

**BYLAWS OF
SOUTHERN TRACE HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE 1
DEFINITIONS**

Southern Trace Defined

1.01 Southern Trace shall mean all of the real property located in Brazos County, Texas, including the land, all improvements and structures on the land, and all easements, rights and appurtenances to the land, more particularly described as follows:

All of Lots **ONE (1)** through **TWELVE (12)**, Block **ONE (1)**, Lots **THIRTEEN (13)** through **TWENTY-SIX (26)**, Block **TWO (2)**, and Lots **TWENTY-NINE (29)** through **FORTY-FOUR (44)**, Block **THREE (3)**, **AND** Lots **TWENTY-SEVEN (27)** and **TWENTY-EIGHT (28)**, Block **FOUR (4)**, **SOUTHERN TRACE SUBDIVISION**, an addition to the City of College Station, Brazos County, Texas, according to the Plat recorded in Volume 7048, Page 260, Official Records of Brazos County, Texas.

Declaration Defined

1.02 "DECLARATIONS" shall mean all of the Deed Restrictions recorded in Volume 7331, Page 53, Official Records of Brazos County, Texas, and affecting Southern Trace or any portions thereof, including any amendments to the Declarations as may be made from time to time in accordance with the terms of the Declarations.

Other Terms Defined

1.03 Other terms used in these Bylaws shall have the meaning given them in the Declarations, incorporated by reference and made a part of these Bylaws.

**ARTICLE 2
APPLICABILITY OF BYLAWS**

Corporation

2.01 The provisions of these Bylaws constitute the Bylaws of the nonprofit corporation known as Southern Trace Homeowners Association, Inc., referenced to as the "Association."

Applicability

2.02 The provisions of these Bylaws are applicable to Southern Trace as defined in Paragraph 1.01 of these Bylaws.

Personal Application

2.03 All present or future Owners, their employees, guests, or other persons that use the facilities of Southern Trace or its Common Areas, in any manner are subject to the regulations set forth in these Bylaws. The mere acquisition of any of the Lots of Southern Trace

or the mere act of occupancy of any of the Lots or Common Areas will signify that these Bylaws are accepted and ratified and will be complied with by the purchaser or occupant.

ARTICLE 3 OFFICES

Principal Office

3.01 The principal office of the Association shall be located in College Station, Brazos County, Texas.

4090 Highway 6 South
College Station, Texas 77845

3.02 The Association shall have and shall continuously maintain in Texas a registered office and a registered agent, whose office is identical with the registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be, identical with the principal office of the corporation, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE 4 QUALIFICATIONS FOR MEMBERSHIP

Membership

4.01 The membership of the Association shall consist of all of the Owners of the Lots within Southern Trace. There shall be one class of membership.

Proof of Membership

4.02 The rights of membership shall not be exercised by any person until satisfactory proof has been furnished to the Secretary of the Association that the person is qualified as a Member. Such proof may consist of a copy of a duly executed and acknowledged deed or title insurance policy evidencing ownership of a Lot in Southern Trace. Such deed or policy shall be deemed conclusive in the absence of a conflicting claim based on a later deed or policy.

No Additional Qualifications

4.03 The sole qualification for membership shall be ownership of a Lot in Southern Trace. No initiation fees, costs, or dues shall be assessed against any person as a condition of membership except such assessments, levies, and charges as are authorized or permitted under the Declarations.

Certificates of Membership

4.04 The Board of Directors may provide for the issuance of certificates evidencing membership in the Association that shall be in such form as may be determined by the Board. All certificates evidencing membership, if issued by the Board of Directors, 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 Association and maintained by the Secretary at the registered office of the Association.

ARTICLE 5 VOTING RIGHTS

Voting

5.01 Voting shall be on a Lot basis. The Owner of each Lot is entitled to one vote. If a Lot has more than one Owner, the aggregate vote of the Owners of the Lot may not exceed the one vote assigned to the Lot.

Proxies

5.02 At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Association. Every proxy shall be revocable and shall automatically cease on (i) conveyance by the Member of the Member's Lot, (ii) receipt of notice by the Secretary of the death or judicially declared incompetence of such Member, or (iii) terms and conditions specifically set forth in such proxy. No proxy shall be valid after eleven (11) months from the date of its execution.

Quorum

5.03 The presence, either in person or by proxy, at any meeting, of Members entitled to cast at least 10% of the total voting power of the Association shall constitute a quorum for any action. In the absence of a quorum at a meeting of Members, a majority of those Members present in person or by proxy may adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the meeting date.

Required Vote

5.04 The vote of the majority of the votes entitled to be cast by the Members present, or represented by proxy, at a meeting at which a quorum is present shall be the act of the meeting of members, unless the vote of the greater number is required by statute.

ARTICLE 6 MEETING OF MEMBERS

Annual Meeting

6.01 The first meeting of the Association shall be the meeting at which the Bylaws are adopted by the initial Board of Directors named in the Certificate of Formation. The second meeting of the Members of the Association shall be held within eight (8) months after the first meeting, at a time and place to be designated by the Board. After the second meeting, the annual meeting of the Members of the Association shall be held on the third Monday of January of each succeeding calendar year at the hour of 7:00 P.M. If the day for the annual meeting of the Members is a legal holiday, the meeting shall be held at the same hour on the first day following that is not a legal holiday (excluding Saturdays and Sundays).

Special Meetings

6.02 Special meetings of the Members may be called by the President, the Board of Directors, or by Members representing at least 25% of the total voting power of the Association.

Place

6.03 Meetings of the Members shall be held within Southern Trace or at a convenient meeting place as close to Southern Trace as possible, as the Board may specify in writing in its sole discretion.

Notice of Meetings

6.04 Written notice of all Members' meetings shall be given by or at the direction of the Secretary of the Association (or other persons authorized to call the meeting) by mailing or personally delivering a copy of such notice at least 10 but not more than 50 days before the meeting to each Member entitled to vote at the meeting. The notice must be addressed to the Member's address last appearing on the books of the Association or supplied by such Member to the Association for the purpose of notice. The notice shall specify the place, day, and hour of the meeting and, in the case of a special meeting, the nature of the business to be undertaken.

Order of Business

6.05 The order of business at all meetings of the Members shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meetings or waiver of notice.
- (c) Reading of Minutes of preceding meeting.
- (d) Reports of officers.
- (e) Reports of committees.
- (f) Election of directors.
- (g) Unfinished business.
- (h) New business.

Action Without Meeting

6.06 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 the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members and filed with the Secretary of the Association.

ARTICLE 7 BOARD OF DIRECTORS

Number

7.01 The affairs of this Association shall be managed by a Board of Directors consisting of not less than three nor more than seven persons, all of whom may be, but need not be, members of the Association.

Term

7.02 At the first meeting of the Association, the Members shall elect Directors who shall hold office until the second meeting, which shall include the election of Directors by the Members. After the second meeting of the Association, Directors shall be elected at the annual meeting of the Members and shall hold office for a term of one (1) year and until their successors are elected and qualified.

Removal

7.03 Directors may be removed from office without cause by a two-thirds majority vote of the Members of the Association.

Vacancies

7.04 In the event of a vacancy on the Board caused by the death, resignation, or removal of a Director, the remaining Directors shall, by majority vote, elect a successor who shall serve for the unexpired term of the predecessor.

Any directorship to be filled by reason of (i) inability to elect a successor Director hereunder, or (ii) an increase in the number of directors, shall be filled by election at an annual meeting of Members or at a special meeting of Members called for that purpose.

Compensation

7.05 With the prior approval of a majority of the Members of the Association, a Director may receive compensation in a reasonable amount for services rendered to the Association. A Director may be reimbursed by the Board for actual expenses incurred by the Director in the performance of the Director's duties.

Powers and Duties

7.06 The Board shall have the powers and duties, and shall be subject to limitations on such powers and duties, as enumerated in the Declarations of Southern Trace and these Bylaws.

ARTICLE 8 NOMINATION AND ELECTION OF DIRECTORS

Nomination

8.01 Nomination for election to the Board of Directors shall be made from the floor at the annual meeting of the Members.

Election

8.02 Directors are elected at the annual meeting of Members of the Association. Members, or their proxies, may cast, in respect to each vacant directorship, as many votes as they are entitled to exercise under the provisions of the Declarations. The nominees receiving the highest number of votes shall be elected.

ARTICLE 9 **MEETINGS OF DIRECTORS**

Regular Meetings

9.01 Regular meetings of the Board of Directors shall be held semi-annually at a place within Southern Trace and at a time as may be fixed from time to time by resolution of the Board. Notice of the time and place of regular meetings shall be by mail, email, a facsimile transmission, or personally to each Director at the Director's addresses and numbers on the records of the Association.

Special Meetings

9.02 Special meetings of the Board of Directors shall be held when called by written notice signed by the President of the Association or by any two Directors other than the President. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. Notice of a special meeting must be given to each Director not less than two (2) days or more than ten (10) days prior to the date fixed for such meeting by written notice either delivered personally, sent by mail, facsimile transmission, or email to each Director at the Director's address and numbers as shown in the records of the Association.

Quorum

9.03 A quorum for the transaction of business by the Board of Directors shall be a majority of the number of Directors constituting the Board of Directors.

Voting Requirements

9.04 The act of the majority of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Open Meetings

9.05 Regular and special meetings of the Board shall be open to all Members of the Association; provided, however, that Association Members who are not on the Board may not participate in any deliberation or discussion unless expressly authorized to do so by the vote of a majority of a quorum of the Board.

Executive Session

9.06 The Board may, with the approval of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss and vote on litigation in which the Association is or may become involved, and other business of a confidential nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

ARTICLE 10 OFFICERS

Enumeration of Officers

10.01 The Officers of this Association shall be a President and Vice-President and a Secretary and Treasurer. The Board of Directors may, by resolution, create such other offices as it deems necessary or desirable.

Term

10.02 The Officers of this Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless the Officer shall sooner resign, be removed, or be otherwise disqualified to serve.

Resignation and Removal

10.03 Any Officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of the notice or at any later time specified in the notice. Any Officer may be removed from office by the Board whenever, in the Board's judgment, the best interest of the Association would be served by such removal.

Multiple Offices

10.04 Any two or more offices may be held by the same person, except the offices of President and Secretary.

Compensation

10.05 Officers shall receive such compensation for services rendered to the Association, if any, as determined by the Board of Directors and approved by a majority of the Members of the Association.

ARTICLE 11 PRESIDENT

Election

11.01 At the first meeting of the Board immediately following the annual meeting of the Members, the Board shall elect one of their number to act as President.

Duties

11.02 The President shall:

- (a) Preside over all meetings of the Members and of the Board.
- (b) Sign as President all deeds, contracts, and other instruments in writing that have been first approved by the Board, unless the Board, by duly adopted resolution, has authorized the signature of a lesser Officer.

- (c) Call meetings of the Board whenever he or she deems it necessary in accordance with rules and on notice agreed to by the Board. The notice period shall, with the exception of emergencies, in no event be less than two (2) days.
- (d) Have, subject to the advice of the Board, general supervision, direction, and control of the affairs of the Association and discharge such other duties as may be required of him or her by the Board.

ARTICLE 12 VICE PRESIDENT

Election

12.01 At the first meeting of the Board immediately following the annual meeting of the Members, the Board shall elect one of its Members to act as Vice President.

Duties

12.02 The Vice President shall:

- (a) Act in the place and in the stead of the President in the event of the President's absence, inability, or refusal to act.
- (b) Exercise and discharge such other duties as may be required of the Vice President by the Board. In connection with any such additional duties, the Vice President shall be responsible to the President.

ARTICLE 13 SECRETARY

Election

13.01 At the first meeting of the Board immediately following the annual meeting of the Members, the Board shall elect a Secretary.

Duties

13.02 The Secretary shall:

- (a) Keep a record of all meetings and proceedings of the Board and of the Members.
- (b) Keep the seal of the Association, if any, and affix it on all papers requiring the seal.
- (c) Serve notices of meetings of the Board and the Members required either by law or by these Bylaws.
- (d) Keep appropriate current records showing the Members of the Association together with their addresses.

- (e) Sign as Secretary all deeds, contracts, and other instruments in writing that have been first approved by the Board if the instruments require a second Association signature, unless the Board has authorized another Officer to sign in the place and stead of the Secretary by duly adopted resolution.

ARTICLE 14 TREASURER

Election

14.01 At the first meeting of the Board immediately following the annual meeting of the Members, the Board shall elect a Treasurer.

Duties

14.02 The Treasurer shall:

- (a) Receive and deposit in a bank or banks, as the Board may from time to time direct, all of the funds of the Association.
- (b) Be responsible for and supervise the maintenance of books and records to account for the Association's funds and other Association assets.
- (c) Disburse and withdraw funds as the Board may from time to time direct, in accordance with prescribed procedures.
- (d) Prepare and distribute the financial statements for the Association.

ARTICLE 15 POWERS AND RESPONSIBILITIES

General Powers and Duties

15.01 The Association shall carry out all of the responsibilities and duties, and shall possess all of the powers, set out in the Declarations and the Texas Non-Profit Corporation Law, acting by and through its Board and officers. All enforcement of restrictions, assessments, liens, maintenance and other elements of the Declarations shall be diligently and consistently carried out by the Association.

Specific Duty, Power and Covenant

15.02 Without limiting the generality of Section 15.01, the Association, acting through its Board and officers, shall have the following powers and authorities:

- (a) **Insurance.** To obtain and maintain in effect policies of insurance which, in the opinion of the Board, are reasonably necessary or appropriate to carry out Association functions.
- (b) **Records.** To keep books and records of the Association's affairs.

- (c) Assessments. To levy Assessments as provided in Article 16 below.
- (d) Right of Entry and Enforcement. To enter at any time in an emergency, or in a non-emergency, after ten (10) days written notice, without being liable to any Owner, upon any Lot for the purpose of enforcing the Declarations, and the expense incurred by the Association in connection with the entry upon any Lot and the work conducted thereon (i) shall be a personal obligation of the Owner of the Lot entered upon, (ii) shall be a lien upon the Lot entered on and Improvements thereon, and (iii) shall be enforced in the same manner and to the same extent as provided in Article 16 hereof for regular and special Assessments. The Association shall have the power and authority from time to time, in its own name and on its own behalf, or in the name of and on behalf of any Owner who consents thereto, to commence and maintain actions and suits to enforce, by mandatory injunction or otherwise, or to restrain and enjoin, any breach or threatened breach of the Declarations. The Association is also authorized to settle claims, enforce liens and take all such action as it may deem necessary or expedient to enforce the Declarations.
- (e) Legal and Accounting Services. To retain and pay for legal and accounting services necessary or proper for the operation of the Association.
- (f) Delegation to Committees. To set up one or more committees as authorized by the Texas Non-Profit Corporation Law, as the same is amended from time to time.
- (g) Landscape and Maintenance. To landscape, maintain and repair easements, rights-of-way, common areas, entry ways, sidewalks, paths, trails, detention ponds, signage, and other areas of the Property, as appropriate.
- (h) Common Areas. To accept, own, operate and maintain all Common Areas.
- (i) Conveyances. To grant and convey portions of Association property, including fee title, leasehold estates, easements, and right-of-way to any governmental entity for public utilities.
- (j) Safety. To provide for security guards and/or security aids.
- (k) Declaration. Exercise any right, duty or power set forth in the Declarations as reserved to the Association.

Indemnification

15.03 The Association shall indemnify any director, officer, or member of a committee duly appointed pursuant to the Certificate of Formation or Bylaws who was, is, or is threatened to be made a named defendant or respondent in any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, arbitral, or investigative, any appeal in such an action, suit, or proceeding, and any inquiry or investigation that could lead to such an action, suit, or proceeding (hereinafter a "Proceeding") by reason of the fact that such person is or was a director, officer or member of such a committee of the Association, against all judgments, penalties (including excise and similar taxes), fines, settlements, and reasonable expenses actually incurred by the person in connection with any such Proceeding to the fullest

extent permitted by the Texas Non-Profit Corporation Law, as amended and in effect from time to time. Such authorization of indemnification shall be deemed to be mandatory and deemed to constitute authorization of indemnification and advancement of expenses to the fullest extent permitted by the Texas Non-Profit Corporation Law, as amended and in effect from time to time.

ARTICLE 16 **FUNDS AND ASSESSMENTS**

Assessments

16.01 The Association may from time to time levy Assessments against each Lot whether or not improved. The level of Assessments shall be equal and uniform between all Lots.

Where the obligation to pay an Assessment first arises after the commencement of the year or other period for which the Assessment was levied, the Assessment may be prorated as of the date when said obligation first arose in proportion to the amount of the Assessment year or other period remaining after said date.

Each unpaid Assessment together with such interest thereon and costs of collection thereof as hereinafter provided, shall be the personal obligation of the Owner of the Lot against which the Assessment falls due, and shall become a lien against each such Lot and all Improvements thereon. The Association may enforce payment of such Assessments in accordance with the provisions of this Article.

Maintenance Funds

16.02 The Board shall establish a maintenance fund into which shall be deposited all monies paid to the Association and from which disbursements shall be made in performing the functions of the Association under these Bylaws. The funds of the Association must be used solely for purposes authorized by these Bylaws, as it may from time to time be amended.

Regular Annual Assessments

16.03 The initial annual Assessment shall be Seven Hundred Twenty and No/100 Dollars (\$720.00) per year, payable in two (2) annual installments of Three Hundred Sixty and No/100 Dollars (\$360.00) each. Thereafter, prior to the beginning of each fiscal year, the Board shall estimate the expenses to be incurred by the Association during such year in performing its functions under the Declarations and these Bylaws, including, but not limited to, the cost of all entry ways, landscaping, greenbelts, common areas, median strip, and right-of-way maintenance, the cost of enforcing the Declarations, and a reasonable provision for contingencies and appropriate replacement reserves, less any expected income and any surplus from the prior year's funds. Assessments sufficient to pay such estimated expenses shall then be levied as herein provided; provided however, assessments may not be increased annually by more than ten percent (10%) of the prior year's assessment amount, and that level of Assessments set by the Board shall be final and binding so long as it is made in good faith. If the sums collected prove inadequate for any reason, including non-payment of any individual Assessment, the Association may at any time, and from time to time levy further Assessments in the same manner as aforesaid. All such regular Assessments shall be due and payable to the Association at the beginning of the fiscal year or during the fiscal year in equal monthly installments on or before the first day of each month, or in such other manner as the Board may designate in its sole and absolute discretion.

Special Assessments

16.04 In addition to the regular annual Assessments provided for above, the Board may levy special Assessments whenever in the Board's opinion such special Assessments are necessary to enable the Board to carry out the mandatory functions of the Association under the Declarations. The amount and due date of any special Assessments shall be at the reasonable discretion of the Board.

Owner's Personal Obligation for Payment of Assessments

16.05 The regular and special Assessments provided for herein shall be the personal and individual debt of the Owner of the Lot covered by such assessments. No Owner may exempt himself for liability for such Assessments. In the event of default in the payment of any such Assessments, the owner of the Lot shall be obligated to pay interest at the highest rate allowed by applicable usury laws then in effect on the amount of the Assessment from due date thereof (or if there is no such highest rate, then at the rate of 1.25% per month), together with all costs and expense of collection, including reasonable attorney's fees.

Assessment Lien and Foreclosure

16.06 All sums assessed in the manner provided in this Article but unpaid, shall, together with interest as provided in 16.05 hereof and the cost of collection, including attorney's fees as herein provided, thereupon become a continuing lien and charge on the Lot covered by such Assessment, which shall bind such lot in the hands of the Owner, and such Owner's heirs, devisees, personal representatives, successors or assigns. The aforesaid lien shall be superior to all other liens and charges against the said Lot, except only for tax liens and all sums unpaid on a first mortgage lien or first deed of trust filed of record, securing in either instance sums borrowed for the acquisition or improvement of the Lot in question. The Association shall have the power to subordinate the aforesaid Assessment lien to any other lien. Such power shall be entirely discretionary with the Board and such subordination shall be effectuated by an officer of the Association, duly authorized by the Board. To evidence an Assessment lien, the Association may prepare a written notice of Assessment lien setting forth the amount of the unpaid indebtedness, the name of the Owner of the Lot covered by such lien, and a description of the Lot. Such notice shall be signed by an officer of the Association, duly authorized by the Board, and shall be recorded in the office of the County Clerk of Brazos County, Texas. Such lien for payment of Assessments shall attach with the priority above set forth from the date that such payment becomes delinquent, and may be enforced subsequent to the recording of a notice of Assessment lien as provided above, by the foreclosure of the defaulting Owner's Lot by the Association in like manner as a mortgage on real property, or the Association may institute suit against the Owner personally obligated to pay the Assessment and/or for foreclosure of the aforesaid lien judicially. In any foreclosure proceeding, whether judicial or not judicial, the Owner shall be required to pay the costs, expenses, and reasonable attorney's fees incurred by the Association. The Association shall have the power to bid on the property at foreclosure or other legal sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same. Upon the written request of any mortgagee, the Association shall report to said mortgagee the status of any Assessments relating to the mortgagee's mortgage and remaining unpaid for longer than thirty (30) days after due.

ARTICLE 17 BOOKS AND RECORDS

Maintenance

17.01 Complete and correct records of account and minutes of proceedings of Meetings of Members, Directors, and committees shall be kept in the possession of the officers or at the registered office of the corporation. A record containing the names and addresses of all Members entitled to vote shall be kept at the registered office or principal place of business of the Association.

Inspection

17.02 The Declarations, the membership register, the books of account, and the minutes of proceedings shall be available for inspection and copying by any Member of the Association or any Director for any proper purpose at any reasonable time during normal business hours (exclusive of weekends and holidays).

ARTICLE 18

Amendment of Bylaws

18.01 These Bylaws may be amended, altered, or repealed at a regular or special meeting of the Members of the Association by the affirmative vote in person or by proxy of Members representing a majority of a quorum of the Association. Notwithstanding the above, the percentage of voting power necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

18.02 Adopted by the Board of Directors on

NOVEMBER 15

, 2006.

SOUTHERN TRACE HOMEOWNERS
ASSOCIATION, INC.

By:

Randy French, Director

By:

Jeff French, Director

By:

Edna Alford

Edna Alford, Director

Certificate of Adoption of Bylaws

This is to certify:

That I am the duly elected, qualified and acting Secretary of SOUTHERN TRACE HOMEOWNERS ASSOCIATION, INC., and that the above bylaws were duly adopted as the bylaws of said Non-Profit Corporation by the Board of Directors of said Non-Profit Corporation.

Dated: Nov. 15, 2006

By:

Secretary

The undersigned, being all the Directors of the Corporation, hereby consent to all the foregoing this 15th day of Nov, 2006.

RANDY FRENCH

JEFF FRENCH

EDNA ALFORD