

By-Laws of Plano Whiffletree Villas Homeowners Association

Article I

Name and Location

The name of the corporation is Plano Whiffletree Villas Homeowners Association, a Texas non-profit corporation, hereinafter referred to as the "Association." The principal address is P.O. Box 261596, Plano, TX 75026-1596. Meetings of Members and Directors may be held at such places within the State of Texas, County of Collin, as may be designated by the Board of Directors.

Article II

Definitions

The following words when used in these by-laws, unless a different meaning or intent clearly appears from the context, shall have the following meanings:

2.01 "Act" shall mean and refer to the Texas Non-Profit Corporation Act, Articles 1396-1.01 through 1396-11.01, Vernon's Texas Statutes and Codes Annotated, and all amendments and additions thereto.

2.02 "ARC" shall mean the Architectural Review Committee established pursuant to the provisions of Number 27 of the Covenants.

2.03 "Association" shall mean and refer to Plano Whiffletree Villas Homeowners Association, a Texas non-profit corporation.

2.04 "Articles" shall mean and refer to the Articles of Incorporation of the Association.

2.05 "Common Facilities" shall mean and refer to the owned common area identified as Lot 42, Block A, 4000 Stanton Blvd. as well as the landscaping and irrigation system around the subdivision entry and along the exterior of the wall along Lorimar Drive and Coit Road on the southern and eastern boundaries of the Properties.

2.06 "Covenants" shall mean and refer to those certain Restrictive Covenants applicable to the Properties and recorded at Volume 2742, page 440 of the Deed Records of Collin County, Texas, and as the same may be amended or supplemented from time to time as therein provided.

2.07 "Lot" shall mean and refer to any plot or tract of land shown upon any recorded subdivision map of the Properties which is shown as a lot thereon and which is or is to be improved with a residential dwelling.

2.08 "Member" shall mean and refer to each Owner as provided herein in Article III. All Members are considered Class A Members pursuant to the Covenants. The use of the term "his" herein shall not be gender specific but may refer to "his or her."

2.09 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot situated upon the Properties but, notwithstanding any applicable theory of the mortgage or other security device, shall not mean or refer to any mortgagee or trustee under a deed of trust unless and until such mortgagee or trustee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

2.10 "Properties" shall mean and refer to the land and premises known as Whiffletree Villas an addition to the City of Plano, Collin County, Texas, recorded in Volume F, Page 511, Map Records, Collin County, Texas.

Article III

Membership

3.01 Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record, to assessment by the Association, shall automatically be a Member of the Association. Each Member shall remain a Member without any right to withdraw until his ownership of a Lot ceases for any reason, at which time his Membership shall automatically cease. The foregoing is not intended to include persons or entities that hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of any Lot that is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for Membership.

Article IV

Property Rights: Rights of Enjoyment

4.01 Use of Properties. Each Member shall be entitled to the use and enjoyment of the properties and facilities owned by the Association from time to time as provided in the Covenants. Any Member may delegate his rights of enjoyment of properties and facilities to the Members of his family, his tenants or contract

purchasers, who reside on his Lot. Such Member shall notify the Secretary in writing of the name of any such delegee. The rights and privileges of such delegee are subject to suspension to the same extent as those of the Member.

Article V

Board of Directors: Selection; Term of Office

5.01 Number. The affairs of this Association shall be managed by a Board of Directors. The number of Directors shall be established by the Board at each annual meeting, which number shall never be less than three (3).

5.02 Election. At each annual meeting, the Members shall elect new Directors to fill any vacancy created by expired terms of existing Directors in a manner so that the Corporation will at all times have a minimum of three (3) Directors, all of whom shall have two-year terms.

5.03 Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining Members of the Board and shall serve for the unexpired term of his predecessor.

5.04 Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual reasonable expenses incurred in the performance of his duties.

5.05 Action Taken without a Meeting. The Directors shall have the right to take any action in the absence of a meeting that they could take at a meeting by obtaining the written approval of a majority of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors and shall be ratified at the following Board of Directors meeting.

Article VI

Meeting of Directors

6.01 Regular Meetings. Regular meetings of the Board shall be held a minimum of ten (10) times a year without notice, at such place and hour as may be fixed by the Board.

6.02 Special Meetings. Special meetings of the Board shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days a written notice is delivered to each Director.

6.03 Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Article VII

Nomination and Election of Directors

7.01 Nomination. Nomination for election to the Board of Directors shall be made by a Nominating committee. Nominations may also be made from the floor at the annual meeting. The Nominating committee shall consist of a chairman, who shall be a member of the Board of Directors whose term is not expiring, and two or more Members of the Association. The Nominating committee shall be appointed by the Board prior to each annual meeting of the Members. The Nominating Committee shall make as many nominations of Members for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

7.02 Election. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Covenants. Election to the Board may be by secret written ballot. The persons receiving the highest number of votes shall be elected.

Article VIII

Powers and Duties of the Board of Directors

8.01 Powers. The Board of Directors shall have power to:

- (a) Adopt and publish rules and regulations governing the use of the properties and facilities of the Association, and the personal conduct of the Members and their guests thereon, and to establish penalties for the Infraction thereof;
- (b) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the Membership by other provisions of these By-Laws, the Articles or the Covenants;
- (c) Declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (d) Employ a manager, an independent contractor or such other employees as

they deem necessary, and to prescribe their duties.

8.02 Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members or at any special meeting, when such statement is requested in writing by thirty percent (30%) of the Members who are entitled to vote;

(b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) As more fully provided herein, and in the Covenants, to:

(i) Fix the amount of the annual assessment against each Lot in advance of each annual assessment period, and fix the amount of all special assessments and default assessments as provided in Number 28, Section 6, Paragraph (a) of the Covenants; and

(ii) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;

(d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

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

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

(g) Cause the Common Facilities to be maintained as provided in the Covenants.

Article IX

Committees

9.01 Architectural Review Committee ("ARC"). The ARC Members shall be approved by a simple majority vote of the quorum required by these By-Laws (Article X, Sec. 10.6) at the annual Meeting of Members.

9.02 Other Committees. The Board of Directors shall appoint a Nominating committee, as provided in these By-Laws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purposes, such as:

(a) Social Committee. A Social committee shall advise the Board of Directors on all matters pertaining to the social program and activities of the Association and shall perform such other functions as the Board, in its discretion, determines;

(b) Maintenance Committee. A Maintenance committee shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Properties, and shall perform such other functions as the Board in its discretion determines;

(c) Financial Review Committee. A Financial Review committee shall conduct an annual review of the Association's books, the annual budget and statement of income and expenditures to be presented to the Membership at its regular annual meeting, as provided in Article XI, Section 8 hereof. The Treasurer shall be an ex-officio member of the Committee.

9.03 Complaints from Members. It shall be the duty of each committee to receive complaints from Members on any matter involving Association functions, duties, and activities within its field of responsibility. The committee receiving the complaint shall dispose of the complaint as it deems appropriate or it shall refer the complaint to the appropriate committee, Director, or Officer of the Association.

Article X

Annual or Special Meetings of Members

10.01 Place of Meetings. Meetings of the Members for the election of Directors shall be held at the location as stated in the notice of the meeting. Meetings of Members for any other purpose may be held at such place, and at such time as shall be stated in the notice of the meeting.

10.02 Annual Meetings. Annual meetings of Members shall be held on the first Saturday of May at which they shall elect by a plurality vote a Board of Directors, and transact such other business as may properly be brought before the meeting. The annual meeting date may be changed by a majority vote of the Board of Directors.

10.03 Special Meetings. Special meetings of the Members may be called by the

President or by the Board of Directors or by the Secretary upon written request of a minimum of thirty percent (30%) of Members entitled to cast votes.

10.04 Notice. Written or printed notice stating the place, day and hour of the annual or special meeting and the purpose or purposes for which the meeting is called shall be delivered not less than ten (10) nor more than fifty (50) days before the day of the meeting, either personally or by mail, by or at the direction of the President, the Secretary or the officer or person calling the meeting, to each Member entitled to vote at such meeting.

10.05 Purpose. Business transacted at any special meeting shall be confined to the purposes stated in the notice thereof.

10.06 Quorum. The quorum required for any action authorized to be taken by the Association shall be as follows:

At the first meeting called, the presence of Members, or of proxies, entitled to cast thirty percent (30%) of all the votes of the Members of the Association shall constitute a quorum. If the required quorum is not present at the first meeting, additional meetings may be called, subject to the notice requirements hereinabove set forth, and the required quorum at such second meeting shall be one-fourth (1/4) of the required quorum at the first meeting; provided, that such second meeting shall be held no sooner than ten (10) days following the first meeting. In the event a quorum is not present at such second meeting, such second meeting may be adjourned, subject to the notice requirement hereinabove set forth until the quorum needed for such second meeting is met.

10.07 Majority Vote. The vote of Members entitled to cast a majority of the votes thus represented at a meeting at which a quorum is present shall be the act of the Members meeting, unless the vote of a greater number is required by law or the Covenants of the Articles.

10.08 Voting Rights. Each Member may cast as many votes as he is entitled to exercise under the terms and provisions of the Articles on each matter submitted to a vote at a meeting of Members, except to the extent that the voting rights of any Member have been suspended in accordance with these By-Laws. At each election for Directors every Member entitled to vote at such election shall have the right to cast as many votes as he is entitled to exercise under the terms and provisions of the Articles, in person or by proxy, for as many persons as there are Directors to be elected and for whose election he has a right to vote.

10.09 Proxies. A Member may vote in person or by proxy executed in writing by the Member or by his duly authorized attorney. No proxy shall be valid after ninety (90) days from the date of its execution unless otherwise provided in the proxy.

Each proxy shall be revocable unless expressly provided therein to be irrevocable, and in no event shall it remain irrevocable for a period of more than twelve (12) months from the date of its execution.

10.10 List of Members. The Secretary of the Board shall make, at least ten (10) days before each meeting of Members, a complete list of the Members entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order, with the address of each, which list, for a period of ten (10) days prior to such meeting, shall be kept on file by the Secretary and shall be subject to inspection by any Member upon request. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Member during the duration of the meeting.

10.11 Record Date. The Board of Directors may fix in advance a date, not exceeding thirty (30) days preceding the date of any meeting of the Members, as a record date for the determination of the Members entitled to notice of, and to vote at, any such meeting, and any adjournment thereof, and in such case such Members and only such Members as shall be Members of record on the date so fixed shall be entitled to such notice of, and to vote at, such meeting and any adjournment thereof, notwithstanding any change of Membership on the books of the Association after any such record date fixed as aforesaid.

10.12 Action without Meeting. Any action required by the legislative statutes to be taken at a meeting of the Members, or any action which 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 whose vote is required for the approval of the subject matter thereof, and such consent shall have the same force and effect as a vote of Members.

10.13 Conflict. In the case of any conflict between the Articles and these By-Laws, the Articles shall control; and in the case of any conflict between the Covenants and these By-Laws, the Covenants shall control.

Article XI

Officers and Their Duties

11.01 Enumeration of Offices. The officers of this Association shall be a President, Vice President, Secretary, Treasurer, and such other officers as the Board may from time to time by resolution create. Officers shall at all times be Members of the Board of Directors.

11.02 Election of Officers. The election of officers shall take place at the first

meeting of the Board of Directors following each annual meeting of the Members.

11.03 Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless a successor is not elected, he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

11.04 Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

11.05 Resignations and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

11.06 Vacancies. A vacancy in any office may be filled by a majority vote of the remaining Board of Directors. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

11.07 Multiple Offices. No person shall simultaneously hold more than one office except in the case of special offices created pursuant to Section 11.04 of this Article.

11.08 Duties. The duties of the officers are as follows:

President

(a) The President shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board are carried out, shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks over the amount of \$500 and promissory notes.

Vice President

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

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members, shall keep the Corporate Seal of

the Association and affix it on all papers requiring said seal, shall serve notice of meetings of the Board and of the Members, shall keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors, shall sign all checks and promissory notes of the Association, shall keep proper books of account and report such to the Board of Directors at board meetings, shall cause an annual review of the books of account at the completion of each fiscal year; and shall prepare (i) an annual budget, and (ii) a statement of income and expenditures, to be presented to the Membership at its regular annual meeting, a copy of each of which shall be made available to each Member upon request.

Article XII

Assessments

As more fully provided in the Covenants [Number 28, Section 6, Paragraph (a)], each Member is obligated to pay to the Association Annual and Special Assessments ("Assessment"), which are secured by a continuing lien upon the property against which the Assessment is made. Any Assessment that is not paid when due shall be delinquent. If the Assessment is not paid within thirty (30) days after the due date, the Assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum, and the Association may bring an action a of law against the Owner, may personally obligate to pay the same, or may foreclose the lien against the property. Interest, costs and reasonable attorneys' fees of any such action shall be added to the amount of such Assessment. No Owner may waive or otherwise escape liability for the Assessment provided for herein by nonuse of the Common Area or abandonment of his Lot.

The commencement of any Special Assessment procedure, and the levy thereof upon the Members, shall require the affirmative vote of two-thirds (2/3) of the Members who are voting at a meeting, either annual or special, duly called for that purpose, written notice of which shall be given to all Members not less than ten (10) nor more than fifty (50) days before such meeting stating the purposes of such meeting.

Article XIII

Books and Records

The books, records and papers of the Association shall, at all times, during reasonable hours, be subject to inspection by any Member. The Covenants, the Articles and the By-Laws of the Association shall be available for inspection by any Member by contacting the Secretary.

Article XIV

Corporate Seal

The Corporate Seal shall have inscribed thereon the name of the Association, the year of its organization and the words "Corporate Seal, State of Texas." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

Article XV

Amendments

These By-Laws may be amended, at an annual or special meeting of the Members, by a majority vote of a quorum of Members entitled to vote, present in person or by proxy.

Article XVI

Fiscal Year

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year.

Article XVII

Indemnification of Officers and Directors

The Association may indemnify an Officer or Director who was, is, or is threatened to be made a named defendant or respondent in a proceeding because such person is or was a Director or Officer if it is determined, in accordance with the provisions of Article 1396-2.22A of the Act, as the same may be amended from time to time, that the person:

- (i) Conducted himself in good faith;
- (ii) Reasonably believed:
 - (a) In the case of conduct in his official capacity as a Director or Officer of the

Association, that his conduct was in the Association's best interests; and

(b) In all other cases, that his conduct was at least not opposed to the Association's best interests; and

(iii) In the case of any criminal proceeding, had no reasonable cause to believe that his conduct was unlawful.

Any indemnification made under the provisions of this Article XVII shall be made in accordance with the provisions of the Act.

Article XVIII

Electronic Transaction of Business

To the fullest extent permitted by law, the Association or Membership may conduct business by electronic means.

Article XIX

Rules of Order

Robert's Rules of Order, latest edition, shall be recognized as the authority governing the meetings of the Association, its Board of Directors and committees, in all instances where the provisions do not conflict with these By-Laws.

Revision History

By-Laws of the Plano Whiffletree Villas
Homeowners Association

2010: Revision approved by Members on May 1, 2010.

2003: Revision approved by Members on May 3, 2003.

2001: Revision approved by Members on June 11, 2001.

1997: Original By-Laws set by the Directors of the Plano Whiffletree Villas Homeowners Association as controlled by Murchison Properties, Inc.