

**SECOND AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND  
RESTRICTIONS OF HS TEJAS, LTD. SUBDIVISION ALONG REESE MOUNTAIN  
ROAD**

WHEREAS, HS Tejas, Ltd., a Texas limited liability (the "Declarant"), executed and recorded (i) that certain Declaration of Covenants, Conditions and Restrictions of HS Tejas, Ltd. Subdivision Along Reese Mountain Road on March 26, 2009 (the "Initial CCRs") and (ii) that certain Amendment to Declaration of Covenants, Conditions and Restrictions of HS Tejas, Ltd. Subdivision Along Reese Mountain Road on June 22, 2022 (the "First Amendment") affecting that certain real property in Montgomery County, Virginia identified as a portion of Tax Parcel 33-(A)-6, as shown on plat dated March 5, 2009, by Gay and Neel, Inc., designated as Job No. 1703.1, which plat was recorded in the Montgomery County Circuit Court Clerk's Office as Plat Instrument Number 2009004348 on the 5th day of May, 2009 (the "Plat"). The Initial CCRs and First Amendment are collectively referred to herein as the "Declaration".

WHEREAS, the Plat created ten (10) lots numbered 1 through 10, inclusive.

WHEREAS, the Initial CCRs were recorded in the Montgomery County Circuit Court Clerk's Office on May 5, 2009 as Instrument Number 2009004349.

WHEREAS, the Declarant executed and recorded the First Amendment in the Montgomery County Circuit Court Clerk's Office on June 22, 2022 to remove Lot 10 from the covenants, conditions and restrictions outlined in the Declaration. Lots 1 through 9, inclusive, are referred to herein individually as a "Lot" and collectively as the "Lots".

WHEREAS, Paragraph 14 of the Declaration provides, in part, that the Declaration may be amended "by written agreement signed by two-thirds of the then Owners of the Lots".

WHEREAS, the undersigned is the owner of greater than two-thirds of the Lots.

NOW, THEREFORE, the Declarant executes this Second Amendment to amend the Declaration as follows:

1. Paragraph 3 of the Declaration is hereby deleted and restated to read as follows:

"All structures constructed or placed on any Lot shall be constructed with a substantial quantity and quality of new material, and no used structure shall be related to or placed on any Lot, except with the prior written approval of the Association's Board of Directors."

2. The following sentence is added to the end of Paragraph 12:

"The removal or cutting of any other trees within a Lot is prohibited without the prior written consent of the Association's Board of Directors."

3. Notice to All Potential Purchasers attached to and incorporated into the Declaration is amended and restated in its entirety and attached to this Second Amendment as Exhibit A.

4. The Bylaws of the Reese Mountain Road Association are attached hereto as Exhibit B. The Bylaws shall govern the operation of the Association.

5. With the exceptions of the amendments outlined in Paragraphs 1, 2, 3 and 4 above, the Declaration remains unchanged.

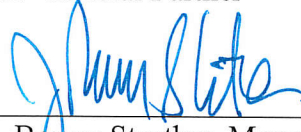
IN WITNESS WHEREOF, the undersigned executed this Amendment to Declaration of Covenants, Conditions and Restrictions of HS Tejas, Ltd. Subdivision Along Reese Mountain Road on this 15<sup>th</sup> day of December, 2022.

DECLARANT:

**HS TEJAS, LTD.**

By: Pacific Continental Land Company,  
LLC, a Texas limited liability company

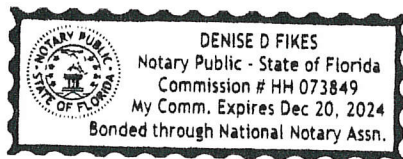
Its: General Partner

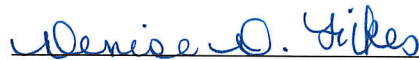
  
\_\_\_\_\_  
J. Barron Strother, Manager

STATE OF FLORIDA  
COUNTY OF WALTON

The foregoing instrument was acknowledged before me via ☐ physical presence or ☐ online notarization this 15<sup>th</sup> day of December, 2022, by J. Barron Strother (X) who is personally known to me or ( ) produced \_\_\_\_\_ as identification.

[Seal]





Notary Signature

My commission expires December 20, 2024

## EXHIBIT A

### NOTICE TO ALL POTENTIAL PURCHASERS

#### WHEREAS:

Mr./Mrs./Ms. \_\_\_\_\_ (hereinafter referred to as "PURCHASER") has expressed a desire to purchase a portion or portions of certain lands owned by H.S. TEJAS, Ltd. (hereinafter referred to as "SELLER"), said lands being in the County of Montgomery, Virginia, known as the Major Subdivision of a portion of Tax Parcel 33-(A)-6, as shown on a plat dated March 5, 2009, by Gay and Neel, Inc., designated as Job No. 1703.1, which plat is recorded in the Office of the Clerk of the Circuit Court of Montgomery County, Virginia, and

#### WHEREAS:

SELLER expressly desires that there be no current or future misunderstandings concerning certain characteristics of the property being offered for sale and certain external factors which may influence the decision being made by PURCHASER to further pursue the purchase of any portion or portions of the SELLER'S lands and that all parties involved are aware of those certain characteristics and factors;

#### THEREFORE:

By this notice SELLER hereby discloses and makes known to the PURCHASER the following information concerning the lands being offered for sale:

1. Reese Mountain Road, which provides access to and from public, state-maintained roadways and directly serves the property being offered is not a publicly maintained right of way and is not eligible for inclusion in the state highway system. Neither the County of Montgomery nor the Commonwealth of Virginia plan to accept Reese Mountain Road into the Commonwealth system of public roads or provide funding for the maintenance and upkeep of said road. The PURCHASER and subsequent owners of any portion of the lands sold by the SELLER and served by Reese Mountain Road shall be subject to and bound by the terms of a Road Maintenance Agreement for Reese Mountain Road.
2. The portion of the lands of the SELLER being offered for sale are not currently served by water service nor public sanitary sewerage systems. PURCHASER shall be responsible for all costs and actions required to provide approved private water service and on-site sanitary waste disposal systems to the property conveyed to PURCHASER by SELLER, including all fees and permit costs required for approval of said systems by the Virginia Department of Health.
3. The portion of the lands of the SELLER being offered for sale are not currently served by electric power service. PURCHASER shall be responsible for all costs and actions required to provide electric service to the property conveyed to PURCHASER by SELLER.

4. The property being offered for sale by the SELLER lies at a minimum distance of approximately three (3) miles, as measured along the roadways that would be used, from the nearest Fire and Rescue Station, situated in Elliston. As such, response times to fire and medical emergencies will reflect the distance and terrain between said Fire and Rescue Station and the property being considered for purchase by the PURCHASER.
5. No more than one dwelling or residence shall be constructed on any property conveyed by the SELLER to the PURCHASER.
6. No dwelling or residence shall be constructed on lands conveyed to the PURCHASER closer than fifty feet (50') from any side lot line dividing portions of the lands of the SELLER from the property conveyed to the PURCHASER, adjoining or remaining lands of the SELLER, lands conveyed by the SELLER to others or properties of other adjoining lands of the SELLER or the land conveyed by the SELLER to the PURCHASER. No dwelling or residence shall be constructed closer than 100' (one-hundred feet) from any other dwelling or residence. These restrictions apply to any dwelling or residential structure constructed either for permanent or occasional temporary or recreational use.
7. No trees may be cut down or otherwise removed lying at a distance greater than 75' (seventy-five feet) from any residence or dwelling constructed on the lands conveyed to the PURCHASER by the SELLER, other than those necessary for the construction of the dwelling or residence, the construction and maintenance of an approved on-site sanitary waste disposal system, and a private driveway to serve said residence or dwelling. The removal or cutting of any other trees is prohibited without the prior written consent of the adjacent Lot owners.
8. Under the terms of the "Sliding Scale for Lot Assignments" contained within Montgomery County ordinances, the property conveyed to the PURCHASER by the SELLER is assigned one (1) "Lot Assignment" and therefore may not be further divided or subdivided without being rezoned by Montgomery County.
9. Other Covenants and Restrictions may apply and the property being conveyed to the PURCHASER by the SELLER may also be subject to easements or encumbrances both within and without the public record.

By their signature affixed below, PURCHASER hereby acknowledges receipt of this document and the information contained herein. .

By: \_\_\_\_\_(PURCHASER)

Date: \_\_\_\_\_

**EXHIBIT B**

**BYLAWS OF THE REESE MOUNTAIN ROAD ASSOCIATION, INC.**

December 15, 2022

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## BYLAWS OF THE REESE MOUNTAIN ROAD ASSOCIATION

THESE BYLAWS OF THE REESE MOUNTAIN ROAD ASSOCIATION (the "Bylaws") are made as of this 15th day of December, 2022, by HS TEJAS, LTD., a Texas limited partnership, whose address is 249 Mack Bayou Loop, Suite 301, Santa Rosa Beach, Florida 32459 (the "Declarant").

### RECITALS:

WHEREAS, Declarant was the developer of that certain real property in Montgomery County, Virginia identified as a portion of Tax Parcel 33-(A)-6, as shown on plat dated March 5, 2009, by Gay and Neel, Inc., designated as Job No. 1703.1, which plat was recorded in the Montgomery County Circuit Court Clerk's Office on May 5, 2009 as Plat Instrument Number 2009004348 (the "Plat"). The real property described on the Plat is referred to herein as the "Land");

WHEREAS, the Plat created ten (10) lots numbered 1 through 10 on the Land.

WHEREAS, the Declarant executed and recorded in the Montgomery County Circuit Court Clerk's Office (i) that certain Declaration of Covenants, Conditions and Restrictions of HS Tejas, Ltd. Subdivision Along Reese Mountain Road dated March 26, 2009 and recorded as Instrument Number 2009004349 (the "Initial CCRs"), (ii) that certain Amendment to Declaration of Covenants, Conditions and Restrictions of HS Tejas, Ltd. Subdivision Along Reese Mountain Road recorded June 22, 2022 as Instrument Number 2022004990 (the "First Amendment") and (iii) the Second Amendment to Declaration of Covenants, Conditions and Restrictions of HS Tejas, Ltd. Subdivision Along Reese Mountain Road dated December 15, 2022 (the "Second Amendment"). The First Amendment removed Lot 10 of the Plat from the Initial CCRs. Lots 1 through 9, inclusive, shown on the Plat are individually referred to herein as a "Lot" and collectively referred to as the "Lots". The Initial CCRs, First Amendment and Second Amendment are collectively referred to herein as the "Declaration".

NOW, THEREFORE, the Declarant hereby declares that the Lots and said improvements are and shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied and improved subject to the Declaration and to these Bylaws of the REESE MOUNTAIN ROAD ASSOCIATION (the "Association"), as the same may be lawfully amended from time to time (the "Bylaws"), all of which are declared to be in furtherance of the plan set forth in the Plat and Declaration and are established for the purpose of enhancing the value, desirability and attractiveness of the Lots. These Bylaws shall constitute covenants running with the land and shall be binding on and inure to the benefit of the Declarant, its heirs, personal representatives, successors and assigns, and all present and future owners of the Lots, mortgagees, tenants, and occupants of the Lots and any other person who may occupy or use any Lot or other part of the Lots.

## Article 1 DEFINITIONS

1.1 Definitions. The following terms shall have the meanings set forth below. In the case of terms previously defined herein, the terms and their meanings are repeated below for convenience:

“Act” shall mean the Virginia Nonstock Corporation Act, as amended.

“Board of Directors” or “Board” means the Board of Directors of the Association.

“Business Day,” whether or not capitalized, means Monday, Tuesday, Wednesday, Thursday and/or Friday. Saturdays, Sundays and state and federal holidays are not “Business Days”.

“Common expenses” shall have the meaning assigned to it in Section 9.1 below.

“Common Interest” shall mean the percentage that a Lot Owner’s Lot bears to the number of Lots overall.

“Day” or “Days,” when not preceded by “business” and whether or not capitalized, means a calendar day or days, as the case may be.

“Declarant” means HS Tejas, Ltd., a Texas limited partnership, and shall include any successors and permitted assigns of the Declarant.

“Declarant Control Period” shall mean the period of time until the first meeting of the Association membership is held pursuant to Section 3.4 below.

“Declaration” shall have the meaning ascribed to it in the Recitals.

“Lot” and “Lots” shall have the definitions ascribed to them in the Recitals.

“Lot Owner” or “Owner” means a person or entity owning a Lot severally or as a co-tenant, to the extent of such interest so owned. Where an Owner is a corporation, trust, limited liability company or partnership, the method for designating the natural person who shall act as and for the Owner is set forth in these Bylaws. In the event that any interest in a Lot is transferred to a trustee under a land title-holding trust under which substantially all powers of management, operation and control of the Lot remains vested in the trust beneficiary or beneficiaries, the beneficiary or beneficiaries of any such trust shall be deemed to be the Owner or Owners of the Lot to the extent of their interest therein except insofar as the trustee notifies the Association otherwise in writing. A transferee of the beneficial interest in any such trust shall have all of the rights and duties of an Owner when notice of such transfer is given to the Association by the trustee. Unless and until such notice is given, the Association shall not be required to recognize



the transferee for any purposes, and the transferor may continue to be recognized by the Association as the Owner and shall have all of the rights and obligations of ownership.

“Managing Agent” shall have the meaning ascribed to it in Section 4.3 below.

“Person” (whether or not capitalized) means any individual, corporation, association, partnership, limited liability company, agency, trust, institution, organization, or other entity, and his, her, or its legal representative.

“Project” shall mean the nine (9) Lots and related improvements.

“Road Agreement” shall mean that certain Declaration of Road Maintenance dated October 8, 2008 and recorded in the Montgomery County Circuit Court Clerk’s Office as Instrument Number 2009004350 affecting Lots 1 through 10 on the Plat, inclusive.

## Article 2 APPLICATION AND ENFORCEMENT

2.1 Personal Application. All present and future Owners, mortgagees, tenants and occupants of Lots and their guests and employees, and any other person who may use the Lots in any manner are subject to the Plat, these Bylaws, the Declaration and the Road Agreement, as each may be amended from time to time. The acceptance of a deed to a Lot, conveyance, mortgage or similar instrument, or the acquisition of any interest in the Lots, whether by conveyance or by operation of law, or the entry into or the act of occupancy of a Lot, shall constitute an agreement that these Bylaws, the Plat, the Declaration and the Road Agreement are accepted, ratified and shall be complied with.

2.2 Owner’s Responsibility for Compliance. Each Lot Owner is fully responsible for ensuring that all employees, tenants, guests, and invitees of the Lot Owner, and any other person who enters or uses any part of the Lots by or through the invitation, request or right of such Owner, comply strictly with such covenants, conditions and restrictions, and the Lot Owner shall be personally liable for any such noncompliance. Failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief, or both, maintainable by the Board of Directors on behalf of the Association or, in a proper case, by an aggrieved Lot Owner.

2.3 Attorneys’ Fees, Delinquent Assessments, and Expenses of Enforcement. All costs and expenses, including reasonable attorneys’ fees, incurred by or on behalf of the Association for:

- (a) Collecting any delinquent assessments against any Owner’s Lot;
- (b) Foreclosing any lien thereon; and

- (c) Enforcing any provision of the Plat, the Declaration, the Road Agreement and these Bylaws;

against a Lot Owner, such Lot Owner's employees, tenants, guests, or invitees or any other person who may in any manner use any part of the Lots, shall be promptly paid on demand to the Association by such person or persons; provided that if the claims upon which the Association takes any action are not substantiated, all costs and expenses, including reasonable attorneys' fees, incurred by such person or persons as a result of the action of the Association, shall be promptly paid on demand to such person or persons by the Association.

### Article 3 ASSOCIATION OF OWNERS

3.1 Purpose of Association. The Association shall be organized and operated for the purposes of enforcing the terms and obligations outlined on the Plat and in the Declaration and Road Agreement.

3.2 Association Powers. The Association, whether or not incorporated, shall have those powers set forth in the Plat, Declaration, Road Agreement and these Bylaws.

3.3 Qualifications for Membership. All Lot Owners shall constitute the members of the Association. Upon becoming a Lot Owner, such Owner shall become a member of the Association. Such Owner shall remain a member until such time as his or her ownership of such Lot ceases, at which time his or her membership in the Association shall also cease.

3.4 First Meeting; Annual Meetings. The first annual meeting of the Association shall be held no later than ninety (90) days after the fifth (5<sup>th</sup>) Lot has been sold (the count beginning on the date the outgoing deed is recorded in the Montgomery County Court Clerk's Office). Thereafter, meetings of the Association shall be held at least once in each calendar year at a time, date and place as determined by the Board.

3.5 Place of Meetings. All meetings of the Association shall be held at the address of the Project, or elsewhere within the Commonwealth of Virginia convenient to the Lot Owners as determined by the Board of Directors; provided, however, that in the event of a natural disaster, such as a hurricane, an Association meeting may be held outside of the Commonwealth of Virginia.

3.6 Special Meetings. Except as otherwise provided herein, special meetings of the Association may be called by the President of the Association or by a majority of the Board, or by a petition to the Association's secretary signed by not less than twenty-five percent (25%) of the Lot Owners as shown in the Association's record of ownership. The meeting shall be held at a place and time specified in the notice.

3.7 Notice of Meetings. Written notice of all Association meetings, whether annual or special, shall be given to each Lot Owner at least fourteen (14) days but not more than sixty (60)

days prior to the meeting, in any of the following ways: (a) by hand delivering it to the Lot Owner, (b) by sending it, prepaid, by United States mail to the Lot's mailing address or to any other mailing address designated in writing by the Lot Owner or (c) at the Lot Owner's option, expressed in writing, by electronic mail (i.e., "email") to the electronic mailing address designated in writing by the Lot Owner. The written notice of meeting shall contain at least: the date, time and place of the meeting, the items on the agenda for the meeting, including, without limitation, the general nature and rationale of any proposed amendment to the Declaration or these Bylaws, and any proposal to remove a member of the Board. The notice shall also be accompanied by a standard proxy form authorized by the Association. Upon notice being given in accordance with the provisions of this Section, the failure of any member of the Association to receive actual notice of any meeting shall not in any way invalidate the meeting or proceeding thereat. The presence of a Lot Owner or Lot mortgagee in person or by proxy at any meeting shall be deemed a waiver of any required notice to such Owner or Lot mortgagees.

3.8 Quorum. The term "quorum" refers to the number or percentage of owners who must be present at a meeting in order to conduct business for all Lot Owners. For all meetings of the Association, the presence in person or by proxy of Owners owning a majority of the Lots shall constitute a quorum, and the acts of a majority of the Lot Owners present in person or by proxy at any meeting of the Association at which a quorum is present shall be binding upon all Lot Owners for all purposes, except as otherwise provided in the Declaration, in these Bylaws and/or in the Act.

3.9 Waiver of Notice. The presence of a quorum of Lot Owners, in person or by proxy, at any meeting shall render the same a valid meeting. Any meeting so held shall notwithstanding the fact that no notice of the meeting was given, or that the notice given was improper, be valid for all purposes, and at such meeting any general business may be transacted and any action may be taken.

3.10 Voting. Voting shall be on a one vote per Lot basis. Any person, firm, corporation, trust or other legal entity or a combination thereof, owning any Lot in the Project is a member of the Association, and either in person or by proxy entitled to vote the percentage of vote assigned to each Lot so owned at all meetings of the Association. Whenever any such Lot is owned by two or more persons, natural or legal, jointly, according to public records of Montgomery County (VA), the vote therefor may be exercised by not more than one of the Lot Owners present or by proxy. A vote of a majority of the Owners present or represented at a meeting at which a quorum is present shall be binding upon all Owners for all purposes, except where a higher percentage vote is required in the Declaration, these Bylaws, or by law.

3.11 Proxies and Pledges.

- (a) Votes allocated to a Lot may be cast pursuant to a proxy duly executed by a Lot Owner. A Lot Owner may vote by mail or electronic transmission through a duly executed proxy. If a Lot is owned by more than one person, the Owners of a Lot shall be entitled to one single vote which may be cast in person or by proxy. In the event that Owners of the same

Lot seek to submit different votes on the same issue then the Association shall reject the attempted votes of all Owners of that particular Lot. The Association shall accept as valid the first proxy received by an Owner of a particular Lot, provided that the proxy shall be voided if an Owner of the Lot appears at the meeting in person, even if it is not the same Owner who submitted the proxy. A Lot Owner may revoke a proxy given pursuant to this Section only by actual notice of revocation to the secretary of the Association or the Managing Agent. A proxy is void if it purports to be revocable without notice.

- (b) The authority given by any Lot Owner to another person to represent such Owners at meetings of the Association shall be by written proxy signed by the Owner and delivered to the secretary or the Managing Agent no later than 4:30 p.m. on the second business day prior to the date of the meeting to which it pertains. The proxy must contain at least the name of the Association, the date of the meeting of the Association, the printed name(s) and the signature(s) of the person or persons giving the proxy, the number(s) of the Lot or Lots for which the proxy is given, the printed name of the person or entity to whom the proxy is given, and the date that the proxy is given. If the proxy is a standard proxy form authorized by the Association, the proxy must comply with all of the additional requirements of the Act that pertain to such forms.
- (c) A proxy shall only be valid for the meeting to which the proxy pertains and its adjournments, may designate any person as proxy, and may be limited as the Lot Owner desires and indicates. Voting rights transferred or pledged by mortgage, deed of trust or agreement of sale of any Lot or interest therein, a true copy of which is filed with the Board through the secretary or Managing Agent, shall be exercised only by the person designated in such instrument until the written release or other termination thereof is filed with the Board through the secretary or the Managing Agent.
- (d) A copy, facsimile telecommunication, portable document format (.pdf), or other reliable production of a proxy may be used in lieu of the original proxy for any and all purposes for which the original proxy could be used; provided that any copy, facsimile telecommunication, or other reproduction shall be a complete reproduction of the entire original proxy.

3.12 Adjournment of Meetings. Any meeting of the Association may be adjourned from time to time to such place and time as may be determined by majority vote of the Owners present, whether a quorum be present or not, without notice other than the announcement of the meeting. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted by a quorum at the meeting as originally called.

3.13 Order of Business. The order of business at all meetings of the Association shall be generally as follows:

- (a) Roll call;

- (b) Proof of notice of meeting;
- (c) Reading of minutes of preceding meeting (unless waived by vote of a majority of the Association members present at such meeting);
- (d) Report of officers;
- (e) Report of Board;
- (f) Reports of committees;
- (g) Election of members of the Board (when so required);
- (h) Unfinished business; and
- (i) New business.

3.14 Conduct of Association Meetings. All meetings of the Association shall be conducted in accordance with the most current edition of Robert's Rules of Order Newly Revised and/or by any means that allow participation by all Lot Owners in any deliberation or discussion.

3.15 Minutes of Association Meetings. Minutes of meetings of the Association shall be approved at the next succeeding regular meeting or by the Board, within sixty (60) days after the meeting, if authorized by the Owners at an annual meeting. If approved by the Board, Owners shall be given a copy of the approved minutes or notified of the availability of the minutes within thirty (30) days after approval. Minutes of all meetings of the Association shall be available within seven (7) calendar days after approval, and unapproved final drafts of the minutes of a meeting shall be available within sixty (60) days after the meeting. An Owner shall be allowed to offer corrections to the minutes at an Association meeting.

3.16 Telephone, Video, Electronic Meetings. At any regular or special meeting of the Association at which at least two (2) of the Owners are physically present in the location set for such meeting, any member of the Association not physically present may participate in such meeting by telephone conference, video conference or similar electronic (including internet) conference for purposes of constituting a quorum and for all other purposes, and the Association may carry on all business within the Association's authority as if all members participating by such means were physically present at such meeting; provided, however, that all persons participating in such meeting must, at all times during such meeting, be able to hear and be heard by each other satisfactorily to permit each person's full and informed participation in any deliberation, discussion or vote.

3.17 Registration of Association. Within thirty (30) days of the first meeting of the Association, the Association shall register with the Virginia Real Estate Commission, as required by the Act. The Association's registration shall be for a biennial period with termination on June

30 of each odd-numbered year. The Association shall comply with all deadlines and other re-registration procedures and requirements established by the Act.

#### Article 4 BOARD OF DIRECTORS

##### 4.1 Powers and Duties.

(a) The Board shall be responsible for ensuring the Lot Owners' compliance with the Declaration, the Road Agreement and these Bylaws, including, without limitation, the maintenance of the shared roadway serving the Lots. Each director shall owe the Association a fiduciary duty in the performance of the director's responsibilities.

(b) The Board shall have the powers and duties necessary for the administration of the Declaration, Road Agreement and these Bylaws. Such powers and duties of the Board shall include, without limitation, the following:

(1) Ensuring the operation, care, upkeep and maintenance of the shared roadway reflected on the Plat and described in the Road Agreement and ensuring compliance with the covenants outlined in the Declaration;

(2) Collection of maintenance fees and other assessment from the Lot Owners;

(3) Retaining and dismissing contractors or personnel necessary for the maintenance, repair, replacement and operation of the shared roadway and enforcing the covenants outlined in the Declaration;

(4) Keeping of detailed, accurate records of the receipts and expenditures specifying and itemizing the maintenance and repair expenses and any other expenses incurred, and authorizing preparation of the accountant's annual financial statements. Such records and vouchers authorizing payment shall be available for examination by the Lot Owners upon request; and

(5) Taking any other actions in the interest and for the benefit of the Project and the Association which from time to time may be necessary.

##### 4.2 Number; Qualification; and Compensation.

(a) For the duration of the Declarant Control Period, the Declarant (or a person or persons designated by the Declarant) shall have the unilateral right to appoint and remove all of the directors and officers of the Association. Thereafter, the members of the Board shall be elected as herein provided and shall each be an Owner, co-Owner, vendee under an agreement of sale,

trustee of a trust that owns a Lot, or an officer, partner, member or other person authorized to act on behalf of any other legal entity that owns a Lot. After termination of the Declarant Control Period, there shall be no more than one representative on the Board from any one Lot.

- (b) The first elected Board shall have at least three (3) members; provided, however, that the number of directors may be increased (but shall not be less than three (3) members) by amendment of these Bylaws in accordance with the terms of the Act.
- (c) No employee of the Association or the Project shall serve on the Board. There shall not be more than one (1) representative from any one Lot on the Board.
- (d) No member of the Board shall receive any compensation from the Association for acting as such but may be reimbursed for actual expenses incurred in the course of acting as a director, provided that a majority of a quorum of the Board has first approved such expenses.

4.3 Managing Agent. The Board may employ for the Association a Managing Agent or other employee or agent, at a compensation established by the Board, to perform such duties and services as the Board shall authorized including, but not limited to, the duties listed in Section 4.1. The duties shall be conferred upon the Managing Agent by the approval of the Board by written consent or at a duly held meeting. The Managing Agent shall not commingle any Association funds with its own funds.

4.4 Method of Electing the Board. The Declarant has the right to appoint all directors and officers of the Association during the Declarant Control Period. The first election of directors shall be by cumulative voting by secret ballot at the first meeting of the Association at which directors are to be elected as described in Section 4.5 below, and thereafter at each annual meeting of the Association and any special meeting called for that purpose; provided, however, that at any meeting at which directors are to be elected, the requirement that voting for directors be by secret ballot may be waived by the vote of a majority of those persons present and entitled to vote at such meeting.

4.5 First Meeting to Elect Directors; Term of Office. No later than the termination of the Declarant Control Period, the Association shall hold a meeting to elect a Board that will, upon termination of the Declarant Control Period, replace the directors appointed by the Declarant. Directors shall hold office for a period of two (2) years and until their respective successors have been elected, subject to removal as herein provided; except that at the first annual meeting of the Association after the termination of the Declarant Control Period, the number or persons to equal a majority of directors (but no more) who receive the largest number of votes shall be elected for terms of two (2) years, and the remaining director shall be elected for a term of one (1) year. Thereafter, at the expiration of the term of office of each of the initial members

of the Board, each successor member shall be elected for a term of two (2) years. In the event the number of candidates and the number of positions are the same, directors may be elected by acclamation.

4.6 Removal of Directors. At any regular or special meeting of the Association following termination of the Declarant Control Period, any one or more of the elected directors may be removed with or without cause by the vote of majority of the Lot Owners eligible to elect the director and a successor shall then and there be elected by Owners eligible to have removed the director and from among candidates eligible to fill the removed director's seat as set forth in Section 4.4 of these Bylaws. The newly elected director shall sit on the Board for the remainder of the term of the removed director to fill the vacancy thus created. A director whose removal is proposed by the Lot Owners shall be given an opportunity to be heard at the meeting. If such removal and replacement is to occur at a special meeting, the call for and notice of such meeting shall be in accordance with the requirements of the Act. In addition, if any elected director shall fail to attend four (4) consecutive meetings of the Board for any reason, the Board, by a vote of a majority of the other members, may remove him or her and select a replacement to serve his or her unexpired term from among candidates eligible to fill the removed director's seat as set forth in Section 4.4.

4.7 Board Meetings. The Board shall meet at least once a year. The first meeting of the first elected Board shall be held at the place of and immediately following the meeting of the Association at which directors are first elected, as described in Section 4.5 above. At each mandatory annual Board meeting, the Board shall elect the officers of the Association for the ensuing year. All meetings of the Board (whether the first meeting, regular meetings or special meetings) shall be conducted in accordance with the most recent edition of Robert's Rules of Order Newly Revised.

4.8 Regular Meetings. Regular meetings of the Board may be held at the address of the Project, or elsewhere within the Commonwealth of Virginia and at such time as shall be determined from time to time by the Board. Unless the Board determines otherwise, meetings shall be held annually. Whenever practicable, notice of the time and place for each regular meeting of the Board shall be given to each director personally or by mail, facsimile transmission or electronic mail transmission, at least seven (7) business days prior to the day named for such meeting.

4.9 Special Meetings. Special meetings of the Board may be held upon the call of the President or any director on fourteen (14) days' notice to each director, given personally or by mail addressed to his residence or by telephone, facsimile or electronic mail, which notice shall state the time, place and purpose of the meeting.

4.10 Waiver of Notice. Before or at any meeting of the Board, any director may at any time waive notice of any meeting of the Board and such waiver shall be deemed equivalent to the timely receipt of such notice. Attendance by a director at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board are



present at any Board meeting, no notice shall be required, and any business may be transacted at such meeting.

4.11 Minutes of Meetings. The minutes of meetings of the Board shall include the recorded vote of each director on all motions except motions voted on in executive session. The minutes shall be approved by the Board no later than 60 days after a meeting. The minutes of all Board approved meetings shall be available within seven (7) calendar days after approval, and unapproved final drafts of the minutes of a meeting shall be available within sixty (60) days after the meeting; provided that the minutes of any executive session may be withheld if their publication would defeat the lawful purpose of the executive session.

4.12 Proxy Vote. Unless permitted by law, a director shall not vote by proxy at any Board meeting.

4.13 Conflict of Interest. A director who has a conflict of interest on any issue before the Board shall disclose the nature of the conflict of interest prior to a vote on that issue at the Board meeting, and the minutes of the meeting shall record the fact that a disclosure was made. Unless permitted by law, a director shall not vote at any Board meeting on any issue in which the director has a conflict of interest. As used in this Section, "conflict of interest" means an issue in which a director has a direct personal or pecuniary interest not common to other members of the Association. If there is any disagreement as to whether or not there exists a conflict of interest, the determination of whether a conflict of interest exists to a particular director or particular directors shall be made by a majority of the non-interested directors, which determination shall be conclusive and binding on all parties. Ownership and use of a Lot by a Director for the purposes permitted in the Declaration and these Bylaws do not, by themselves, create a conflict of interest. If abstentions for such a reason would result in less than a majority being able to vote, the directors who do not abstain shall appoint one or more temporary directors to vote on the matter in question.

4.14 Decisions of Board of Directors. At all meetings of the Board, a majority of the members thereof shall constitute a quorum for the transaction of business. The vote of a majority of directors present at a meeting at which a quorum of directors is present shall constitute the decision of the Board. If at any meeting of the Board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. Following such adjournment, at any reconvened meeting at which a quorum is present, any business that might have been transacted at the meeting originally called may be transacted without further notice.

4.15 Vacancies. Any vacancies during the Declarant Control Period shall be filled by the Declarant. Following the Declarant Control Period, vacancies on the Board caused by any reason other than the removal of a director by a vote of the Association shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum, and each person so elected shall be a director until a successor is elected at the next annual meeting of the Association. Death, incapacity, or resignation of any director, his or her failure to participate in two (2) consecutive Board meetings either in person or pursuant to Section 4.18, below, or if such director shall cease to be an Owner, co-Owner, vendee under an agreement of sale, trustee

of a trust that owns a Lot, or an officer, partner, member or other person authorized to act on behalf of any other legal entity that owns a Lot, shall cause his or her office to be vacant. Any successor director elected by the Lot Owners in the foregoing manner shall serve for the remaining unexpired term in respect of which the vacancy occurred.

4.16 Liability and Indemnity of the Board of Directors and Officers. The individual members of the Board of Directors and the officers of the Association shall not be liable to the Association or any of the Lot Owners for any mistake of judgment or otherwise except for their own gross negligence or willful misconduct. The Association shall indemnify and defend each director and officer of the Association against all costs, expenses and liabilities, including judgments, amounts paid in compromise settlements and amounts paid for services of counsel and other related expenses that may be incurred by, or imposed on such director or officer in connection with any claim, action, suit, proceeding, investigation or inquiry hereafter made, instituted, or threatened in which such director or officer may be involved as a party or otherwise by reason of his or her being or having been such director or officer, or by reason of any part or future action taken, authorized or approved by him or her, or any omission to act as such director or officer, whether or not he or she continues to be such director or officer at the time of the incurring or imposition of such costs, expenses or liabilities, but not including such costs, expenses or liabilities as shall relate to matters as to which he or she is liable by reason of his or her gross negligence or willful misconduct toward the Association in the performance of his or her duties as such director or officer. Absent a final judgment establishing a director's or officer's gross negligence or willful misconduct in this regard, the Association and each director and officer may rely conclusively upon an opinion provided by the Association's attorney expressly addressing this issue. The foregoing right of indemnification shall not be exclusive of other rights which any director or officer may have and shall inure to the benefit of the heirs, personal representatives, successors and assigns of each director and officer.

4.17 Inspection by Directors; Copies of Documents. Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. This right of inspection by a director includes the right to make extracts and copies of documents.

4.18 Telephone, Video, Electronic Meetings. Any other provision of these Bylaws notwithstanding, any regular or special meeting of the Board, whether held in open or executive session, may be held by telephone conference, video conference or similar electronic (including internet) conference, provided that all directors participating in the meeting are able to hear each other simultaneously during the meeting. At any such meeting, the Board may carry on all business within the Board's authority as if all members participating by such means were physically present at the meeting. If permitted by the Board, any Lot Owner may participate in a meeting (other than meetings held in executive session) conducted by the foregoing means of communication, provided that the Board may require the Lot Owner to pay for any costs associated with the Lot Owner's participation, in accordance with the Act.

## Article 5 OFFICERS

5.1 Election and Term of Office. The officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by (and in the case of the President from among) the Board of Directors. All officers shall be Lot Owners. The Board may designate and elect an assistant secretary, an assistant treasurer and such other officers as in its judgment may be necessary. One person may serve concurrently as Secretary and Treasurer, and if the Board elects an assistant secretary or an assistant treasurer, one person (other than the secretary or treasurer) may concurrently hold those offices as well. The officers of the Association shall be elected annually by the Board and shall hold office at the pleasure of the Board.

5.2 President. The President shall be the chief executive officer of the Association and a member of the Board. 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 that are incident to the office of a president of a nonprofit corporation organized under Virginia's nonprofit corporations law from time to time, including, but not limited to, the power to appoint committees from among the Lot Owners as he or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association. The President shall also have such other powers and duties as may be provide by these Bylaws and/or delegated to him or her by the Board.

5.3 Vice President. The Vice President shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall, in general, perform all the duties incident to the office of a vice president of a nonprofit corporation organized under Virginia's nonprofit corporation law from time to time. The Vice President shall also perform other such duties as shall from time to time be imposed on him or her by the Board.

5.4 Secretary. The Secretary shall attend and keep the minutes of all meetings of the Association and of the Board. The Secretary shall see that all notices are given in accordance with these Bylaws. The Secretary shall have charge of such documents, books and papers of the Association as the Board may direct. The Secretary shall, in general, perform all the duties incident to the office of a secretary of a nonprofit corporation organized under Virginia's nonprofit corporation law from time to time. If the Secretary is not present at any meeting, the presiding officer shall appoint a temporary secretary who shall keep the minutes of such meeting and record them in the books provided for that purpose. Some or all of the duties of the Secretary may be delegated to and performed by an assistant secretary and/or the Managing Agent, both as approved by the Board.

5.5 Treasurer. The Treasurer shall keep the financial records and books of account of the Association showing all receipts and disbursements and shall be responsible for the preparation of all required financial data. The Treasurer shall be responsible for the deposits of all moneys and other valuable effects of the Association in such depositories as shall be designated by the

Board. The Treasurer shall, in general, perform all the duties incident to the office of a treasurer of a nonprofit corporation organized under Virginia's nonprofit corporation law from time to time. Some or all of the duties of the Treasurer may be delegated to and performed by an assistant treasurer and/or the Managing Agent or any outside accounting organization, as approved by the Board.

5.6 Removal of Officers. Upon the affirmative vote of a majority of the directors, any officer may be removed, with or without cause, and his or her successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

5.7 Compensation of Officers. No officer shall receive any compensation from the Association for acting as such, but may be reimbursed for actual expenses incurred in the course of acting as such officer, provided that a majority of a quorum of the Board has first approved such expenses. Notwithstanding the foregoing, the Managing Agent and/or an outside accounting organization to whom has been delegated some or all of the duties of the Secretary or the Treasurer may be reimbursed in accordance with the terms of their respective contracts with the Association for performing such duties.

5.8 Amendments, Agreements, Contracts, Deeds, Checks and Other Instruments. All amendments to the Declaration and these Bylaws (except as otherwise provided in the Declaration or herein, and subject at all times to any rights reserved by the Declarant in the Declaration or herein, or exercised by the Declarant during the Declarant Control Period) shall be prepared at the direction of the President and shall be executed by the President and one other officer of the Association and properly recorded at the direction of the President or the Secretary, and all other agreements, contracts, certificates, deeds, leases, checks and other instruments of the Association shall be signed by the President or the Vice President and one other officer of the Association; provided, however, that no officer, though he may hold more than one office, shall sign any instrument in more than one capacity. Notwithstanding the foregoing, all amendments, agreements, contracts, certificates, deeds, leases, checks and other instruments of the Association may be signed by such person or persons as may be designated by special resolution of the Board.

## Article 6 LIABILITY OF DIRECTORS AND OFFICERS

6.1 Exculpation. No director or officer shall be liable for acts or defaults of any other director or officer or for any loss sustained by the Association except for willful misconduct or gross negligence.

## Article 7 MANAGEMENT

7.1 Association Funds; Handling and Disbursement. The handling and disbursement of Association funds shall be in strict compliance with the requirements of the Act. All funds collected by the Association shall be Deposited in a financial institution, including a federal or

commercial credit union, located in the Commonwealth of Virginia and whose deposits are insured by an agency of the United States government.

## Article 8 ASSOCIATION RECORDS

### 8.1 Records Generally.

- (a) The Association shall keep financial and other records sufficiently detailed to enable the Association to comply with requests for information and disclosures related to the resale of Lots. Except as otherwise provided by law, all financial and other records shall be made reasonably available for examination by any Lot Owner and the Owner's authorized agents.
- (b) An accurate copy of the Declaration, the Road Agreement, these Bylaws and any amendments thereto, shall be kept at the Association's office or with the Managing Agent.
- (c) The Association shall provide copies of Association records maintained pursuant to these Bylaws and the Act to Owners, prospective purchasers and their prospective agents, during normal business hours.
- (d) At any time, any Lot Owner shall be entitled to inspect and receive a copy of the management contract from the person or entity that manages the operation of the Project.
- (e) Owners may file a written request with the Board to examine other documents. The Board shall give written authorization or written refusal with an explanation of the refusal within thirty (30) calendar days of receipt of the request.
- (f) Any fee charged to an Owner to obtain copies of Association records shall be reasonable, provided that a reasonable fee shall include administrative and duplicating costs and shall not exceed one dollar (\$1.00) per page, or portion thereof, except the fee for pages exceeding eight and one-half inches by fourteen inches may exceed one dollar (\$1.00) per page.

8.2 Meeting Minutes; Financial Statements; Proxies; Examination. Minutes of meetings of the Association shall be approved by the Board and provided or made available to the Owners in accordance with the terms of the Act. If not prohibited by the Act, any Owner shall be allowed to offer corrections to the minutes at any Association meeting. Minutes of meetings of the Board shall be prepared, kept, approved and made available in accordance with the terms of the Act.

### 8.3 Membership List; Lot Deeds.

- (a) The Board shall keep an accurate list of members of the Association and their current addresses, and the names and addresses of the vendees under any agreements of sale. The

list shall be maintained at a place designated by the Board, and a copy shall be available, at cost, to any Owner who furnishes to the Board a duly executed and acknowledged affidavit stating that the list:

(1) will be used by the Owner personally and only for the purpose of soliciting votes or proxies, or for providing information to other Owners with respect to Association matters; and

(2) shall not be used by the Owner or furnished to anyone else for any other purpose.

The Board may prohibit commercial solicitations.

- (b) All membership lists are the property of the Association.
- (c) Each Owner shall promptly record any deed or other conveyance to him of his Lot with the Montgomery County Circuit Court Clerk's Office, and any mortgage of his interest in his Lot, and file with the Board a recorded copy of the deed or other conveyance document. Each Lot Owner, vendor, vendee and Lot mortgagee shall promptly notify the Board of Directors of any changes in his, her or its address.

8.4 Notices. All notices to the Association shall be either mailed, emailed or delivered to the members of the Board at their respective addresses as shown on the membership list, or to such other address as the Board may designate by notice to all Owners and all Lot mortgagees. Except as otherwise provided herein or as required by applicable law, all notices to any Owner shall be either mailed or delivered to such Owner at the Owner's address as shown on the membership list. All notices to Lot mortgagees shall be mailed to their respective addresses as shown on the membership list, or to such other addresses as designated by them by notice to the Board. All notices shall be in writing and service of such notice shall be deemed complete upon the earlier of the date of actual delivery or, if mailed, the third day after the date of mailing, except notices of addresses and changes of addresses, which shall be deemed to have been given when received.

## Article 9 ASSESSMENTS; COMMON EXPENSES

9.1 Assessments; Common Expenses. "Common expenses" means and includes all sums designated in the Declaration, Road Agreement and/or in these Bylaws as common expenses, all sums incurred by or on behalf of the Association or the Board in the conduct and management of the affairs of the Association pursuant to the Declaration, the Road Agreement and these Bylaws, such amounts as the Board deems proper to maintain an adequate reserve fund for the operation and maintenance of the Project, including, without limitation, anticipated needs for working capital, capital improvements, and for replacements, repairs and contingencies, and such amounts as the Board deems proper to make up any deficit in the common expense assessments for any prior year. Without limiting the generality of the foregoing, common expenses shall

include all charges for road maintenance and repair, snow removal, accounting and legal fees, management fees and other necessary expenses of upkeep, maintenance, management and operation actually incurred on or for the Project. The interest of any Lot Owner in the reserves of the Association may not (except upon the termination of the condominium property regime established by the Declaration) be withdrawn or assigned separately but shall be deemed to be transferred automatically with each transfer of the Lot, whether or not mentioned or described expressly in the transfer document.

9.2 Method of Determining and Collecting Common Expenses. Each Lot Owner shall be liable for and pay a share of the common expenses, either in proportion to the Common Interest appurtenant to his or her Lot, or as otherwise determined by the Board pursuant to the terms of the Declaration, the Road Agreement and/or these Bylaws. Assessments of common expenses shall be payable in monthly installments on the first day of each month, or at such other times as shall be determined by the Board. The amount of monthly assessments shall be based on an annual budget prepared in accordance with the requirements of the Act. The Board shall annually fix the rate of assessments of common expenses and shall notify each Lot Owner in writing of the amount of the assessments applicable to such Owner's Lot not less than thirty (30) days in advance of the beginning of such annual assessment period. The Board may from time to time during any year increase the assessment rate or impose a special assessment, provided the Board shall notify each Lot Owner in writing of such increase or special assessment not less than thirty (30) days before the effective date of such increase or assessment.

9.3 Payment as Agent. The Association through the Board will pay or cause to be paid, for and on behalf of the Owners, all common expenses. Each Owner, as principal, shall be liable for and pay his share, determined as provided in the Declaration, the Road Agreement and these Bylaws, of all common expenses; and the Board shall be responsible, as agent for each Owner, only to transmit the payments made by the Owner to third persons to whom such payments must be made by the Owner. The Board may require the Managing Agent to assist in its duties hereunder. The Board shall not be liable for payment of such common expenses as principal but only as the agent of all Owners to transmit said payments to third parties to whom such payments must be made by the Owners.

#### 9.4 Budget and Reserves.

(a) The Board shall adopt annually an operating budget to determine the amount of the common charges payable by the Lot Owners to meet the common expenses of the Project, assess such common charges among the Lot Owners according to their respective Common Interests and distribute it to the Lot Owners in accordance with the requirements of the Act. The annual budget shall be prepared in accordance with the requirements set forth in the Act and any further rules and regulations now or hereafter adopted by the Real Estate Commission pertaining to association budgets and reserves. The requirements of the Act shall override any requirements in the Declaration, these Bylaws and/or any other Association documents relating to the preparation of budgets, calculation of reserve requirements, assessment and funding of reserves, and expenditures from reserves.

(b) Neither the Association nor any Lot Owner, director, officer or employee of the Association who makes a good faith effort to calculate the estimated replacement reserves for the Association in accordance with the requirements of the Act shall be liable if the estimate subsequently proves incorrect.

#### 9.5 Default in Payment of Assessments.

(a) Each monthly (or other periodic) assessment and each special assessment shall be separate, distinct and personal debt and obligation, as of the date of assessment, of the Owner against whom the same is assessed and, in the case of a Lot owned by more than one person, shall be the joint and several obligation of such co-Owners. All unpaid amounts of such assessments (or any other assessments provided for in the Declaration and/or these Bylaws) against any Lot or Lot Owner shall constitute a lien on such Lot or such Owner's Lot, and the priority of such lien shall be as set forth in the Act. Any assessment not paid within fifteen (15) days after the due date thereof may be subject to a late charge as may from time-to-time be established by the Board. The Board may adopt a schedule of priorities specifying the order in which amounts paid shall be applied to an Owner's outstanding obligations to the Association, provided that such schedule shall be consistent with all provisions of the Act and any rules promulgated thereunder pertaining to the application of payments.

(b) In the event of a default or defaults in payment of any such assessment or assessments, and in addition to any other remedies the Board may have, the Board may enforce each such obligation as follows:

(1) The Board may record a notice of lien against the Lot of such delinquent Lot Owner. The lien shall be prior in right to all other liens whatsoever except that such lien shall be subordinate:

(i) to assessments, liens and charges in favor of the Commonwealth of Virginia and/or Montgomery County, Virginia for taxes past due and unpaid on such Lot; and

(ii) to the sums unpaid on any mortgage instrument duly recorded prior to the recordation of notice of a lien by the Association, including costs and expenses including attorney's fees provided in such mortgage.

(c) In conjunction with (or as an alternative to) the foreclosure proceedings available under this Section 9.5 and in the Act, where a Lot is owner occupied, the Association may authorize the Board to terminate the delinquent Lot's access to the Common Elements and cease supplying the delinquent Lot with any and all services normally supplied or paid for by the Association, subject, however, to all of the notice and other procedural requirements set forth in the Act.



(d) In any suit to foreclose a lien against any Owner of any Lot, the Association may be represented through its Managing Agent or Board in a like manner as any mortgagee of real property. The Managing Agent or Board acting on behalf of the Lot Owners shall have the power to bid for and acquire any such Lot at the foreclosure sale. The delinquent Lot Owner shall be required to pay the Association all its costs and reasonable attorneys' fees without foreclosing or waiving the lien securing the same.

(e) If any notice of lien is filed as aforesaid and thereafter the Board receives payment in full of the amount claimed to be due and owing (including accrued interest, late fees and any costs of enforcement and/or attorneys' fees) then upon demand of the Lot Owner and payment of a reasonable fee, the Board shall execute, acknowledge and deliver to the Owner a release of lien, stating the date of the original notice of lien, the date, the filing date of the notice of lien and that the lien is fully satisfied, released and discharged.

#### 9.6 Assessment Disputes.

(a) No Lot Owner shall withhold any assessment claimed by the Association. A Lot Owner who disputes the amount of an assessment may request a written statement from the Association that contains all of the information set forth in the Act.

(b) A Lot Owner who pays the Association the full amount claimed by the Association may file in small claims court or require the Association to mediate to resolve any disputes concerning the amount or validity of the Association's claim. If the Lot Owner and the Association are unable to resolve the dispute through mediation, either party may file for arbitration under the Act or these Bylaws, whichever is applicable, provided that a Lot Owner may file for arbitration only if all amounts claimed by the Association are paid in full on or before the date of filing. If the Lot Owner fails to keep all Association assessments current during the arbitration, the Association may ask the arbitrator to temporarily suspend the arbitration proceedings. If the Lot Owner pays all Association assessments within thirty (30) days of the date of suspension, the Lot Owner may ask the arbitrator to recommence the arbitration proceedings. If the Lot Owner fails to pay all Association assessments by the end of the thirty (30) day period, the Association may ask the arbitrator to dismiss the arbitration proceedings. The Lot Owner shall be entitled to a refund of any amounts paid to the Association which are not owed.

(c) Nothing in these Bylaws shall limit the rights of a Lot Owner to the protection of all fair debt collection procedures mandated under federal and state law.

9.7 Waiver. The receipt by the Board of any sum paid by the Owner hereunder, with or without knowledge by the Board of the breach of any covenant hereof, shall not be deemed a waiver of any such breach; and no waiver, express or implied, by the Board of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the President pursuant to authority contained in a resolution of the Board of Directors.

9.8 Liability of Acquirer of Title on Foreclosure for Unpaid Common Expenses. Except as otherwise provided in the Act, where the Lot mortgagee of a mortgage of record or other purchaser of a Lot obtains title to the Lot as a result of foreclosure on the mortgage, the acquirer of title, his successors and assigns, shall not be liable for the share of the common expenses or assessments by the Association chargeable to the Lot which became due prior to the acquisition of title to the Lot by the acquirer. The unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the Lot Owners, including the acquirer, his successors and assigns. The acquirer shall be deemed to acquire title and shall be required to pay the Lot's share of common expenses and assessments at the time specified in the Act.

9.9 Joint and Several Liability of Grantor and Grantee for Unpaid Common Expenses. In a voluntary conveyance the grantee under a deed covering a Lot shall be jointly and severally liable with the grantor for all unpaid assessments against the grantor for the grantor's share of the common expenses up to the time of the conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, any such grantor or grantee is entitled to a statement from the Board setting forth the amount of the unpaid assessments against the grantor, and except as to the amount of subsequently dishonored checks mentioned in such statement as having been received within the 30 day period immediately preceding the date of such statement, the grantee is not liable for, nor is the Lot conveyed subject to a lien for, any unpaid assessments against the grantor in excess of the amount therein set forth.

9.10 Waiver of Use of Project; Abandonment of Lot; Conveyance to the Board of Directors. No Lot Owner may exempt himself or herself from liability for the Lot Owner's contribution towards the common expenses by waiver of the use or enjoyment of any of the Project or by abandonment of the Owner's Lot. Any Lot Owner may, by conveying the Owner's Lot to the Association on behalf of all other Lot Owners, exempt himself or herself from common expenses thereafter accruing.

9.11 Collection from Tenants and Agents.

(a) If an Owner at any time rents or leases his Lot and is in default for a period of thirty (30) days or more in the payment of the Lot's share of the common expenses, the Board may, so long as the default continues, demand in writing and receive each month from any tenant occupying the Lot, or from any rental agent renting the Lot, the rent as it becomes due or the net amounts due to the Owner under any contract between the Owners and a rental agent up to an amount sufficient to pay all sums due from the Owner, including interest and cost of enforcement, if any. The tenant's payment under this Section shall discharge that amount of payment from the tenant's rent obligation, and any contractual provision to the contrary shall be void as a matter of law.

(b) Prior to taking any action under this Section, the Board shall give to the delinquent Lot Owner written notice of its intent to collect the rent owed. The notice shall comply with all of the requirements set forth in the Act.

(c) The payment of any portion of the Lot's share of common expenses by the tenant pursuant to a written demand by the Board is a complete defense, to the extent of the amount demanded and paid by the tenant, in an action for nonpayment of rent brought by the Lot Owner against the tenant.

(d) Notwithstanding the foregoing, the Board may not demand payment from the tenant pursuant to this Section under any of the circumstances described in the Act.

(e) Nothing herein precludes the Lot Owner or tenant from seeking equitable relief from a court of competent jurisdiction or seeking a judicial determination of the amount owed.

#### Article 10 AMENDMENT

10.1 Required Percentage. These Bylaws may be amended in any respect consistent with law, the Act or the Declaration by affirmative vote of at least sixty-seven percent (67%) of all Lot Owners at any meeting of the Association duly called for such purpose, or by written consent of at least sixty-seven percent (67%) of all Lot Owners. Any proposed amendment to these Bylaws, with a detailed rationale for such proposal, may be submitted by the Board or by a Lot Owner. If submitted by a Lot Owner, the proposed amendment shall be accompanied by a petition signed by not less than twenty-five percent (25%) of the Lot Owners as shown in the Association's record of ownership. The proposed amendment, the rationale, and ballots for voting on such proposed amendment shall be mailed by the Board to the Lot Owners at the common expense of the Association for vote or written consent without change within thirty (30) days of the receipt of the petition by the Board. The vote or written consent, to be valid, must be obtained within one hundred twenty (120) days after mailing for a proposed amendment submitted by either the Board or by a Lot Owner.

10.2 Amendments in Connection with the Exercise of Reserved Rights. Notwithstanding any other provision of these Bylaws, the Declarant shall have and hereby reserves the right, without the joinder or consent of any other party, including any Lot Owner, Lot purchaser, mortgagee, lienholder or any other person or entity whatsoever, to amend these Bylaws as reasonably necessary or appropriate to reflect changes to the Declaration and/or to the Project brought about through the exercise of rights reserved to the Declarant in the Declaration.

## Article 11 GENERAL PROVISIONS

11.1 Captions. The captions of these Bylaws are inserted only as a matter of convenience and shall in no way define, limit or prescribe the scope of these Bylaws and/or the intent of any provision hereof.

11.2 Pronouns. All pronouns used in these Bylaws include the male, female and neuter genders and include the singular and plural numbers, as the case may be.

11.3 Interpretation. The provisions of these Bylaws shall be liberally construed to effectuate the purpose of creating a uniform project whereby the Owners of Lots shall carry out and pay for the operation and maintenance of the Project as a mutually beneficial and efficient establishment.

11.4 Severability. The provisions of these Bylaws shall be deemed independent and severable, and the invalidity or unenforceability of any one provision shall not affect the validity or enforceability of any other provision.

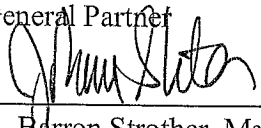
11.5 Changes in Law. In the event any change in the Act shall result in a conflict or inconsistency between the provision of these Bylaws and the Act, the provisions of the Act shall prevail.

11.6 Waiver. The failure of the Board to insist in any one or more instances upon a strict performance of or compliance with any of the terms, restrictions, conditions, obligations or provisions of these Bylaws, or to exercise any right or option herein contained, or to serve any notice or to institute any action or proceeding to enforce any of the terms hereof, shall not be construed as a waiver or a relinquishment of the right to do so, regardless of the number of such instances.

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IN WITNESS WHEREOF, the undersigned Declarant being the owner of all Lots of the Project, hereby adopts the foregoing Bylaws of the Association on the day and year first above written.

**HS TEJAS, LTD.**, a Texas limited partnership  
By: Pacific Continental Land Company, LLC, a  
Texas limited liability company  
Its: General Partner

By:   
Barron Strother, Manager

Date: 12/15/2023

“Declarant”

STATE OF FLORIDA

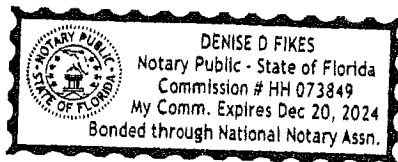
)

) SS.

COUNTY OF WALTON

)

The foregoing instrument was acknowledged before me via ☐ physical presence or ☐ online notarization this 15<sup>th</sup> day of December, 2022, by Barron Strother, Manager of Pacific Continental Land Company, LLC as General Partner of HS Tejas, Ltd., who is personally known to me or who produced \_\_\_\_\_ as identification.



Denise D. Fikes

Print

Name: Denise D. Fikes

Notary Public, State of Florida

My Commission Expires: December 20, 2024