

BYLAWS OF
INWOOD PLACE HOMEOWNERS ASSOCIATION, INC.
A NON-PROFIT CORPORATION

INWOOD PLACE HOMEOWNERS ASSOCIATION, INC. (the "Association") is the association referred to in the INWOOD PLACE SUBDIVISION, Unit 1, Amended and Restated Declaration of Covenants, Conditions and Restrictions (the "Declaration"), filed in Volume 11384, Page 1772 in the Official Public Records of Real Property of Bexar County, Texas. The terms used in these Bylaws shall have the same meanings given to them in the Declaration, unless otherwise specifically provided herein. In the event of any conflict between the terms and provisions of these Bylaws and the Declaration, the Declaration shall control.

ARTICLE I
PURPOSE AND OFFICES

1.1 Registered Office and Agent. The Association shall comply with the requirements of the Business Organizations Code ("Code") to maintain a registered office and registered agent in Texas. The registered office shall be the same office as that of the Registered Agent. The registered office may, but need not, be identical with the Association's principal office in Texas. The Board of Directors may change the registered office and the registered agent as provided in the Code. Meetings of Members and Directors may be held at such places within Bexar County, Texas, as may be designated by the Board of Directors from time to time.

1.2 Principal Office. The principal office of the Association shall be located at _____, San Antonio, Bexar County, Texas or such other location within Bexar County, Texas as may be designated from time to time by the Board of Directors.

1.3 General Powers and Duties. The Association is organized in accordance with, and shall operate for nonprofit purposes pursuant to the Texas Nonprofit Act, codified by the Texas Business Organizations Code applicable to nonprofit corporations, and does not contemplate pecuniary gain or profit to its Members. The Association, acting through a Board of Directors, shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Association property as may be required or permitted by the Declaration, Bylaws, duly adopted rules, regulations and policies (collectively "Governing Documents") and Texas State law. The Association may do any and all things that are lawful and which are necessary, proper, or desirable in operating for the best interests of its Members, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Governing Documents or Texas State law. Without limiting the generality of the foregoing, the Association is organized for the following general purposes:

(A) To assure the upkeep, maintenance, improvement and administration of the Property owned by the Association ("Common Areas"), if any, and all lands, improvements, security devices and other real or personal property owned by, leased to, used by or the responsibility of the Association;

(B) To assure the upkeep, maintenance, improvement and administration of any additional Property which may in the future be acquired by, placed under the control of or responsibility for which is assumed by the Association;

(C) To enter into and perform any contract and to exercise all powers which may be

necessary or convenient to the operation, management, maintenance and administration of the Common Areas or affairs of the Association in accordance with the Governing Documents, as amended from time to time;

(D) To promote the health, safety and welfare of the Members in accordance with the Governing Documents, as amended from time to time;

(E) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association arising under the Governing Documents, as amended from time to time or the laws of the State of Texas;

(F) To enforce applicable provisions of the Governing Documents (as amended from time to time) and any other instruments for the management and control of the properties within the Subdivision including, without limitation, the power:

(1) To fix, levy, collect and enforce payment, by any lawful means, including but not limited to a collection policy providing for payment plans, late fees and administrative fees;

(2) To enforce all restrictions, covenants and affirmative obligations imposed pursuant to the terms of the Governing Documents, as amended from time to time and to adopt such policies as needed, including but not limited to, a fine policy and a suspension of privileges policy to aid in the enforcement of the terms of the Governing Documents and to collect assessments, charges and other amounts imposed on an Owner pursuant to the terms of the Governing Documents;

(3) To contract for and to pay for maintenance and improvement of the Common Areas or areas for which the Association is responsible as contemplated by the Governing Documents;

(4) To employ personnel or management firms reasonably necessary for the administration and operation of the Association, and to discharge the powers and duties of the Association arising under the Governing Documents, as amended from time to time, including the employment of accountants, attorneys and/or other professionals, as appropriate; and

(5) To pay all office and other expenses incident to the conduct of the business of the Association, including all insurance expenses, licenses, taxes and special tax or utility Assessments which are or would become a lien on any portion of the Properties over which the Association has authority to exercise control;

(G) To have and to exercise any and all powers, rights and privileges, including delegation of powers as permitted by law, which the Association may now or hereafter have or exercise in accordance with the Business Organizations Code.

ARTICLE II MEMBERS, MEETINGS AND VOTING RIGHTS

2.1 Members. Members shall be subject to the following terms, conditions and obligations:

(A) Each and every person, persons, or legal entity who shall own any Lot, shall automatically be, and must remain, a Member of the Association. Such membership shall be appurtenant to each Lot and may not be severed from or held separately therefrom. Provided, that any person or entity who holds such an interest merely as security for the performance of any obligation shall not be a Member. It shall be the Member's obligation to notify the Association of acquiring an ownership interest in a Lot and shall

provide and maintain a current mailing address with the Association. The Association shall not be responsible for locating a current address for any Member if different from the address included in the Association records. Any mortgagee or lienholder who acquired title to any Lot which is a part of the Subdivision through judicial or non-judicial foreclosure, shall be a Member of the Association. Association membership shall be transferred automatically to the grantee of a conveyance of a Lot in fee. The transfer of membership shall not relieve or release any such former Owner from any liability or obligation incurred under the Declaration or in any way connected with the Membership during the period of ownership or impair any rights or remedies which the Association may have against such former Member. No change of ownership of any Lot shall be effective for voting purposes unless and until the Association is given actual written notice and provided satisfactory proof of the transfer. Membership shall not be assigned, pledged, or transferred in any other way. Any attempt to make a prohibited transfer shall be void. No Member shall have any right or interest in the assets of the Association, including, without limitation, any right of partition or to distribution of assets in the event of the liquidation, dissolution or winding up of the Association, whether voluntary or involuntary. As of the date hereof, the Association shall have only Class A members.

(B) All Members are obligated to pay general and special assessments imposed by Article VIII of the Declaration and assessed by the Association to meet the common expenses as defined in the Declaration.

(C) Each Member will comply with the provisions and terms of the Governing Documents, and any amendments thereto. Further, each Member will always endeavor to observe and promote the cooperative purposes for which the Property was established.

2.2 Place of Meetings. Meetings of the Members shall be held at the time and place in San Antonio, Bexar County, Texas as determined by the Board of Directors, and stated in the notice of the meeting or in a waiver of notice. If no designation is made, or if a special meeting be otherwise called, the place of the meeting shall be the principal office of the Association.

2.3 Annual Meetings. An annual meeting of the Members shall be held at the principal office of the Association or at such other place as may be designated in writing by the Board of Directors, at a time determined by the Board of Directors on a date designated by the Board of Directors on any day in September. The purpose of the annual meetings shall be to elect directors and for the transaction of such other business as may come before the meeting.

2.4 Notice of Meeting. Notice of the meeting, stating the place, day and hour of the meeting, and in case of a special meeting, the purpose or purposes for which the meeting is called shall be given in accordance with the requirements of the Texas Property Code to each Member entitled to vote at the meeting at least ten (10) but not more than sixty (60) days before the date of the meeting. The statutory notice shall be addressed to the Member at their address appearing on the books of the Association or given by them to the Association for the purpose of notice. Notice of adjourned meetings is not necessary unless the meeting is adjourned for thirty (30) days or more, in which case notice of the adjourned meeting shall be given as in the case of any special meeting.

2.5 Special Meetings. Special meetings of the Members for any purpose or purposes whatsoever may be called at any time by the President, by a majority of the Board of Directors or the holders of not less than one-half (1/2) of the total eligible votes of the membership of the Association. The meeting must be held within thirty (30) days after the Board of Directors resolution or receipt of the petition from Members. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. Business transacted at a special meeting shall be confined to the purposes stated in the notice of the meeting.

2.6 Quorum. The Members holding twenty percent (20%) of the total eligible votes of the

membership of the Association, present in person or represented by proxy, shall constitute a quorum at all meetings of the Members for the transaction of business, except as otherwise provided by law, by the Articles of Incorporation or by these Bylaws. If, however, such quorum shall not be present or represented at any meeting of the Members, the Members entitled to vote there at, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented by proxy business may be transacted which might have been transacted at the meeting as originally notified. The Members present at a duly constituted meeting may continue to transact business until adjournment, despite the withdrawal of enough Members to leave less than a quorum.

2.7 Method of Voting.

(A) Subject to the foregoing limitations, the Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership. No Owner shall be entitled to vote at any meeting of the Association until such Owner has presented evidence of ownership of a Lot to the Secretary of the Association. Any Member who is in default in the payment of any Assessment or any other sums owed to the Association or in violation of any Governing Document of the Association, subject to Texas Property Code 209.006, may have his right to vote revoked by action of the Board of Directors, pending payment of such amounts.

(B) In the event that ownership interests in a Lot are owned by more than one (1) Member of the Association, such Members shall exercise their right to vote in such manner as they may among themselves determine, but in no event shall the number of votes cast for each Lot exceed the number set forth in Section 2.7 to be cast for each Lot. Such Members shall appoint one (1) of them as the Member who shall be entitled to exercise the vote of that Lot at any meeting of the Association. Such designation shall be made in writing to the Board of Directors and shall be revocable at any time by actual written notice to the Board. The Board shall be entitled to rely on any such designation until written notice revoking such designation is received by the Board. In the event that a Lot is owned by more than one (1) Member and no single Member is designated to vote on behalf of the Members having an ownership interest in such Lot, then none of such Members shall be allowed to vote.

(C) All Members of the Association may attend meetings of the Association and all voting Members may exercise their vote or votes at such meetings either in person or by proxy. Fractional votes and split votes will not be permitted. The decision of the Board of Directors as to the number of votes which any Member is entitled to cast, based upon the number of Lots owned by him, shall be final.

(D) At any meeting of the Members, every Member having the right to vote may vote either in person, or by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Each proxy shall be revocable unless expressly provided therein to be irrevocable or unless otherwise made irrevocable by law. Each proxy shall be filed with the Secretary of the Association prior to or at the time of the meeting. Voting for directors shall be in accordance with Section 3.7 of these Bylaws. Any vote may be taken by voice or by show of hands unless someone entitled to vote objects, in which case written ballots shall be used.

(E) At least ten (10) days before each meeting of Members, a complete list of the Members entitled to vote at said meeting, arranged in alphabetical order with the address of each and the number of votes held by each, shall be prepared by the officer or agent having charge of the Membership books. Such list, for a period of ten (10) days prior to such meeting, shall be kept on file at the registered office of the Association and shall be subject to inspection by an eligible Member at any time during usual business hours, and shall also be made available at the Members' meetings.

2.8 Organization. The President shall preside at all meetings of the Members. In his absence a Vice President shall preside. In the absence of all of these officers any Member or the duly appointed proxy of any Member may call the meeting to order and a chairman shall be elected from among the Members present.

The Secretary of the Association shall act as secretary at all meetings of the Members. In his absence an assistant secretary shall so act and in the absence of all of these officers the presiding officer may appoint any person to act as Secretary of the meeting.

2.9 Action Without Meeting. Strictly subject to the limitations of the Texas Property Code, any action required by any provision of law or the Articles of Incorporation or these Bylaws 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 actions so taken, shall be signed by a majority of the Members entitled to vote with respect to the subject matter thereof, and such consent shall have the same force and effect as an unanimous vote of the Members. The consent may be in more than one counterpart.

2.10 Telephone and Similar Meetings. Members, directors and committee members may participate in and hold a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can communicate with each other. Participation in such a meeting shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

2.11 Order of Business at Meetings. The order of business at annual meetings and so far as practicable at other meetings of Members shall be as follows unless changed by the Board of Directors:

- (1) call to order;
- (2) proof of due notice of meeting;
- (3) determination of quorum and examination of proxies;
- (4) announcement of availability of voting list;
- (5) announcement of distribution of annual statement;
- (6) reading and disposing of minutes of last meeting of Members;
- (7) reports of officers and committees;
- (8) unfinished business;
- (9) new business;
- (10) nomination of directors;
- (11) voting for directors; and
- (12) adjournment.

2.12 Failure to Call Annual Meeting. If the Board of Directors fail to call an annual meeting of the Members, a Member may demand that a meeting of the Members be called to elect Directors not later than the thirtieth (30th) day after the date of the Member's demand. The Member's demand shall be in writing and sent by certified mail, return receipt requested, to the registered agent of the Association and to the Association. A copy of this notice must then be sent by the Association to each Member. In the event the Board of Directors fail to call a meeting of the Members on or before the thirtieth (30th) day after the date of the demand, three (3) or more Members may then form an election committee. The election committee shall file written notice of the committee's formation with the Bexar County Clerk for recordation in the Bexar County Official Public Records. The notice shall contain: (1) a statement that an election committee has been formed to call a meeting of the Members for the sole purpose of electing Directors; (2) the name and residential address of each committee member; and (3) the name of the Subdivision over which the Association has jurisdiction under the Declaration, the Articles of

Incorporation, or by these Bylaws. The notice shall be signed and acknowledged by each committee member. Only one (1) committee within the subdivision area may operate at one time. If more than one (1) committee files notice with the Bexar County Clerk, the first committee to file notice, provided all of the other requirements of this article are satisfied, has the power to act. A committee has four (4) months after the date the notice is filed with the Bexar County Clerk to conduct a successful election. The committee is automatically dissolved if a successful election is not held within this four (4) month period. The notice, quorum, and voting provisions of these Bylaws apply to any meeting called by the committee. The committee may call a meeting of the Members for the sole purpose of electing Directors.

2.13 Suspension of Membership Rights. The Membership rights to the use and enjoyment of any Association Common Area by any Member may be suspended by action of the Board of Directors if such Member shall have failed to pay when due any assessment or charge lawfully imposed upon the Member or any property owned by the Member, or if the Member, his family, his tenants, or guests of any thereof, shall have violated any Governing Documents of the Association regarding the use of any property or conduct with respect thereto, provided such violation is deemed by the Board of Directors to be a serious violation requiring disciplinary action. Provided however, any action taken by the Board of Directors to suspend a Member's rights shall be in strict compliance with the Texas Property Code, as amended.

ARTICLE III BOARD OF DIRECTORS

3.1 Management. The property, business and affairs of the Association shall be managed by the Board of Directors who may exercise all such powers of the Association as set forth in Section 1.3 herein and do all such lawful acts and things as are not by statute or by the Articles of Incorporation or by these Bylaws directed or required to be exercised or done by the Members. The Directors shall have all of the powers, authority and duties of the Association existing under the Business Organizations Code, the Declaration and these Bylaws, which shall be exercised exclusively by the Board, its agents, contractors or employees, subject only to approval by Members when such is specifically required by law, the Declaration or these Bylaws.

3.2 Committees. In addition to the committees provided for in the Declaration and these Bylaws, the Board of Directors may by resolution designate one (1) or more committees, each of which shall consist of two (2) or more Members, which committee, to the extent provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the Association; but the designation of such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual director, of any responsibility imposed on it or him by law.

3.3 Number; Qualification; Election; Term. The Board of Directors shall initially consist of three (3) persons who need not be Members and the Directors shall serve one (1) year terms. After the Conversion Date the Board of Directors shall consist of five (5) persons who all shall be Members. Two (2) Directors shall serve for a one (1) year term ("Class 1 Directors"), one (1) Director shall serve for a two (2) year term ("Class 2 Director") and two (2) Directors shall serve for a three (3) year term ("Class 3 Directors"). A Director shall be a Member of the Association at the time of nomination and continue as a Member during the term of office. There shall be no other requirement that restricts a Member's right to run for a position on the Board of Directors. If a Lot is owned by a legal entity, such as a partnership or corporation, any officer, partner, agent, or employee of that entity Member is eligible to serve as a Director and is deemed to be a Member for the purposes of this section. If the relationship between the entity Member and the Director representing it terminates, that Directorship will be deemed vacant. The Directors shall be elected at the annual meeting of the Members, except the initial five (5) Member Board of Directors shall be elected on the Conversion Date or as soon thereafter as a special meeting of Members may be called. Members of the Board of Directors are not subject to term limits.

3.4 Change in Number. The number of directors may be increased or decreased from time to time by amendment to these Bylaws but no decrease shall have the effect of shortening the term of any incumbent director and provided that the Board of Directors may never consist of less than three (3) directors. Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting or at a special meeting of Directors called for that purpose.

3.5 Removal. Any director may be removed either for or without cause at any special or annual meeting of Members, by the affirmative vote of a majority of the total eligible votes of each class of membership of the Association present, in person or by proxy, at such meeting and entitled to vote for the election of such director if notice of intention to act upon such matter shall have been given in the notice calling such meeting. In the case this Association has cumulative voting, if less than the entire board is to be removed, no one of the directors may be removed if the votes cast against his removal would be sufficient to elect him if then cumulatively voted at an election of the entire Board of Directors, or if there be classes of directors, at an election of the class of directors of which he is a part.

3.6 Vacancies. Any vacancy occurring in the Board of Directors (by death, resignation, removal or otherwise) may be filled by an affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

3.7 Election of Directors. Directors shall be elected by majority vote of the Members present in person or by proxy at a meeting with a quorum of Members present. Cumulative voting shall not be permitted. The election to the Board of Directors shall be by written ballot signed by the Member or Member's proxy unless the vote is for an uncontested race for Director. 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 Declaration. The election officer shall prepare, or cause to be prepared, a written ballot listing in random order the names of the nominees for election. The Board of Directors shall be permitted to adopt such rules and procedures for the use of proxies and their verification prior to the date of the meeting held for the purpose of election of Directors.

3.8 Place of Meetings. Meetings of the Board of Directors, regular or special, may be held in or out of the state of incorporation.

3.9 Annual Meetings. The first meeting of a newly elected board shall be held with notice required by the Texas Property Code immediately following the annual meeting of Members, and at the same place, unless by unanimous consent of the directors then elected and serving at the time elect to reschedule the date and time or change the location.

3.10 Open Meetings. Regular and special meetings of the Board of Directors are open to Members of the Association, subject to the following provisions:

(A) No audio or video recording of the meeting may be made, except by the Board of Directors or with the Board of Director's prior, written consent.

(B) Members who are not Directors may not participate in Board of Directors deliberations or discussions, unless expressly authorized to do so by the vote of a majority of a quorum of the Board of Directors.

(C) The Board of Directors may, with the approval of a majority of a quorum, adjourn any meeting and reconvene in executive session to discuss and vote on personnel matters, litigation in which the Association is or may become involved, contract negotiations, enforcement actions, confidential communications with the Association's attorney and order of business of a confidential nature involving

a Member and matters to remain confidential at the request of the affected parties and agreement of the Board of Directors. The nature of business to be considered in executive session will first be announced in open session. Following an executive session, any decision made in the closed session shall be summarized orally and placed in the meeting minutes. The oral summary shall be in general terms and shall include a general explanation of expenditures and shall not breach the privacy of individual Members, violate any privilege, or disclose information that is to remain confidential at the request of the affected parties.

(D) The Board of Directors may prohibit attendance by non-members, including lessees, representatives, proxies, agents, and attorneys of Members.

(E) The Board of Directors may prohibit attendance by any Member who disrupts meetings or interferes with the conduct of Board of Directors business.

3.11 Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each director, either personally or by mail or by telegram. Special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of two (2) directors. The notice of meeting shall be in accordance with the Texas Property Code.

3.12 Quorum Majority Vote. At meetings of the Board of Directors a majority of the number of directors fixed by these Bylaws shall constitute a quorum for the transaction of business. 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, except as otherwise specifically provided by statute, the Articles of Incorporation, or these Bylaws. If a quorum is not present at a meeting of the Board of Directors, the directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present,

3.13 Compensation. By resolution of the Board of Directors, the directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors.

3.14 Procedure. The President, or in his absence, any Director selected by the Directors present, shall preside at meetings of the Board of Directors. The Secretary of the Association, or in his absence, any person appointed by the presiding officer, shall act as Secretary of the Board of Directors and keep regular minutes of the proceedings. The minutes shall be placed in the minute books of the Association.

3.15 Action without Meeting or Notice. The Board of Directors shall be permitted to take action without a formal meeting with notice as follows:

(A) Subject to the limitations of the Texas Property Code, any action required or permitted to be taken without a meeting may be taken if a consent in writing, setting forth the action so taken, is signed by all the members of the Board of Directors. Such consent shall have the same force and effect as a unanimous vote at a meeting. The signed consent, or a signed copy, shall be placed in the minute book. The consent may be in more than one counterpart so long as each director signs one of the counterparts.

(B) The Board of Directors may meet by any method of communication, including electronic and telephonic meetings, without prior notice to the Members. The Board of Directors may consider routine and administrative matters or a reasonably unforeseen emergency or urgent necessity that requires immediate Board of Directors action. The Board of Directors may take action either pursuant to a verbal vote, provided each Director may hear and be heard by every other Director or by unanimous written consent. Any action taken by the Board of Directors without notice to the Members must be summarized orally, including, but not limited to, actual or estimated expenditures approved, and documented in the

written minutes of the immediately subsequent regular or special Board of Directors meeting. The Board of Directors may not, without prior notice to the Members consider or vote on any of the following matters:

- (1) Fines;
- (2) Damage assessments;
- (3) Initiation of foreclosure actions;
- (4) Initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety;
- (5) Increases in assessments;
- (6) Levying of special assessments;
- (7) Appeals from a denial of Architectural Control Committee approval; or
- (8) Suspension of a right of a particular Member before the Member has an opportunity to attend a regular or special meeting of the Board of Directors to present the Member's position, including any defense, on the issue.

3.16 Presumption of Assent to Action. A director who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

3.17 Nominating Committee. Not less than sixty (60) days prior to the next scheduled annual meeting of the Association, the Board of Directors will create and empanel a nominating committee comprised of not less than three (3) Members, which shall be charged with receiving suggestions of the Members. The nominating committee shall evaluate and consider possible nominees, and make nominations for each election of Directors. The Nominating Committee shall present its nominations to the Secretary of the Association at least twenty-one (21) days prior to the scheduled annual meeting. Nominees shall be invited to provide brief biographical information by a specific deadline to be set by the nominating committee to be distributed with such notice, in a form and length determined by the Board of Directors. The names of the nominees and their information shall be included in the notice of the annual meeting. Nominations also will be accepted from the floor at the annual meeting prior to the casting of ballots. Nominations for the Board of Directors must be selected from Members of the Association. In the event there is a situation requiring a special called meeting for the purpose of election of a Director(s), the nominations for candidates shall be made from the floor at the special called meeting.

3.18 Appointment of Election Officer. The Board of Directors shall, by resolution, designate one (1) of its Members, not standing for re-election to the Board of Directors to serve as election officer for the election of the Board of Directors. The election officer shall receive written nominations as provided herein and shall administer the annual election or special called meeting. The election officer shall appoint, in writing, such assistants as are in his or her judgment required to conduct the election. Such assistants shall not be paid for their services, nor be Members of the Board of Directors, nor candidates for election thereto. A person who is a candidate for election or who is otherwise the subject of an Association vote, or a person related to that person within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code, may not tabulate or otherwise be given

access to the ballots cast in that election or vote except as part of a recount process authorized by law and set forth in Tex. Prop. Code Sect. 209.00594, as amended.

3.19 Voting. Voting and counting of ballots shall be conducted by the election officer and his or her assistants. The results of balloting shall be announced by the election officer before the close of the meeting at which the election takes place and the nominee(s) receiving the highest number of votes shall be declared by the President or Vice-President if there is no President, to have been elected. The President or Vice-President shall announce only the names of the successful candidate(s) and shall not announce or post the vote totals of the respective candidates. The election officer shall thereafter certify, in writing, the results of the balloting, which results shall be countersigned by his or her assistants. Notwithstanding any other provision in the Governing Documents or the Texas Property Code, (i) a person who is a candidate in the Association's election or who is otherwise the subject of an Association vote, or a person related to that person within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code, may not tabulate or otherwise be given access to the ballots cast in that election or vote except as herein stated; (ii) a person other than a person described above in this Section 3.19 (i) may tabulate votes in the Association election or vote but may not disclose to any other person how an individual voted; (iii) provided however, a person other than a person who tabulates votes under this Section 3.19 (ii), including a person described by this Section 3.19 (i), may be given access to the ballots cast in the election or vote only as part of a recount process authorized by law.

3.20 Recount of Board of Directors Election Votes. A Member has fifteen (15) calendar days from the date on which a Board of Directors election was held to request a recount of the votes. A recount may not be requested for any agenda items other than a Board of Directors election. A demand for a recount must be submitted in writing by certified mail, return receipt requested, delivered by the United States Postal Service with signature confirmation to the Association's updated mailing address, or in person to the Association's current managing agent. The Association shall retain and enter into a contract with, at the expense of the requesting Member, a person qualified to recount the votes. The person conducting the recount may not be a Member or related to a Director within the third degree of consanguinity or affinity, and shall be either a current or former county judge, county elections administrator, justice of the peace, or county voter registrar, or a person mutually agreed upon by the Association and the requesting Member. The recount shall be completed within thirty (30) days of the date in which the recount request and payment for the services is received by the Association. In the event the recount changes the results of the election in question, the Association shall reimburse the Member the cost of the recount. A recount shall not affect actions taken by the Board of Directors between the election in question and the completion of the recount.

3.21 Limitation of Director Liability. A director of the Association shall not be personally liable to the Association for monetary damages for any act or omission in the capacity as a director, except to the extent otherwise expressly provided by a statute of the State of Texas. Any repeal or modification of this Section shall be prospective only, and shall not adversely affect any limitation of the personal liability of a director of the Association existing at the time of the repeal or modification. The limitation on the liability of a director does not eliminate or modify that person's liability to the Association as a Member of the Association.

ARTICLE IV NOTICE

4.1 Method. Whenever by statute, the Articles of Incorporation, these Bylaws, or otherwise, notice is required to be given to a director, committee member, or security holder, and no provision is made as to how the notice shall be given, it shall not be construed to mean personal notice, but any such notice may be given: (a) in writing, by mail, postage prepaid, addressed to the director, committee member, or

security holder at the address appearing on the books of the Association; or (b) in any other method permitted by law. Any notice required or permitted to be given by mail shall be deemed given at the time when the same is thus deposited in the United States mails.

4.2 Waiver. Whenever, by statute or the Articles of Incorporation or these Bylaws, notice is required to be given to a security holder, committee member, or director, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated in such notice, shall be equivalent to the giving of such notice. Attendance at a meeting shall constitute a waiver of notice of such meeting, except where a person attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE V OFFICERS AND AGENTS

5.1 Number; Qualification; Election; Term.

(A) The Association shall have: (1) a President, a Vice President, a Secretary and a Treasurer; and (2) such other officers (including a chairman of the board and additional vice presidents) and assistant officers and agents as the Board of Directors may think necessary.

(B) An officer of the Association must be a member of the Board of Directors.

(C) Officers named above shall be elected by the Board of Directors on the expiration of an officer's term or whenever a vacancy exists. Officers and agents named above may be elected by the Board at any meeting.

(D) Unless otherwise specified by the Board at the time of election or appointment, or in an employment contract approved by the Board, each officer's and agent's term shall end at the first meeting of directors after the next annual meeting of Members. He shall serve until the end of his term or, if earlier, his death, resignation, or removal.

(E) Any two (2) or more offices may be held by the same person.

(F) The Board of Directors may appoint or hire such assistant secretaries or assistant treasurers as it deems necessary to conduct the business of the Association. Any two (2) offices may be held by the same person, except the offices of President and Secretary. If any officer is absent or unable to act, the Board of Directors may appoint a Director to perform the duties of that officer and to act in place of that officer, on an interim basis.

5.2 Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby. Such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

5.3 Vacancies. Any vacancy occurring in any office of the Association (by death, resignation, removal or otherwise) may be filled by the Board of Directors.

5.4 Authority. Officers and agents shall have such authority and perform such duties in the management by the Association of the Board of Directors not inconsistent with these Bylaws.

5.5 Compensation. The officers shall not be compensated.

5.6 President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Members and the Board of Directors, shall have general and active

management of the business and affairs of the Association, and shall see that all orders and resolutions of the board are carried into effect. He shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe.

5.7 Vice President. The vice presidents in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the President, perform the duties and have the authority and exercise the powers of the President. They shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe or as the President may from time to time delegate.

5.8 Secretary.

(A) The Secretary shall attend all meetings of the Board of Directors and all meetings of the Members and record all votes, actions and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the executive and other committees when required.

(B) He shall give, or cause to be given, notice of all meetings of the Members and special meetings of the Board of Directors.

(C) He shall keep in safe custody the seal of the Association and, when authorized by the Board of Directors or the executive committee, affix it to any instrument requiring it. When so affixed, it shall be attested by his signature or by the signature of the treasurer or an assistant secretary.

(D) He shall be under the supervision of the President. He shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe or as the President may from time to time delegate.

5.9 Treasurer.

(A) The Treasurer shall have the custody of the corporate funds and securities, shall keep full and accurate accounts of receipts and disbursements of the Association, and shall deposit all funds and other valuables in the name and to the credit of the Association in depositories designated by the Board of Directors.

(B) He shall disburse the funds of the Association as ordered by the Board of Directors, and prepare financial statements as they direct.

(C) If required by the Board of Directors he shall give the Association a bond (in such form, in such sum, and with such surety or sureties as shall be satisfactory to the Board) for the faithful performance of the duties of his office and for the restoration to the Association, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Association.

(D) He shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe or as the President may from time to time delegate.

ARTICLE VI INDEMNIFICATION

6.1 Definitions. In this Article VI the following terms shall have the designated meaning:

(A) Indemnitee means (1) any present or former director, advisory director or officer of the Association; (2) any person who, while serving in any of the capacities referred to in clause (1) hereof, served at the Association's request as a director, officer, trustee, employee, agent, manager (including

named employees of any management company) or similar functionary of another foreign or domestic Association, partnership, joint venture, trust, employee benefit plan or other enterprise; and (3) any person nominated or designated by (or pursuant to authority granted by) the Board of Directors or any committee thereof to serve in any of the capacities referred to in clauses (1) or (2) hereof.

(B) Official Capacity means (1) when used with respect to a director, the office of director of the Association, and (2) when used with respect to a person other than a director, the elective or appointive office of the Association held by such person or the employment or agency relationship undertaken by such person on behalf of the Association, but in each case does not include service for any other foreign or domestic Association or any partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise.

(C) Proceeding means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative 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.

6.2 Indemnification. The Association shall indemnify every Indemnitee against all judgments, penalties (including excise and similar taxes), fines, amounts paid in settlement, and reasonable expenses actually incurred by the Indemnitee in connection with any Proceeding in which he was, is or is threatened to be named a defendant or respondent, or in which he was or is a witness without being named a defendant or respondent, by reason, in whole or in part, of his serving or having served, or having been nominated or designated to serve, in any of the capacities referred to in Section 6.1 (A), if it is determined in accordance with Section 6.4 that the Indemnitee (1) conducted himself or herself in good faith, (2) reasonably believed, in the case of conduct in Indemnitee's Official Capacity, that such conduct was in the Association's best interests and, in all other cases, that such conduct was at least not opposed to the Association's best interests, and (3) in the case of any criminal Proceeding, had no reasonable cause to believe that such conduct was unlawful; provided, however, that in the event that an Indemnitee is found liable to the Association or is found liable on the basis that personal benefit was improperly received by the Indemnitee, the indemnification (1) is limited to reasonable expenses actually incurred by the Indemnitee in connection with the Proceeding and (2) shall not be made in respect of any Proceeding in which the Indemnitee shall have been found liable for willful or intentional misconduct in the performance of his duty to the Association. Except as provided in the immediately preceding proviso to the first sentence of this Section 6.2, no indemnification shall be made under this Section 6.2 in respect of any Proceeding in which such Indemnitee shall have been (1) found liable on the basis that personal benefit was improperly received by him, whether or not the benefit resulted from an action taken in the Indemnitee's Official Capacity, or (2) found liable to the Association. The termination of any Proceeding by judgment, order, settlement or conviction, or on a plea of nolo contendere or its equivalent, is not of itself determinative that the Indemnitee did not meet the requirements set forth in clauses (1), (2) or (3) in the first sentence of this Section 6.2. An Indemnitee shall be deemed to have been found liable in respect of any claim, issue or matter only after the Indemnitee shall have been so adjudged by a court of competent jurisdiction after exhaustion of all appeals therefrom. Reasonable expenses shall include, without limitation, all court costs and all fees and disbursements of attorneys for the Indemnitee.

6.3 Successful Defense. Without limitation of Section 6.2 and in addition to the indemnification provided for in Section 6.2, the Association shall indemnify every Indemnitee against reasonable expenses incurred by such person in connection with any Proceeding in which Indemnitee is a witness or a named defendant or respondent because Indemnitee served in any of the capacities referred to in Section 6.1 (A), if such person has been wholly successful, on the merits or otherwise, in defense of the Proceeding.

6.4 Determinations. Any indemnification under Section 6.2 (unless ordered by a court of

competent jurisdiction) shall be made by the Association only upon a determination that indemnification of the Indemnitee is proper in the circumstances because he has met the applicable standard of conduct. Such determination shall be made (1) by the Board by a majority vote of a quorum consisting of directors who, at the time of such vote, are not named defendants or respondents in the Proceeding; (2) if such a quorum cannot be obtained, then by a majority vote of all directors (in which designation directors who are named defendants or respondents in the Proceeding may participate), such committee to consist solely of two (2) or more directors who, at the time of the committee vote, are not named defendants or respondents in the Proceeding; (3) by special legal counsel selected by the Board or a committee thereof by vote as set forth in clauses (1) or (2) of this Section 6.4 or, if the requisite quorum of all of the directors cannot be obtained therefor and such committee cannot be established, by a majority vote of all of the directors (in which directors who are named defendants or respondents in the Proceeding may participate); or (4) by the Members in a vote that excludes the directors who are named defendants or respondents in the Proceeding. Determination as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is permissible is made by special legal counsel, determination as to reasonableness of expenses must be made in the manner specified in clause (3) of the preceding sentence for the selection of special legal counsel. In the event a determination is made under this Section 6.4 that the Indemnitee has met the applicable standard of conduct as to some matters but not as to others, amounts to be indemnified may be reasonably prorated.

6.5 Advancement of Expenses. Reasonable expenses (including court costs and attorneys' fees) incurred by an Indemnitee who was or is a witness or who is or is threatened to be made a named defendant or respondent in a Proceeding shall be paid by the Association at reasonable intervals in advance of the final disposition of such Proceeding, and without making any of the determinations specified in Section 6.4, after receipt by the Association of (1) a written affirmation by such Indemnitee of Indemnitee's good faith belief that he has met the standard of conduct necessary for indemnification by the Association under this Article VI and (2) a written undertaking by or on behalf of such Indemnitee to repay the amount paid or reimbursed by the Association if it shall ultimately be determined that Indemnitee is not entitled to be indemnified by the Association as authorized in this Article VI. Such written undertaking shall be an unlimited obligation of the Indemnitee but need not be secured and it may be accepted without reference to financial ability to make repayment. Notwithstanding any other provision of this Article VI, the Association may pay or reimburse expenses incurred by an Indemnitee in connection with Indemnitee's appearance as a witness or other participation in a Proceeding at a time when Indemnitee is not named a defendant or respondent in the Proceeding.

6.6 Other Indemnification and Insurance. The indemnification provided by this Article VI shall (1) not be deemed exclusive of, or to preclude, any other rights to which those seeking indemnification may at any time be entitled under the Governing Documents, any law, agreement or vote of Members or disinterested directors, or otherwise, or under any policy or policies of insurance purchased and maintained by the Association on behalf of any Indemnitee, both as to action in Indemnitee's official capacity and as to action in any other capacity, (2) continue as to a person who has ceased to be in the capacity by reason of which such person was an Indemnitee with respect to matters arising during the period such person was in such capacity, and (3) inure to the benefit of the heirs, executors, and administrators of such a person.

6.7 Notice. Any indemnification of or advance of expenses to an Indemnitee in accordance with this Article VI shall be reported in writing to the Members with or before the notice or waiver of notice of the next meeting of the Members or with or before the next submission to the Members of a consent to action without a meeting and, in any case, within the twelve month period immediately following the date of the indemnification or advance.

6.8 Construction. The indemnification provided by this Article VI shall be subject to all valid and applicable laws, including, without limitation, Chapter 8, Subchapter C of the Texas Business Organizations Code, and, in the event this Article VI or any of the provisions hereof or the indemnification contemplated hereby are found to be inconsistent with or contrary to any such valid laws, the latter shall be deemed to control and this Article VI shall be regarded as modified accordingly, and, as so modified, to continue in full force and effect.

6.9 Continuing Offer, Reliance, etc. The provisions of this Article VI (1) are for the benefit of, and may be enforced by, each Indemnitee of the Association the same as if set forth in their entirety in a written instrument duly executed and delivered by the Association and such Indemnitee, and (2) constitute a continuing offer to all present and future Indemnitees. The Association, by its adoption of these Bylaws, (1) acknowledges and agrees that each Indemnitee of the Association has relied upon and will continue to rely upon the provisions of this Article VI in becoming, and serving in any of the capacities referred to in Section 6.1 (A) hereof, (2) waives reliance upon, and all notices of acceptance of, such provisions by such Indemnitees, and (3) acknowledges and agrees that no present or future Indemnitee shall be prejudiced in the right to enforce the provisions of this Article VI in accordance with their terms by any act or failure to act on the part of the Association.

6.10 Effect of Amendment. No amendment, modification or repeal of this Article VI or any provision hereof shall in any manner terminate, reduce or impair the right of any past, present or future Indemnitees to be indemnified by the Association, nor the obligation of the Association to indemnify any such Indemnitees, under and in accordance with the provisions of this Article VI as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

ARTICLE VII GENERAL PROVISIONS

7.1 Reserves. By resolution the Board of Directors may create such reserve or reserves out of the earned surplus of the Association as the directors from time to time, in their discretion, think proper to provide for contingencies, or to repair or maintain any property of the Association, or for any other purpose they think beneficial to the Association. The directors may modify or abolish any such reserve in the manner in which it was created.

7.2 Books and Records. The Association shall keep correct and complete books and records of account, shall keep minutes of the proceedings of its Members and Board of Directors, and shall keep at its registered office or principal place of business, or at the office of its transfer agent or registrar, a record of its Members, giving the names and addresses of all Members and the number of votes held by each.

7.3 Checks and Notes. Checks, demands for money, and notes of the Association shall be signed by officer(s) or other person(s) designated from time to time by the Board of Directors.

7.4 Fiscal Year. The fiscal year of the Association shall be fixed by resolution of the Board of Directors.

7.5 Seal. The Association seal (of which there may be one or more exemplars) shall contain the name of the Association and the name of the state of incorporation. The seal may be used by impressing it or reproducing a facsimile of it, or otherwise.

7.6 Resignation. A director, committee member, officer or agent may resign by giving written notice to the President or the Secretary. The resignation shall take effect at the time specified in it,

or immediately if no time is specified. Unless it specifies otherwise, a resignation takes effect without being accepted.

7.7 Amendment of Bylaws.

(A) These Bylaws may be altered, amended, or repealed at any meeting of the Board of Directors at which a quorum is present, by the affirmative vote of a majority of the directors present at such meeting, provided notice of the proposed alteration, amendment, or repeal is contained in the notice of the meeting and such action does not specifically require the action of the Members by virtue of the Articles of Incorporation or these Bylaws.

(B) These Bylaws may also be altered, amended or repealed at any meeting of the Members at which a quorum is present or represented, by the affirmative vote of a majority of the total eligible votes of each class of membership of the Association present or represented at the meeting and entitled to vote there at, provided notice of the proposed alteration, amendment or repeal is contained in the notice of the meeting.

7.8 Inspection. Books and records of the Association will be made available for inspection and copying pursuant to Association's Records Production Policy and applicable Texas law.

7.9 Resale Certificates. Any officer may prepare, or cause to be prepared assessment resale certificates pursuant to applicable law. The Association may charge a reasonable fee for preparing such certificates, and may refuse to furnish such certificates until the fee is paid, unless otherwise provided by law. Any unpaid fees may be assessed against the Lot for which the certificate is furnished. The Association may delegate the responsibility for a resale certificate to its managing agent, if any.

7.10 Management Certificate. As required by applicable law, such as Section 209.004 of the Texas Property Code, the Association will maintain a current management certificate in the Bexar County public records. When the Association has notice of a change in any information in the recorded certificate, the Association will prepare a restated or amended certificate and deliver it to the county clerk for filing. Absent gross negligence, the Association is not liable for a delay or failure to record a certificate. The Association may delegate the responsibility for a resale certificate to its managing agent, if any.

7.11 Relation to Other Documents. These Bylaws are subject to, and governed by, the Articles of Incorporation and the Declaration.

CERTIFICATE OF OFFICER

The undersigned certifies that the foregoing Bylaws were duly approved and adopted by the Board of Directors of the Inwood Place Homeowners Association, Inc. on the date first above written, and that the undersigned has been authorized by the Board of Directors to execute and record this instrument. The undersigned further certifies that the foregoing Bylaws constitute a dedicatory instrument under Tex. Prop. Code §202.006 which applies to the operation of Inwood Place Subdivision, Unit 1, a subdivision located in Bexar County, Texas, as hereinabove described.

Signed this 4th day of October, 2014.

INWOOD PLACE HOMEOWNERS ASSOCIATION, INC.

By: Dale Prashad
Name: Dale Prashad
Its: President