceed applicable law requirements, if any, regarding the solicitation of candidates and production of ballots, such as Texas Property Code Section 209.00593. This Section may not be construed to require ballots with pre-printed names or the dissemination of ballots outside the meeting.

5.14.1. Candidate Information. The Association may ask each candidate to submit certain information to help voters make informed decisions and may disseminate the information to Members.

5.14.2 Nominating Committee. From time to time, the Board may appoint a nominating committee of the Association to oversee the solicitation of candidates and the dissemination of candidate information.

5.14.3 Endorsements. The Board by a majority vote may endorse one or more candidates or may authorize the nominating committee to endorse one or more candidates and may announce its endorsements to the Members as a legitimate exercise of power.

5.14.4 Nominations from Floor. The Association's dissemination of a ballot with pre-printed names does not prevent a Member from announcing the Member's candidacy from the floor of the election meeting. Also, if all candidates are solicited at an election meeting and if voting is done at the meeting with fill-in ballots, no prior candidate solicitation is required.

Section 5.15. Open Meetings and Notice to Members. Where required by law, the meetings of the Board shall be open to the Members. Members are not allowed to participate in the meeting of the Board unless recognized by the chairperson of the meeting. The Board shall be allowed to adjourn to executive session to discuss and vote upon certain matters as allowed by law. Notice of meetings of the Board, where required by law, shall be:

- (1) mailed to each Owner not later than the 10th day or earlier than the 60th day before the date of the meeting; or
- (2) provided at least one hundred forty-four (144) hours before the start of the meeting by:
 - (A) posting the notice in a conspicuous manner reasonably designed to provide notice to the Members:
 - (i) in a place located on the Common Areas or, with the Owner's

consent, on other conspicuously located privately owned property within the subdivision; or

(ii) on any Internet website maintained by the association or other Internet media; and

(B) sending the notice by electronic mail to each Owner who has registered an electronic mail address with the Association.

**It is an Owner's duty to keep an updated
e-mail address registered with the Association.**

Section 5.16 The Corporate Transparency Act. (a) The Corporate Transparency Act ("CTA") is a federal law designed to combat financial crime by requiring a corporation to disclose certain information about itself and its Beneficial Owners to the Department of Treasury's Financial Crimes Enforcement Network ("FinCEN"), unless any exemptions apply. The Association has determined that the Association does not qualify for any existing exemptions under the CTA. This Section 5.16 is intended to enable the Association and its Directors to comply with the CTA and its reporting requirements. If the Association later determines that it qualifies for an exemption or is no longer required to comply with the CTA due to a change in taxable-entity status or a change in law, this Section 5.16 shall be deemed inoperative and the Board is authorized to amend the Bylaws by deleting this Section 5.16.

(b) Reporting Company. Under the CTA, the Association is considered a Reporting Company and must submit an Initial Report to FinCEN. The Association must submit the following information for the Initial Report to FinCEN: (1) the entity's name, as well as any trade names or DBAs, (2) the business street address, (3) the Taxpayer Identification Number, and (4) the jurisdiction of formation. The Association's community manager shall be responsible for updating any of the aforementioned information with FinCEN within thirty (30) days of a change in any of the aforementioned information.

(c) Beneficial Owners. Under the CTA, the Board is considered the Beneficial Owners of the Association and must submit the following information to FinCEN: (1) full legal name, (2) date of birth, (3) current residential address, (4) a unique identification number such as a driver's license number or a passport number, and (5) a digital copy of the identifying document. Each Director shall submit this information to FinCEN and receive a FinCEN ID that is unique to that Director. This FinCEN ID shall be submitted to the Association's community manager by each director for the Association's Initial Report and all subsequent updates. Each director shall be responsible for updating any of the aforementioned information with FinCEN directly and notifying the Association's community manager of the same within thirty (30) days of a change in any of the aforementioned information.

(d) Deadline for Current Directors. If a director is currently serving on the Board as of the date these Bylaws are filed with the Office of the Collin County Clerk ("Current Director"), the Current Director shall have thirty (30) days from the date of filing of these Bylaws to comply

with Section 5.16. Failure to comply with Section 5.16 may subject the Current Director to removal from the Board pursuant to Section 5.16(f).

(e) Deadline for New Directors. Any director elected, appointed, or selected to the Board shall have twenty (20) days from the date of election, appointment, or selection to comply with Section 5.16. Failure to comply with Section 5.16 may subject the New Director to removal from the Board pursuant to Section 5.16(f). For purposes of this Section 5.16, a Director shall be considered a "New Director" if (1) the individual is not considered a Current Director, or (2) the individual does not have an updated FinCEN ID unique to that Director.

(f) Removal from the Board of Directors. Any New Director who fails to comply with Section 5.16 within twenty (20) days of their election, appointment, or selection shall be immediately removed from the Board but subject to reinstatement as provided in Section 5.16(g). Any Current Director who fails to comply shall be immediately removed from the Board but subject to reinstatement as provided in Section 5.16(g). Any New or Current Director that fails to comply in a timely manner shall be considered ineligible to serve on the Board or as an Officer and will not be considered for appointment or selection to the Board.

(g) Reinstatement to the Board of Directors. If any New or Current Director fails to comply with this Section 5.16 within the stated deadlines above but complies within ten (10) days after the deadline shall be automatically reinstated to the Board ("Reinstatement Deadline"). If a New or Current Director fails to meet the Reinstatement Deadline, then the remaining Directors shall appoint a Member to fill the vacancy pursuant to these Bylaws.

ARTICLE VI

OFFICERS

Section 6.01. Designation. The officers of the Association shall be a President, a Vice-President, a Secretary, and a Treasurer, all of whom shall be elected by the Board, and such assistant officers as the Board shall, from time to time, appoint. Such officers must be members of the Board. The office of President and Treasurer may be held by the same person, and the office of Vice-President and Secretary or Assistant Secretary may be held by the same person.

Section 6.02. Election of Officers and Term of Office. The officers of the Association shall be elected annually by the Board at the next meeting of the Board, which follows the annual meeting of the Members, and such new officers shall hold office for a term of one (1) year.

Section 6.03. Resignation and Removal of Officers. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause, and his or her successor appointed at any regular or special meeting of the Board called for such purpose. An 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 such notice is received, or at any later time specified therein. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6.04. Vacancies. A vacancy in any office due to the death, resignation, removal or other disqualification of the officer previously filling such office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 6.05. President. The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Association and of the Board. The President shall have all of the general powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint committees from the Members from time to time as the President may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association, or as may be established by the Board or by the Members of the Association at any annual or special meetings.

Section 6.06. Vice-President. The Vice-President shall have all the powers and authority and perform all the functions and duties of the President in the absence of the President or his or her inability for any reason to exercise such powers and functions or perform such duties and shall also perform any duties he or she is directed to perform by the President.

Section 6.07. Secretary. (a) The Secretary shall keep all of the minutes of the meetings of the Board and the Association. The Secretary shall have charge of such books and papers as the Board may direct, and shall, in general, perform all the duties incident to the office of Secretary as provided in the Declaration, Bylaws, and Certificate of Formation.

(b) The Secretary shall compile and keep up to date at the principal office of the Association a complete list of the members and their last known addresses as shown on the records of the Association. Such list shall be open to inspection by the Members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

Section 6.03. Assistant Secretary. The Assistant Secretary, if any, shall have all the powers and authority to perform all the functions and duties of the Secretary in the absence of the Secretary or in the event of the Secretary's inability for any reason to exercise such powers and functions or to perform such duties, and also to perform any duties as directed by the Secretary.

Section 6.09. Treasurer. (a) The Treasurer shall have custody of and be responsible for Association funds and for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board.

(b) The Treasurer shall disburse the funds of the Association as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and the Board at its regular meetings, or when the Board so requires, an account of all the transactions as Treasurer, and of the financial condition of the Association.

ARTICLE VII

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 7.01. Indemnification. (a) The Association shall indemnify, to the extent provided in the following paragraphs, any person who is or was a director, officer, agent, or employee of the Association. In the event the provisions of indemnification set forth below are more restrictive than the provisions of indemnification allowed by Chapter 8 of the Texas Business Organizations Code ("Code"), then such persons named above shall be indemnified to the full extent permitted by the Code as it may exist from time to time.

(b) In case of a threatened or pending suit, action or proceeding (collectively, "Suit"), whether civil, criminal, administrative or investigative (other than an action by the Association), against a person named in paragraph (a) above by reason of such person's holding a position named in such paragraph (a), the Association shall indemnify such person, if such person satisfies the standard contained in paragraph (c) below, for amounts actually and reasonably incurred by such person in connection with the defense or settlement of the Suit as expenses (including court costs and attorneys' fees), amounts paid in settlement, judgments, penalties (including excise and similar taxes), and fines.

(c) A person named in paragraph (a) above will be indemnified only if it is determined in accordance with paragraph (d) below that such person:

- (i) acted in good faith in the transaction which is the subject of the Suit; and
- (ii) reasonably believed:
 - (A) if acting in his or her official capacity as director, officer, agent or employee of the Association, that his or her conduct was in the best interests of the Association; and
 - (B) in all other cases, his or her conduct was not opposed to the best interests of the Association; and
- (iii) in the case of any criminal proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

The termination of a proceeding by judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent, will not, of itself, create a presumption that such person failed to satisfy the standard contained in this paragraph (c).

- (d) A determination that the standard in paragraph (c) above has been satisfied must be made:
- (i) by the Board by a majority vote of a quorum consisting of Directors who, at the time of the vote, are not named defendants or respondents in the proceeding; or

(ii) if such quorum cannot be obtained, by a majority vote of a special committee designated to act in the matter by a majority vote of all Directors, consisting solely of two (2) or more Directors who at the time of the vote are not named defendants or respondents in the proceeding; or

(iii) by special legal counsel selected by the Board or a committee of the Board by vote as set forth in subparagraphs (i) or (ii) above, or, if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all Directors.

(e) Determination as to reasonableness of expenses must be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is permissible is made by special legal counsel, determination as to reasonableness of expenses must be made in the manner specified by subparagraph (d)(iii) above for the selection of special legal counsel.

(f) The Association may reimburse or pay in advance any reasonable expenses (including court costs and attorneys' fees) which may become subject to indemnification under paragraphs (a) through (e) above, but only in accordance with the provisions as stated in paragraph (d) above, and only after the person to receive the payment (i) signs a written affirmation of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification under paragraph (c) above, and (ii) undertakes in writing to repay such advances if it is ultimately determined that such person is not entitled to indemnification by the Association. The written undertaking required by this paragraph must be an unlimited general obligation of the person but need not be secured. It may be accepted without reference to financial ability to make repayment.

(g) The indemnification provided by paragraphs (a) through (e) above will not be exclusive of any other rights to which a person may be entitled by law or vote of members or disinterested Directors, or otherwise.

(h) The indemnification and advance payment provided by paragraphs (a) through (c) above will continue as to a person who has ceased to hold a position named in paragraph (a) above and will inure to such person's heirs, executors, and administrators.

(i) The Association may purchase and maintain insurance on behalf of any person who holds or has held any position named in paragraph (a) above against any liability incurred by such person in any such position, or arising out of such person's status as such, whether or not the Association would have the power to indemnify such person against such liability under paragraphs (a) through (f) above.

(j) Indemnification payments and advance payments made under paragraphs (a) through (i) above are to be reported in writing to the Members of the Association in the next notice or waiver of notice of annual meeting, or within twelve (12) months after the payments are made, whichever is sooner.

(k) All liability, loss, damage, cost, and expense incurred or suffered by the Association by reason of or arising out of, or in connection with, the foregoing indemnification provisions shall be treated and handled by the Association as an expense subject to special assessment.

Section 7.02. Other. The Board, officers or representatives of the Association shall enter into contracts or other commitments as agents for the Association, and they shall have no personal liability for any such contract or commitment (except such liability as may be ascribed to them in their capacity as Owners).

Section 7.03. Interested Directors and Officers. (a) If paragraph (b) below is satisfied, no contract or transaction between the Association and any of its Directors or officers (or any other corporation, partnership, association or other organization in which any of them directly or indirectly have a financial interest) shall be void or voidable solely because of this relationship.

(b) The contract or transaction referred to in paragraph (a) above will not be void or voidable if:

(i) the Director, relative, or company bids on the proposed contract and the Association has received at least two other bids for the contract from persons not associated with the Director, relative, or company, if reasonably available in the community;

(ii) the Director:

- (A) is not given access to the other bids;
- (B) does not participate in any board discussion regarding the contract;
- and
- (C) does not vote on the award of the contract;

(iii) the material facts regarding the relationship or interest with respect to the proposed contract are disclosed to or known by the Board and the Board, in good faith and with ordinary care, authorizes the contract by an affirmative vote of the majority of the Directors who do not have an interest governed by this Section 7.03; and

(iv) the Board certifies that the other requirements of this Section 7.03(b) have been satisfied by a resolution approved by an affirmative vote of the majority of the Directors who do not have an interest governed by this Section 7.03.

ARTICLE VIII

AMENDMENTS TO BYLAWS

Section 8.01. Amendment to Bylaws. During the Development Period and subject to any applicable provisions in the Declaration, the Declarant may amend these Bylaws without approval of the Board or the Members. After the expiration of the Development Period, these Bylaws may be amended by the Members at any duly convened Members' meeting by the affirmative vote (in person, by proxy, absentee ballot, electronic ballot or as otherwise allowed by law) of at least a majority vote of those Members present or represented at such duly convened meeting. The

meeting notice shall include the specific amendment(s) or other change(s) or revision(s) proposed to be made to these Bylaws. The Board may not amend, revise or repeal these Bylaws, except to ensure compliance with applicable law. An amendment will be effective upon its recordation with the Official Public Records of Collin County, Texas.

ARTICLE IX

EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS

Section 9.01. Proof of Ownership. Any person or entity, on becoming an Owner of a Lot, shall furnish to the Board or the Association's managing agent a true and correct copy of the original or a certified copy of the recorded instrument vesting that person or entity with an interest or ownership in the Lot, which copy shall remain in the files of the Association.

Section 9.02. Registration of Mailing Address. The Owner or several Owners of a Lot shall have the same registered mailing address to be used by the Association for the mailing of annual or monthly statements, notices, demands and all other communications, and such registered address shall be the only mailing address of a person or persons to be used by the Association. Such registered address of an Owner or Owners shall be deemed to be the mailing address of the Lot owned by said Owner or Owners unless a different registered address is furnished by such Owner(s) in writing to the Board within fifteen (15) days after transfer of title or after a change of address. To be a valid change of address, such registration shall be in written form and signed by all of the Owners of the Lot or by such person(s) as are authorized by law to represent the interest of all of the Owner(s) thereof.

ARTICLE X

GENERAL

Section 10.01. Assessments and Liens. As more fully provided in the Declaration, each Member shall pay to the Association annual, special, reserve, and individual special assessments, as applicable, which are secured by a continuing lien upon the Lot against which the assessment is made. The Board, after notice and an opportunity to cure the assessment balance or the deed restriction violation, may suspend a Member's privilege to use the Common Areas.

Section 10.02. Abatement and Enjoinment. The violation of any rule or regulation, or the breach of any Bylaw, the design or architectural guidelines, any provision of the Declaration, or other dedicatory instrument of the Association, shall give the Board the right, in addition to any other rights set forth in the Declaration or herein, to levy violation fines or penalties, enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of such violation or breach.

Section 10.03. Committees. The Board may appoint an architectural control committee, subject to the terms of and as provided in the Declaration. In addition, the Board shall appoint other committees as deemed appropriate in carrying out its purpose.

Section 10.04. Books and Records. (a) The books, records and accounts of the Association shall, at reasonable times upon reasonable written notice, be subject to inspection and copying in accordance with Section 209.005 of the Texas Property Code at such Member's cost and expense. The Declaration, the Certificate of Formation, and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association or at the office of the managing agent, and copies of such documents may be purchased from the Association at a reasonable cost. This Section may not be construed as a duty for the Association to create or maintain "official records" that it does not otherwise have. The Association's official records include (without limitation):

- i. Current Governing Documents.
- ii. Financial records of the operation and administration of the Association, including bank statements, tax returns, financial statements, audits, and detailed records of receipts and expenditures.
- iii. Approved minutes of membership and board meetings.
- iv. Current written contracts to which the Association is a party.
- v. Meeting notices, ballots, proxies, and other records related to voting by owners.

(b) This subsection pertains to "unofficial records", being all information and materials in the Association's possession other than the Association's official records. This Section may not be construed as a duty for the Association to create or maintain unofficial records that it does not otherwise have. The Association is not required to make unofficial records available for document production, inspection, or copying, except under court order, on advice of counsel, or if requested by the Owner to whom it pertains directly. The Section may not be construed as a duty by the Association to keep its unofficial records closed, or as a prohibition against disclosing items of unofficial information as the Association deems appropriate. To the extent permitted or not prohibited by applicable law, the Association's unofficial records include (without limitation):

- i. Architectural drawings, engineering plans, and other intellectual property without the Owner's written consent.
- ii. Contracts, leases, bids, or other documents and correspondence related to transactions that are in negotiation.
- iii. Unapproved minutes of membership and board meetings.
- iv. Communications with legal counsel that are otherwise protected by the attorney-client privilege or the attorney work product doctrine.
- v. Except as required to produce the below-described membership list or with the Member's written consent, information pertaining to a particular Lot or Owner, such as: additional contact information (such as phone numbers and email addresses), banking or credit information, identification numbers (such as driver's license or social security), place of employment, emergency contact information, mortgage information, lease-related information, information identified by the Owner as "confidential," and any other item of information provided by an Owner or obtained by the Association.
- vi. Correspondence and notes pertaining to any of the foregoing items.

Section 10.05. Non-Profit Association. This Association is not organized for profit. Except as authorized by Section 7.03 of these Bylaws, no Member, member of the Board or officer

from whom the Association receives any property or service shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of, any Member, member of the Board or officer; provided, however, that (1) reasonable compensation may be paid to any Member, member of the Board or officer while acting as an agent or employee of a third party for services rendered to the Association in effecting one or more of the purposes of the Association and not for acting or providing services as a member of the Board or officer, and (2) any Member, member of the Board or officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

Section 10.06. Execution of Documents. The persons who shall be authorized to execute any and all contracts, documents, instruments of conveyance or encumbrances, including promissory notes, shall be the President or any Vice President, and the Secretary or any Assistant Secretary, of the Association.

Section 10.07. Conflicting or Invalid Provisions. Notwithstanding anything contained herein to the contrary, should all or part of any Article or Section of these Bylaws be in conflict with the provisions of the Act or any other Texas law, such Act or law shall control, and should any part of these Bylaws be invalid or inoperative for any reason, the remaining parts, so far as is possible and reasonable, shall be valid and operative. In the case of any conflict between the Certificate of Formation and these Bylaws, the Certificate of Formation shall control, and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Section 10.08. Notices. All notices to Members of the Association shall be given by delivering the same to each Owner in person or by depositing the notices with the USPS, postage prepaid, addressed to each Owner at the address according to the records of the Association. If an Owner shall fail to give an address to the Secretary for mailing of such notices, all such notices shall be sent to the street address of the Lot of such Owner. All Owners shall be deemed to have been given notice of the meetings upon the proper mailing of the notices to such addresses irrespective of the actual receipt of the notices by the Owners. Notices may be sent to Owners via electronic mail to an address provided to the Association by the Owner. Owners are solely responsible for maintaining a current electronic mail address with the Association.

Section 10.09 Conduct of Meetings. The President, or any person designated by the Board, presides over meetings of the Association. The Secretary keeps, or causes to be kept, the minutes of the meeting which should record all resolutions adopted and all transactions occurring at the meeting, as well as a record of any votes taken at the meeting. The Board may implement any procedure it deems appropriate which allows the Association to conduct its business in a "business-like manner" and facilitates deliberation and debate.

Section 10.10. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation of the Association.

Section 10.11. Statute of Limitations. Any action to challenge the validity of an

amendment adopted under these Bylaws, including these initial Bylaws, must be brought within one (1) year of the amendment's effective date. No action to challenge may be brought after such time.

ARTICLE XI

OWNER'S LAWSUIT AGAINST THE ASSOCIATION, DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS OR ANY OTHER OWNERS

Section 11.1. Lawsuits Against the Association. In the event an Owner brings a legal proceeding against the Association and the legal proceeding is subsequently dismissed without a final non-appealable adverse judgment against the Association or a judgment is entered in favor of the Association, the Owner bringing such lawsuit shall reimburse the Association for all reasonable costs and expenses incurred by the Association in connection with the legal proceeding, including all costs of court and reasonable attorney's fees. The Association may, in its sole and absolute discretion, maintain its right to reimbursement in the same legal proceeding and/or in a subsequent lawsuit.

Section 11.2. Lawsuits Against Directors, Officers, Employees and Agents of the Association and/or Other Owners. No Owner shall file or maintain an action against a director, officer, employee or agent of the Association or any other Owner who is performing duties on behalf of the Association (in each instance, an "Associated Person") if the cause of action arises out of or is related to such Associated Person's duties on behalf of the Association. If any such suit is filed, the Owner filing suit such suit shall indemnify and hold such Associated Person harmless from all reasonable costs and expenses incurred by such Associated Person, including all reasonable legal fees and court costs, unless a court of competent jurisdiction enters a final non-appealable judgment holding that such Associated Person is personally liable to such Owner.

[SIGNATURE PAGE TO IMMEDIATELY FOLLOW]

IN WITNESS WHEREOF, being all of the current Directors of the Association hereby unanimously the foregoing Bylaws for the Association on this 30th day of October 2024, 20__.

**CUSTER RIDGE ALLEN
COMMUNITY ASSOCIATION, INC.,
a Texas non-profit corporation**



William Shaddock, Sr., Director



William Shaddock, Jr., Director



Andrew Shaddock, Director