

**AMENDED AND RESTATED BYLAWS OF
HORSESHOE BAY PROPERTY OWNERS' ASSOCIATION, INC.,
A NON-PROFIT CORPORATION**

February 16, 2022

**ARTICLE I
Definitions**

Section 1. "Corporation" shall mean and refer to the Horseshoe Bay Property Owners' Association, Inc., a non-profit corporation organized and existing under the laws of the State of Texas.

Section 2. "Properties" shall mean and refer to those properties as set forth and particularly described in Article Four of the Articles of Incorporation of Horseshoe Bay Property Owners' Association, Inc., as provided in said Article Four.

Section 3. "Common Land" shall mean and refer to such part of the properties as may at any time hereafter be owned by the Corporation for so long as the Corporation may be the Owner thereof.

Section 4. The term "Restrictions" shall mean the obligation and restraint thereon as set forth in the Declaration of Reservations dated July 5, 1971, by Lake Lyndon B. Johnson Improvement Corporation creating a subdivision in Llano and Burnet Counties, Texas, known as Horseshoe Bay and Horseshoe Bay South, which Declaration is recorded in Volume 177, Page 280 of the Deed Records of Llano County, Texas, and Volume 189, Page 637 of the Deed Records of Burnet County, Texas; as supplemented and amended by the following documents recorded in the deed and/or official records of Llano and Burnet Counties, Texas:

DATE	AMENDMENTS/CONVEYANCES	LLANO Volume/Page	BURNET Volume/Page
02/14/72	1 ST ADDING HSB SOUTH	180/725	193/643
02/20/74	2 ND CREATING HSB POA	194/422	210/240
07/29/74	CONVEYANCE OF PARK LANDS	75/32	
12/3/75	3 RD CREATING HSB MAINTENANCE FUND	207/50	223/771
10/7/86	ASSIGNMENT OF RIGHTS TO W. HURD	331/938	379/162
03/15/90	EC&R CONVEYANCE OF ROADS TO POA	368/60	476/399
	DEED SUPERCEDED IN 6/14/90	370/702	
06/14/90	CORRECTION (SUPERCEDES 370/702)	374/68	489/654
07/31/90	DELEGATED TO HSB CIVIC ASSOC	485/216	
09/4/91	PROVISION FOR FD LAND	399/272	508/282
09/4/91	PROVISION FOR AMENITIES LAND	399/278	508/287
09/17/91	4 TH AMENDMENT, EXTENSIVE TO SEPARATE AMENITIES OWNER FROM DECLARANT	401/249	

And such other documents properly of record in Llano and Burnet Counties, Texas.

Section 5. "Developer" shall mean and refer to both Lake Lyndon B. Johnson Improvement Corporation and Kings Land, Inc., and their successors thereto, except where individually referenced.

Section 6. "Declarant" shall mean the Lake Lyndon B. Johnson Improvement Corporation, a Texas corporation, having its principal office at Horseshoe Bay, Texas.

Section 7. "Owner" shall mean the owner of fee simple title to the Subdivision Land or any part thereof, including, without limitation, any Lot or Tract or dwelling unit or commercial unit thereon. The term owner shall include Declarant if and to the extent Declarant is owner of fee simple title to the Subdivision Land or any part thereof.

Section 8. "Maintenance Fees and Assessments" shall have the meaning as defined in Section 4.4 of the Declaration of Restrictions.

ARTICLE II

Location

Section 1. The principal office of the Corporation shall be located at 107 Twilight, Quail Point Lodge, City of Horseshoe Bay, Llano County, Texas.

ARTICLE III

Membership

Section 1. Every person or entity who is the Owner ("Owner") and who is subject to paying an assessment or fee pursuant to the provisions of the Restrictions, shall be a member of the Corporation.

Section 2. The rights of membership are subject to the payment of the Maintenance Fees and Assessments, the obligation of which Maintenance Fees and Assessments is imposed against each owner of and becomes a lien upon the property against which such Maintenance Fees and Assessments are made as provided by the Restrictions.

Section 3. The membership rights of a member as provided in the Restrictions are automatically suspended during the period when the Maintenance Fees and Assessments or any part thereof remain unpaid. The rights and privileges of membership shall be automatically restored upon full payment of unpaid Maintenance Fees and Assessments.

Section 4. If the Directors have adopted and published rules and regulations governing the use of any of the Properties or Common Land, and the personal conduct of any person thereon, the Directors may, in their discretion, suspend the rights of any member for violation of such rules and regulations for a period not to exceed thirty (30) days for any such violation.

ARTICLE IV Voting Rights

Section 1. Members shall be entitled to one (1) vote for each Lot or Tract or dwelling unit or commercial unit thereon in which they hold the interest required for membership pursuant to the Restrictions, as shown by the records of the Corporation as of the last day of the third month preceding the next membership meeting. When more than one person holds such interest or interests in any Lot or Tract or dwelling unit thereon, all such persons shall be members and the vote for such Lot or Tract or dwelling unit thereon shall be exercised as they may among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot or Tract or dwelling unit thereon.

For the purposes of determining the votes allowed under this section, when dwellings are counted, the Lot or Lots or Tracts upon which such dwellings are situated shall not be counted.

ARTICLE V Meetings of Members

Section 1. Annual Meeting.

An annual meeting of the members shall be held on the third Saturday in the month of March in each year, at the hour of 10:00 A.M., for the purpose of electing Directors and for the transaction of such other business as may properly be brought before the meeting. If the day fixed for the annual meeting shall not be convenient as determined by the Board of Directors, the meeting shall be held on the next preceding or succeeding Saturday. If the election of Directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently possible.

Section 2. Special Meetings.

Special meetings of the members may be called by the President, a majority of the Board of Directors, or by twenty-five (25) percent of the Members who then have membership rights.

Section 3. Place of Meeting.

The Board of Directors may designate any place within the State of Texas as the place of meeting for any annual meeting or for any special meeting. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be the principal office of the Corporation in the State of Texas.

Section 4. Notice of Meetings.

Written or printed notice stating the place, day and hour of any meeting of members shall be delivered, either personally, electronically or by mail, to each member entitled to vote at the meeting, not less than ten (10) days but not more than sixty (60) days before the date of such meeting, by or at the direction of the President, or persons calling the meeting. In case of a special meeting or when required by statute or by these bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall

be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the Corporation, with postage thereon prepaid. If electronically posted, the notice shall be deemed delivered when sent to the addressee at the last known email address on file at the office of the Corporation.

Section 5. Consent for Action by Members.

Any action required by law to be taken at a meeting of the members, or any action that may be taken at a meeting of members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the members entitled to vote with respect to the subject matter thereof.

Section 6. Quorum.

The members holding five percent (5%) of votes that may be cast at any meeting in person or by proxy shall constitute a quorum of such meeting. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting from time to time without further notice.

Section 7. Proxies.

At any meeting of members, a member entitled to vote may vote by proxy executed in writing by the member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

Section 8. Voting.

Where Directors are to be elected, members may vote in person, by proxy, mail or by electronic means in such a manner as the Board of Directors shall determine.

ARTICLE VI

Rights of Enjoyment of Properties and Common Land

Section 1. Subject to such rules, regulations, fees, and charges as may be established by the Board of Directors, each member shall be entitled to the use and enjoyment of the Properties and Common Land as provided in the Restrictions.

Section 2. In addition to the privilege of entertaining guests on the Properties and Common Land, any member may delegate his rights of enjoyment in the Properties and Common Land to the members of his family (as defined in Title 5, Ch. 573, §§ 573.023 and 573.024) who reside upon the Properties or to any of his tenants who reside there under a leasehold interest for a term of more than one (1) year. The member shall notify the Corporation in writing of the name of any such persons and of the relationship of the member to such persons. The rights and privileges of such person are subject to suspension under the Restrictions to the same extent as those of any member.

ARTICLE VII

Corporation Purposes and Power

Section 1. The Corporation has been organized for the purposes set forth in its Articles of Incorporation and shall have all the powers granted by the Texas Business Organizations Code (Title 2, Ch. 22), as amended from time to time.

ARTICLE VIII

Board of Directors Authority and Duties

Section 1. General Powers.

The property and affairs of the Corporation shall be managed and controlled by the Board of Directors. Subject to the restrictions imposed by law, by the Articles of Incorporation or by these Bylaws, the Board of Directors shall exercise all the powers of the Corporation. Directors must be members in good standing, be subject to annual Maintenance Fees and Assessments and be natural persons.

ARTICLE IX

Board of Directors Nominations, Elections, and Terms

Section 1. Nominations.

All eligible candidates for the Board of Directors shall be nominated by a Nominating Committee appointed by the Board. One or more but not all nominees must claim Horseshoe Bay, Texas as their official residence. The number of positions on the Board shall be staggered so that approximately one-third (1/3) of the Board shall be elected each year.

Section 2. Elections.

The candidates receiving the largest number of votes at the annual meeting of members shall be elected to the Board of Directors. At such election the eligible members in good standing may cast, in respect to each vacancy on the Board, as many votes as they are entitled to exercise under the provisions of Article III, Membership.

Section 3. Number.

The number of Directors shall be seven (7), but the number of Directors may be increased or decreased (providing the decrease does not shorten the term of any incumbent Director) from time to time by amendment to these Bylaws, provided the number of Directors shall never be fewer than five (5).

Section 4. Term.

The term of the Directors shall be three (3) years. A Director may serve more than one but not more than two (2) full consecutive three (3) year terms. A member may also serve as a Director for two full three (3) year terms in addition to serving as Director to fill the unexpired term of a Director who resigns voluntarily, is removed involuntarily or by death.

Section 5. Succession.

In the case the office of President becomes vacant, the succession shall be in the following order: Vice President, Secretary and Treasurer shall fulfill the duties of the President. In the case of a vacancy of the Vice President, Treasurer, and or Secretary, a quorum of the remaining Board members may elect a successor to fill these vacancies from within the remaining Board members.

Section 6. Resignation. Any director may resign at any time by delivering written notice to the Secretary or President. Such resignation shall take effect upon receipt or, if later, at the time specified in the notice.

Section 7. Removal. Any director may be removed without cause, at any time, by a majority of the entire Board of Directors, with a minimum of four (4) votes, regardless of the size of the board of directors at the time of the vote, at a Regular or Special Meeting called for that purpose. Any Director under consideration for removal must first be notified about the consideration by written notice at least five days prior to the meeting at which the vote takes place.

Section 8. Vacancy.

Vacancies on the Board of Directors shall be filled by the affirmative vote of a majority of the remaining Directors, even though less than a quorum of the Board of Directors, and any appointed Director shall hold office for the unexpired term of the predecessor in office. Any vacancy occurring on the Board of Directors by reason of an increase in the number of Directors may be filled similarly by the Board of Directors.

Section 9. Prohibited Roles.

Any member of the Board of Directors is prohibited from holding any elected or appointed position as a member of the City Council or as a County Commissioner while serving in such capacity for the Property Owners' Association. Upon election or appointment, the office holder will automatically be removed from the Property Owners' Association Board. If a Director is appointed to a position with a governmental entity, the Board of Directors shall have the right to remove the Director if, in the sole discretion of the remaining Board members, it is determined that a conflict of interest does or might exist.

ARTICLE X
Board of Directors Meetings

Section 1. Meetings.

(a) Regular Meetings.

A regular meeting of the Board of Directors shall be held without other notice than this Bylaw, immediately after and at the same place as, the annual meeting of members. Additional Regular Meetings, unless otherwise cancelled by the Board, shall be held without further notice on the second Wednesday in December and on the third Wednesday of each month except that no regular meeting shall be scheduled during the month of March and August.

(b) Special Meetings.

Special Meetings of the Board of Directors may be called by or at the request of the President or any two Directors. The person or persons authorized to call special meetings of the Board may fix any place, within the State of Texas, as the place for holding any special meeting of the Board called by them.

(c) Executive Sessions.

The President or any two (2) Directors may call for suspension of any meeting to move into Executive Session only for the members of the Board and such other participants as may be invited by the Board.

(d) In conformance with Texas Property laws related to residential property owners, regular and special board meetings must be open to owners, subject to the right of the Board to adjourn a board meeting and reconvene in closed executive session to consider actions involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, confidential communications with the property owners' association's attorney, matters involving the invasion of privacy of individual owners, or matters that are to remain confidential by request of the affected parties and agreement of the Board. Following an executive session, any decision made in the executive session must be summarized orally and placed in the minutes, in general terms, without breaching the privacy of individual owners, violating any privilege, or disclosing information that was to remain confidential at the request of the affected parties. The oral summary must include a general explanation of expenditures approved in executive session.

(e) In conformance with Texas Property laws related to residential property owners, the Board of Directors may take action by written consent, without conducting a Board Meeting. An emailed consent by a Director to the taking of an action is considered to be a signed writing if the email contains, or is accompanied by, information from which it can be determined that it was transmitted by such director and the date on which such director submitted it. Notwithstanding such general authority to take action outside of a Board Meeting the Board of Directors may not consider or vote on any of the following matters unless done so in an open Board meeting for which notice was provided:

- (1) Fines;
- (2) Damage Assessments;
- (3) Initiation of a Foreclosure Action;
- (4) Initiation of an Enforcement Action against a Lot Owner, unless the enforcement matter involves a violation constitution a threat to health or safety or the initiation of a legal proceeding seeking a temporary restraining order;
- (5) Increases in Assessments;
- (6) Levying of a Special Assessment;

- (7) An Appeal from a Denial of Architectural Control Approval;
- (8) A Suspension of a right of a particular Lot Owner before the Lot Owner has had the opportunity to attend a Board Meeting to present the Lot Owner's position, including any defense, on the issue;
- (9) Lending or Borrowing Money;
- (10) The Adoption of Amendment of a Dedicatory Instrument;
- (11) The Approval of an Annual Budget or the Approval of an Amendment of an Annual Budget that Increases the Budget by more than 10 percent (10%);
- (12) The Sale or Purchase of Real Property;
- (13) The Filling of a Vacancy on the Board of Directors;
- (14) The Construction of Capital Improvements other than the repair, replacement, or enhancement of existing Capital Improvements, or;
- (15) The Election of an Officer.

(f) Attendance. Directors are expected to attend at least 80% of board meetings, regular and special. Any director not present at 80% of the board meetings in a fiscal year shall be deemed to have resigned unless the Board excuses the absences by a majority vote. Present shall be defined as the contemporaneous participation of the member with other members be it by being physically present or present and able to participate via electronic or other means as determined by the Board

Section 2. Minutes.

Minutes of all meetings shall be public unless otherwise directed by the Board or except as may be required by law, rule, or regulation.

Section 3. Notice.

Notice of a regular meeting of the Board of Directors shall be provided at least 144 hours (6 days) before the start of a regular board meeting.

Notice of any special meeting of the Board of Directors shall be given at least 72 hours (3 days) before the start of a Special Board Meeting.

Notice of Posting of any regular or special meeting of the Board of Directors shall be by posting such notice on the HSB POA website (www.hsbpoa.org) that is available to association members and is maintained by the association or by a management company on behalf of the association.

Notice to a Director of a regular or special meeting shall be by written notice delivered personally, electronically, or sent by mail to each Director at the address as shown by the records

of the Corporation. If delivered electronically, the notice of a meeting shall be deemed to be delivered when sent to the Director at his email address as it appears on the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of the meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of the meeting, unless specifically required by law or by these Bylaws.

Section 4. Quorum.

A majority of the number of Directors as defined in Article IX Section 3 from time to time shall constitute a quorum for the transaction of business at any meeting of the Board.

Section 5. Manner of Acting.

The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws.

Section 6. Presiding Officer of Meetings.

The President shall be the presiding officer at meetings. In the absence of the President, the presiding officer shall be in the following order: Vice President, Secretary and Treasurer.

Section 7. Compensation.

Directors as such shall not receive any stated salaries for their services but shall be reimbursed for authorized expenses. By Resolution of the Board of Directors a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board; but nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation, therefore.

Section 8. Consent for Actions of Directors.

Any action required by law to be taken at a meeting of Directors, or any action which may be taken at a meeting of Directors, may be taken without a meeting if consent, in writing, setting forth the action so taken, shall be signed by all the Directors or is otherwise ratified at the next succeeding meeting of the Board of Directors.

ARTICLE XI

Officers

Section 1. Officers.

The officers of the Corporation shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, a Treasurer and such other officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect or appoint such other officers, who may be staff members rather than

directors including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem advisable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary or President and Vice President.

Section 2. Election and Term of Office.

The officers of the Corporation shall be elected annually by the Board of Directors at the meeting next following the annual meeting of the members. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.

Section 3. Removal.

Any officer elected or appointed by the Board of Directors may be removed without cause by the majority vote of the Board of Directors at any regular meeting, or special meeting called for that purpose.

Section 4. Vacancies.

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

Section 5. President.

The President shall be the principal executive officer of the Corporation and shall in general supervise and control all the business and affairs of the Corporation and shall preside at all meetings of the members and of the Board of Directors. The President may sign, with the Secretary or any other proper officer of the Corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and executing thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by statute to some other officer or agent of the Corporation; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. Vice President.

In the absence of the President or in event of inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order of their election) shall perform the duties of the President, and when so acting, shall have the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such other duties as from time to time may be assigned by the President or by the Board of Directors.

Section 7. Treasurer.

If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of duties in such sum and with such surety or sureties as the Board of Directors shall determine. The Treasurer or an Assistant Treasurer or General Manager shall have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for

monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such FDIC insured depositories as shall be selected in accordance with the provisions of Article XIII (3) Contracts, Checks, Deposits and Funds of these Bylaws; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Board of Directors.

Section 8. Secretary.

The Secretary or Assistant Secretary or General Manager shall keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the Corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws; keep a register of the post office address of each member which shall be furnished to the Secretary by such member; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Board of Directors.

Section 9. Assistant Treasurer and Assistant Secretary.

If required by the Board of Directors, the Assistant Treasurer shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Treasurer and Assistant Secretary, in general, shall perform such duties as shall be assigned to them by the General Manager.

Section 10. General Manager.

In addition to the above officers, the Board of Directors may appoint a General Manager who shall perform such duties as may be assigned by the Board of Directors. A person may not serve simultaneously as General Manager and Director and need not be a member to serve as a General Manager.

ARTICLE XII Committees

Section 1. General.

The Board of Directors shall appoint a Nominating Committee and may designate one or more other committees. Except as otherwise provided, members of any such committee shall be members of the Corporation and shall have such authority as may be granted by the Board of Directors. The President of the Corporation shall appoint the members with approval and consent of the Board.

Section 2. Limitation of Authority.

No committee shall have the authority of the Board of Directors in reference to amending, altering or repealing the Bylaws; electing, appointing or removing any member of such committee or any Director or officer of the Corporation; amending the Articles of Incorporation; adopting a plan of merger or adopting a plan of consolidation with another corporation;

authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Corporation; authorizing the voluntary dissolution of the Corporation or revoking proceedings therefor; adopting a plan for the distribution of the assets of the Corporation; or amending, altering or repealing any resolution of the Board of Directors, which by its terms provides that it shall not be amended, altered or repealed by such committee. The designation and appointment of any committee and the delegation thereto of authority shall not operate to relieve the Board of Directors or any individual Director, of any responsibility imposed upon it by law.

Section 3. Term of Office.

Each member of a committee shall continue as a member until the next annual meeting of the Board of Directors of the Corporation and until a successor is appointed, unless the committee shall be sooner terminated, or unless the member be removed from the committee, or unless the member shall cease to qualify as a member thereof.

Section 4. Chairperson.

The President, with Board of Directors approval, shall appoint one member as chairperson.

Section 5. Vacancies.

Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

Section 6. Rules.

Each committee may adopt rules for its own governance not inconsistent with these Bylaws or with rules adopted by the Board of Directors. In the absence of any specific rules, Roberts Rules of Order shall be used as guidance.

ARTICLE XIII

Contracts, Checks, Deposits and Funds

Section 1. Contracts.

The Board of Directors may authorize any officer or officers, agent, or agents of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, Etc.

All checks, drafts or orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents, of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President or Vice President of the organization.

Section 3. Deposits.

All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such FDIC insured depositories as the Board of Directors may select; provided that the maximum amount of funds deposited in such depository shall not exceed the maximum of FDIC insurance available for such depository unless otherwise authorized by the Board.

Section 4. Gifts.

The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Corporation.

**ARTICLE XIV
Certificates of Membership**

The Board of Directors may provide for the issuance of certificates evidencing membership in the Corporation, which shall be in such form as may be determined by the Board. Such certificates shall be signed by the President or Vice President and by the Secretary or an Assistant Secretary and shall be sealed with the seal of the Corporation. All certificates evidencing membership of any class shall be consecutively numbered. The name and address of each member and the date of issuance of the certificate shall be entered on the records of the Corporation. If any certificate shall become lost, mutilated, or destroyed, a new certificate may be issued therefor upon such terms and conditions as the Board of Directors may determine.

**ARTICLE XV
Books and Records**

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors and committees having any of the authority of the Board of Directors and shall keep at the registered and principal office a record giving the names and addresses of the members entitled to vote. All books and records of the Corporation may be inspected by any member, or his agent or attorney for any proper purpose at any reasonable time. Notwithstanding the above, such records shall be retained in accordance with the Corporation's records retention policy.

**ARTICLE XVI
Fiscal Year**

As per resolution dated March 19, 2014, the fiscal year of the Corporation shall begin on the first day of October and end on the last day of September in each year.

**ARTICLE XVII
Maintenance Fund, Special Assessments and Other Charges**

Section 1. Administration of Maintenance Fund Special Assessments and Other Collections.

The Corporation shall have the authority to administer and spend maintenance fund charges, special assessments, and other charges, if any, for the purposes provided for and/or permitted by

the Restrictions. Without limitation, the Corporation shall have the right to allocate the administration and expenditure of said maintenance fund charges, special assessments and other charges among the various purposes authorized and/or permitted by the Restrictions in such manner as the Corporation in its sole discretion shall deem necessary and/or appropriate under the circumstances.

Section 2. Books, Records and Accounts.

Subject to the Restrictions, the Corporation shall set up such books, records, and accounts as are necessary and appropriate and in accordance with generally accepted accounting principles and practices.

Section 3. Annual Financial Statement and Audit.

The Corporation shall prepare an annual financial statement consisting of a balance sheet and income and expense statement as of the end of the fiscal year of the Corporation. The financial statements shall be audited by a certified public accountant as soon as reasonably possible or practical after the end of each fiscal year of the Corporation and in any event prior to the Annual Membership Meeting.

ARTICLE XVIII

Waiver of Notice

Whenever any notice is required to be given under the provisions of the Texas Business Organizations Code or under the provisions of the Articles of Incorporation or the Bylaws of the Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated herein, shall be deemed equivalent to the giving of such notice.

ARTICLE XIX

Indemnification

Section 1. Indemnification by the Corporation. To the extent not inconsistent with applicable law, every person (and the heirs and personal representatives of such person) who is or was a Director, officer, employee, or agent of the Corporation shall be indemnified by the Corporation against all liability and reasonable expense that may be incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding; a) if such person is wholly successful with respect thereto or; b) if not wholly successful, then if such person is determined (as provided in Section 3 of this Article) to have acted in good faith, in what is reasonably believed to be the best interests of the Corporation (or, in any case not involving the person's official capacity with the Corporation, in what is reasonably believed to be not opposed to the best interests of the Corporation), and, with respect to any criminal action or proceeding, is determined to have had reasonable cause to believe that said conduct was lawful (or no reasonable cause to believe that the conduct was unlawful). The termination of any claim, action, suit, or proceeding by judgment, settlement (whether with or without court approval), or conviction, or upon a plea of guilty or of nolo contendere or is equivalent, shall not create a presumption that a person did not meet the standards of conduct set forth in this Article.

Section 2. Definitions.

(a) As used in this Article, the terms “claim, action, suit or proceeding” shall include any threatened, pending, or completed civil, criminal, administrative, or investigative action, suit, or proceeding and all appeals thereof (whether brought by or on behalf of the Corporation, any other corporation, or otherwise), whether formal or informal, in which a person (or their heirs or personal representatives) may become involved, as a party or otherwise:

(1) By reason of his or her being or having been a Director, officer, employee, or agent of the Corporation, or

(2) By reason of his or her acting or having acted in any capacity in a corporation, partnership, joint venture, association, trust, or other organization or entity where he or she served as such at the request of the Corporation, or

(3) By reason of any action taken or not taken by him or her in any such capacity, whether he or she continues in such capacity at the time such liability or expense shall have been incurred.

(b) As used in this Article, the terms “liability” and “expense” shall include, but shall not be limited to, counsel fees and disbursements and amounts of judgments, fines, or penalties against, and amounts paid in settlement by or on behalf of, a person.

(c) As used in this Article, the term “wholly successful” shall mean:

(1) the termination of any action, suit, or proceeding against the person in question without any finding of liability or guilt against them;

(2) approval by a court, with knowledge of the indemnity provided in this Article XIX, of a settlement of any action, suit, or proceeding; or

(3) the expiration of a reasonable time after the making of any claim or threat of any action, suit, or proceeding without the institution of the same, without any payment or promise made to induce a settlement.

Section 3. Entitlement to Indemnification. Every person claiming indemnification under this Article (other than one who has been wholly successful with respect to any claim, action, suit, or proceeding) shall be entitled to indemnification if (a) special independent legal counsel, which may be regular counsel of the Corporation or any other interested person or persons, in either case selected by the Board, whether or not a disinterested quorum exists (such counsel or person or persons being hereinafter called the “referee”), shall deliver to the Corporation a written finding that such person has met the standards of conduct set forth in Section 1 of this Article and (b) the Board acting upon such written finding, so determines. The person claiming indemnification shall, if requested, appear before the referee and answer questions that the referee deems relevant and shall be given ample opportunity to present to the referee evidence upon which he or she relies for indemnification. The Corporation shall, at the request of the

referee, make available facts, opinions, or other evidence in any way relevant to the referee's findings that are within the possession or control of the Corporation.

Section 4. Relationship to Other Rights. The right of indemnification provided in this Article shall be in addition to any rights to which any person may otherwise be entitled.

Section 5. Extent of Indemnification. Irrespective of the provisions of this Article, the Board may, at any time and from time to time, approve indemnification of Directors, officers, employees, agents, or other persons to the fullest extent permitted by applicable law, or, if not permitted, then to any extent not prohibited by such law, whether on account of past or future transactions.

Section 6. Advancement of Expenses. Expenses incurred with respect to any claim, action, suit, or proceeding may be advanced by the Corporation (by action of the Board, whether or not a disinterested quorum exists) prior to the final disposition thereof upon receipt of an undertaking by or on behalf of the recipient to repay such amount unless he or she is entitled to indemnification.

Section 7. Purchase of Insurance. The Board is authorized and empowered to purchase insurance covering the Corporation's liabilities and obligations under these By-Laws and insurance protecting the Corporation's Directors, officers, employees, agents, or other persons.

ARTICLE XX

Amendments

These Bylaws may be altered, amended, or repealed and new Bylaws may be adopted by a majority of the Directors present at any regular meeting or at any special meeting, if at least two days written notice is given of intention to alter, amend or repeal or to adopt new Bylaws at such meeting.

The above Amended and Restated Bylaws were unanimously approved by the Horseshoe Bay Property Owners' Association, Inc. Board of Directors at its regular meeting held on Wednesday, February 16, 2022.



Belinda Roberts, Secretary, HSB POA Board of Directors

STATE OF TEXAS)
COUNTY OF LLANO)

This instrument was acknowledged before me on March 7, 2022 by Belinda Roberts, Secretary, Board of Directors, of Horseshoe Bay Property Owners' Association, Inc., a Texas corporation, on behalf of said corporation.



Erin Welch
Notary Public, State of Texas
My Commission expires: 08/15/2022

