

Nancy E. Rister

Nancy E. Rister, County Clerk

2011 Dec 22 02:10 PM

Fee: \$ 148.00 Pages: 34

Williamson County Texas

STATE OF TEXAS §

COUNTY OF WILLIAMSON §

**RULES AND REGULATIONS
BYLAWS, and
CERTIFICATE OF FORMATION**

**LEGENDS VILLAGE HOMEOWNERS ASSOCIATION, INC.,
a Texas nonprofit corporation**

Document reference. Reference is hereby made to that certain Legends Village Master Declaration of Covenants, Conditions and Restrictions, filed as Document No. 2006082534 in the Official Public Records of Williamson County, Texas (together with all amendments and supplements, the "Declaration").

Reference is further made to those previously-adopted "Bylaws of Legends Village Homeowners Association, Inc.," attached hereto as **Exhibit B** (the "Bylaws"), and to the previously-adopted Certificate of Formation filed as **Exhibit C** hereto

Exhibit A: Rules and Regulations

Exhibit B: Bylaws

Exhibit C: Certificate of Formation

The Declaration provides that persons owning lots subject to the Declaration are automatically made members of Legends Village Homeowners Association, Inc., a Texas nonprofit corporation (the "Association");

The Association, acting through its board of directors (the "Board"), is authorized to adopt and amend bylaws and rules governing the affairs of the Association, pursuant to Declaration Section 5 4(A) and Bylaws Section 4 17(a)

The Bylaws and Certificate of Formation attached hereto have been previously adopted and are hereby filed of record; and

The Board has voted to adopt Rules as provided herein.

RULES AND REGULATIONS
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SECTION I. FLAGS

1. **General.** An Owner may display flags only on his or her Lot and only in compliance with this Section I. An Owner may not display flags on the Common Areas, or on any other lands owned or maintained by the Association, for any reason or at any time. An Owner may have one flag pole, or one residence-mounted flag mount, but not both.
2. **Prior Approval Required.** All flags, flagpoles, flag mounts, and related installations (e.g., flag lighting) must be approved in advance by the Association's Architectural Review Committee (the "**ARC**") An Owner desiring to display a permitted flag must submit plans to the ARC for each installation, detailing the dimensions, type, location, materials, and style/appearance of the flag(s), flagpole, flag mount(s), lighting and related installations. The Association's ARC shall have the sole discretion of determining whether such items and installations comply with this Section I, subject to any appeal rights that may exist elsewhere in the Association's governing documents or under State law.
3. **Permitted Flags.** An Owner is permitted to display on his or her Lot the flag of the United States of America, the flag of the State of Texas, and/or an official or replica flag of any branch of the United States armed forces, subject to the restrictions contained in this Section I.

Display of all other flags is prohibited. A pennant, banner, plaque, sign or other item that contains a rendition of a permitted flag does not qualify as a permitted flag under this Section I.

4. **Additional Requirements Related to Flags**
 - a. Flags must be displayed on an approved flag mount or flagpole. Flags may not be displayed in any other manner.
 - b. The U.S. and Texas flags must be hoisted, flown, and lowered in a respectful manner.
 - c. The U.S. and Texas flags must never be flown upside down and must never touch the ground.
 - d. No mark, sign, insignia, design, or advertising of any kind may be added to a flag.
 - e. If both the U.S. and Texas flags are displayed, they must be of approximately equal size.
 - f. If the U.S. and Texas flags are flown on one pole, the U.S. flag must be the highest flag flown and the Texas flag the second highest.
 - g. Only all-weather flags may be displayed during inclement weather.
 - h. Flags must be no larger than 3'x5' in size.

- 5 Materials and Appearance of Flag Mounts and Flag Poles. A flag mount attached to a dwelling or a freestanding flagpole must be constructed of permanent, long-lasting materials, with a finish appropriate to the materials (per the discretion of the ARC) used in the construction of the mount or flagpole and harmonious with the dwelling
- 6 Additional Requirements for Flagpoles The following additional requirements shall apply to flagpoles installed on Lots:
- a. No more than one flagpole may be installed on a Lot;
 - b. The flagpole must be free-standing and installed vertically;
 - c. The flagpole must be no greater than 20 feet in height measured from grade level;
 - d. The location and construction of the flagpole must comply with applicable zoning ordinances, may not be located in any easements (including drainage easements), and comply with all setback requirements;
 - e. Unless otherwise approved by the ARC, the location of the pole must be within 10 feet of one of the side-most building lines of the home and within 10 feet of the front most building line of the home. The ARC may require the pole to be installed on a particular side; and
 - f. No trees may be removed for pole installation.
- 7 Lighting of Flag Displays. Any lights installed for the purpose of illuminating a flag must be pre-approved by the Association. Such light installations must be of a reasonable size and intensity and placed in a reasonable location, for the purpose of ensuring that the lights do not unreasonably disturb or distract other individuals. All flag illumination lighting must be specifically dedicated to that purpose. No other lighting, whether located inside or outside of the residence, may be directed toward a displayed flag for purposes of illuminating the flag (e.g., security flood or spot lights may not be oriented toward a displayed flag).
- 8 Maintenance An Owner is responsible for ensuring that a displayed flag, flagpole, flag mount(s), lighting and related installations are maintained in good and attractive condition at all time at the Owner's expense. Any flag, flagpole, flag mount, light, or related installation or item that is in a deteriorated or unsafe condition must be repaired, replaced, or removed promptly upon the discovery of its condition.
- 9 Noise Restrictions An Owner must ensure that external halyards (hoisting ropes) used in combination with the flagpole do not create an unreasonable amount of noise.

SECTION II. RAIN BARRELS AND RAINWATER HARVESTING SYSTEMS

- 1 Rain Barrels and Rainwater Harvesting Systems. Owners may install rain barrels or rainwater harvesting systems only with pre-approval from the Association, and only in accordance with the restrictions described in this Section II
2. Prohibited Locations. Owners are prohibited from installing rain barrels or rainwater harvesting systems, or any part thereof, in the following locations:
- a. on property owned by the Association;
 - b. on property owned in common by the members of the Association; or
 - c. on property between the front of the Owner's home and an adjoining or adjacent street
- 3 Pre-Approval Required for All Rain Barrels or Rainwater Harvesting Systems. Prior to any installation of any rain barrel or rain harvesting system (or any part thereof), prior written permission must be received from the ARC

Owners wishing to install such systems must submit plans showing the proposed location, color(s), material(s), shielding, dimensions of the proposed improvements, and whether any part of the proposed improvements will be visible from the street, another lot, or a common area (and if

so, what part(s) will be visible) The location information must provide information as to how far (in feet and inches) the improvement(s) will be from the side, front, and back property line of the Owner's property.

4. Color and Other Appearance Restrictions. Owners are prohibited from installing rain barrels or rainwater harvesting systems that:
 - a. are of a color other than a color consistent with the color scheme of the Owner's home;
 - b. display any language or other content that is not typically displayed by such a barrel or system as it is manufactured; or
 - c. are not constructed in accordance with plans approved by the Association
5. Additional Restrictions if Installed in Side Yard or Improvements are Visible If any part of the improvement is installed in a side yard, or will be visible from the street, another lot, or common area, the Association may impose restrictions on the size, type, materials, and shielding of, the improvement(s) (through denial of plans or conditional approval of plans)

SECTION III. RELIGIOUS DISPLAYS

1. Conflict with Other Provisions. Per state law, this Section III controls over any provision in any other Association governing document to the contrary
2. General Residents may display on the entry door or door frame of the resident's dwelling one or more religious items, subject to the restrictions outlined in paragraph (2) below. Allowed "religious items" are limited to those items that the display of which is motivated by the resident's sincere religious belief.
3. Prohibited Items. No religious item(s) displayed may:
 - a. threaten the public health or safety;
 - b. violate a law;
 - c. contain language, graphics, or any display that is patently offensive to a passerby;
 - d. be located anywhere other than the main entry door or main entry door frame of the dwelling;
 - e. extend past the outer edge of the door frame of the door; or
 - f. have a total size (individually or in combination) of greater than 25 square inches.
4. Remedies for Violation of this Section III Per state statute, if a religious item(s) is displayed in violation of this Section III, the Association may remove the offending item without prior notice. This remedy is in addition to any other remedies the Association may have under its other governing documents or State law
5. Seasonal Religious Holiday Decorations This rule will not be interpreted to apply to otherwise-permitted temporary seasonal religious displays such as Christmas lighting or Christmas wreaths. What is considered a Seasonal Religious Holiday Decoration shall be in the sole discretion of the Board. All holiday decorations are governed by Declaration section 3.38, which provides that holiday or seasonal decorations and lighting may only be displayed on a Lot in a reasonable manner, may be placed on a Lot no earlier than 30 days before a holiday for which owners commonly decorate outside the home, and must be removed by 10 days after such holiday.

SECTION IV. RECORD PRODUCTION

1. Effective Date Notwithstanding any language to the contrary and regardless of date of adoption of these rules, the effective date of this Section IV is January 1, 2012

2. Conflict with Other Provisions Per state law, this Section IV controls over any provision in any other Association governing document to the contrary, including Declaration Section 5.4(C), and Bylaws Sections 7.4 and 7.5, to the extent of any conflict.
3. Request for Records The Owner or the Owner's authorized representative requesting Association records must submit a written request by certified mail to the mailing address of the Association or authorized representative as reflected on the most current filed management certificate. The request must contain:
 - a. sufficient detail to describe the books and records requested, and
 - b. an election either to inspect the books and records before obtaining copies or to have the Association forward copies of the requested books and records.
4. Timeline for record production
 - a. If inspection requested If an inspection is requested, the Association will respond within 10 business days by sending written notice by mail, fax, or email of the date(s) and times during normal business hours that the inspection may occur. Any inspection will take place at a mutually-agreed time during normal business hours, and the requesting party must identify any books and records the party desires the Association to copy.
 - b. If copies requested If copies are requested, the Association will produce the copies within 10 business days of the request.
 - c. Extension of timeline If the Association is unable to produce the copies within 10 business days of the request, the Association will send written notice to the Owner of this by mail, fax, or email, and state a date, within 15 business days of the date of the Association's notice, that the copies or inspection will be available.
5. Format The Association may produce documents in hard copy, electronic, or other format of its choosing.
6. Charges Per state law, the Association may charge for time spent compiling and producing all records, and may charge for copy costs if copies are requested. Those charges will be the maximum amount then-allowed by law under the Texas Administrative Code. The Association may require advance payment of actual or estimated costs. As of July, 2011, a summary of the more common permitted charges is as follows:
 - a. Paper copies - 10¢ per page
 - b. CD - \$1 per disc
 - c. DVD - \$3 per disc
 - d. Labor charge for requests of more than 50 pages - \$15 per hour
 - e. Overhead charge for requests of more than 50 pages - 20% of the labor charge
 - f. Labor and overhead may be charged for record requests of fewer than 50 pages if the records are kept in a remote location and must be accessed.
7. Private Information Exempted from Production Per state law, the Association has **no obligation** to provide information of the following types:
 - a. Owner violation history
 - b. Owner personal financial information
 - c. Owner contact information other than the owner's address
 - d. Information relating to an Association employee, including personnel files
8. Existing Records Only The duty to provide documents on request applies only to existing books and records. The Association has no obligation to create a new document, prepare a summary of information, or compile and report data.

SECTION V. RECORD RETENTION

1. Effective Date Notwithstanding any language to the contrary and regardless of the date of adoption of these rules, the effective date of this Section V is January 1, 2012
2. Conflict with Other Provisions Per state law, this Section V controls over any provision in any other Association governing document to the contrary, including Declaration Section 5.4(C), and Bylaws Sections 7.4 and 7.5, to the extent of any conflict
3. Record Retention. The Association will keep the following records for at least the following time periods:
 - a. Contracts with terms of at least one year; 4 years after expiration of contract
 - b. Account records of current Owners; 5 years
 - c. Minutes of Owner meetings and Board meetings; 7 years
 - d. Tax returns and audits; 7 years
 - e. Financial books and records (other than account records of current Owners); 7 years
 - f. Governing documents, including Articles of Incorporation/Certificate of Formation, Bylaws, Declaration, Rules, and all amendments; permanently
4. Other Records Records not listed above may be maintained or discarded in the Association's sole discretion

SECTION VI. PAYMENT PLANS

1. Effective date Notwithstanding any language to the contrary and regardless of date of adoption of these rules, the effective date of this Section VI is January 1, 2012.
2. Eligibility for Payment Plan.

Standard payment plans. An Owner is eligible for a Standard Payment Plan (see Rule (3) below) only if:

- a. The Owner has not defaulted under a prior payment plan with the Association in the prior 24-month period;
- b. The Owner requests a payment plan no later than 30 days after the Association mails certified mail, return receipt requested notice to the Owner under Property Code §209.0064 (notifying the owner of the amount due, providing 30 days for payment, and describing the options for curing the delinquency). It is the Owner's responsibility to confirm that the Association has received the Owner's request for a payment plan within this 30-day period. It is recommended that requests be in writing; and
- c. The Association receives the executed Standard Payment Plan and the first payment within 15 days of the Standard Payment Plan being sent via email, fax, mail, or hand delivered to the Owner.

Other payment plans. An Owner who is not eligible for a Standard Payment Plan may still request that the Association's Board grant the Owner an alternate payment plan. Any such request must be directed to the person or entity currently handling the collection of the debt (i.e., the property manager or Association's attorney). The decision to grant or deny an alternate payment plan, and the terms and conditions for any such plan, will be at the sole discretion of the Association's Board.

3. Standard Payment Plans. The terms and conditions for a Standard Payment Plan are:
 - a. Term Standard Payment Plans are for a term of 6 months
 - b. Payments Payments will be made at least monthly and will be roughly equal in amount or have a larger initial payment (small initial payments with a large balloon payment at

the end of the term are not allowed). Payments must be received by the Association at the designated address by the required dates and may not be rejected, returned or denied by the Owner's bank for any reason (i.e., check returned NSF)

- c. Assessments and other amounts coming due during plan The Owner will keep current on all additional assessments and other charges posted to the Owner's account during the term of the payment plan, which amounts may but need not be included in calculating the payments due under the plan
 - d. Additional charges The Owner is responsible for reasonable charges related to negotiating, preparing and administering the payment plan, and for interest at the highest rate allowed by law from the due date thereof until paid (or if there is no such highest rate then at the rate of eighteen percent (18%) per annum, all of which shall be included in calculating the total amount due under the plan and the amount of the related payments. The Owner will not be charged late fees or other charges related to the delinquency during the time the owner is complying with all terms of a payment plan
 - e. Contact information The Owner will provide relevant contact information and keep same updated.
 - f. Additional conditions The Owner will comply with such additional conditions under the plan as the Board may establish.
 - g. Default The Owner will be in default under the plan if the Owner fails to comply with any requirements of these rules or the payment plan agreement
4. Account Sent to an Attorney/Agent for Formal Collections An Owner does not have the right to a Standard Payment Plan after the 30-day timeframe reference in paragraph 2(b). Once an account is sent to an attorney or agent for collection, the delinquent Owner must communicate with that attorney or agent to arrange for payment of the debt. The decision to grant or deny the Owner an alternate payment plan, and the terms and conditions of any such plan, is solely at the discretion of the Board.
5. Default If the Owner defaults under any payment plan, the Association may proceed with any collection activity authorized under the governing documents or state law without further notice. If the Association elects to provide notice of default, the Owner will be responsible for all fees and costs associated with the drafting and sending of such notice. All late fees and other charges that otherwise would have been posted to the Owner's account may also be assessed to the Owner's account in the event of a default.
- Any payments received during a time an Owner is in default under any payment plan may be applied to out-of-pocket costs (including attorneys fees for administering the plan), administrative and late fees, assessments, and fines (if any), in any order determined by the Association, except that fines will not be given priority over any other amount owed but may be satisfied proportionately (e.g. a \$100 payment may be applied proportionately to all amounts owed, in proportion to the amount owed relative to other amounts owed).
6. Board Discretion To the extent allowed by law, the Association's Board may vary the obligations imposed on Owners under these rules on a case-by-case basis, including curtailing or extending the standard payment term (provided the term is at least 3 and no more than 18 months, per state law), as it may deem appropriate and reasonable. No such action shall be construed as a general abandonment or waiver of these rules, nor vest rights in any other Owner to receive a payment plan at variance with the requirements set forth in these rules

7. Legal Compliance. These payment plan rules are intended to comply with the relevant requirements established under Texas Property Code §209. In case of ambiguity, uncertainty, or conflict, these rules shall be interpreted in a manner consistent with all such legal requirements.

SECTION VII. VOTING

1. Conflict with Other Provisions. Per state law, this Section VII controls over any provision in any other Association governing document to the contrary, including Certificate of Formation Article IX, Bylaws Section 3.6, and Declaration Section 5.3, to the extent of any conflict.
2. Voting Methods. In addition to voting methods allowed by the Association's governing documents, notwithstanding any language in the governing documents to the contrary, per state law, the Board of directors of the Association may in its discretion allow voting rights of owners to be exercised in any one or more of the following manners: in person, by proxy, by absentee ballot, or by electronic ballot.
3. Form of Proxy or Ballot. The Board may dictate the form for all proxies, ballots, or other voting instruments or vehicles. No form other than the form put forth by the Board will be accepted.
4. Absentee and Electronic Ballots. Any absentee ballot must contain notice language as required by state law. Any absentee or electronic ballot will be counted for quorum purposes only for items appearing on the ballot. Any vote cast at a meeting of the Association will supersede any absentee ballot or electronic ballot submitted by the Owner for that proposal. Any vote cast by absentee or electronic ballot will not be counted if the proposal voted on differs from the exact language on the absentee or electronic ballot.

SECTION VIII. NOTICE OF BOARD MEETINGS

1. Effective Date. Notwithstanding any language to the contrary and regardless of date of adoption of these rules, the effective date of this Section VIII is January 1, 2012.
2. Conflict with Other Provisions. Per state law, this Section VIII controls over any provision in any other Association governing document to the contrary, including Bylaws Sections 4.8 and 4.9, to the extent of any conflict.
3. Notice of Board Meetings During the Declarant Control Period. During the Control Period, notice of meetings of the Board as described in this Section VIII (a) and (b) below is required only if a board meeting, as defined herein, is held for the purpose of voting on: adopting or amending any governing documents; increasing the amount of regular assessments or adopting or increasing a special assessments; electing non-developer board members or establishing a process by which they may be elected; or changing the voting rights of association members.

Notice of Board Meetings after the Declarant Control Period. Except as otherwise provided in these rules, all regular and special Board meetings must be open to Owners, and notice of all regular and special Board meetings will be given either:

- a. By mail to all Owners, at least 10 but no more than 60 days in advance of the meeting;
OR
- b. By, at least 72 hours in advance of any meeting:
 - i. either posting notice in a conspicuous place in the common area (or with the Owner's permission, a conspicuous place on a private lot), or on an Association website, *and*
 - ii. emailing notice to all Owners who have registered their email address with the Association in accordance with these rules.

Notice pursuant to this section must contain the date, hour, place, and general subject of the meeting, including a general description of any matter to be brought up in executive session

4. Exception to Notice Requirement. The notice described in (3) above is not required if:
 - a. The Board meets by telephone, email, or in any alternate manner whereby all directors speak their opinion and are heard (or the opinion/discussion can be read via email) by all other directors;
 - b. The Board acts by unanimous written consent on routine or administrative matters; or
 - c. The meeting is necessary to address an urgent or emergency situation that requires immediate action

However, notice must be given per paragraph (3) above for any meeting at which the Board takes formal action (takes a binding vote) regarding: levying a fine; levying a damage assessments; initiation of foreclosure actions; initiation of enforcement actions (except for temporary restraining orders or violations involving a health or safety threat; increases in assessments; levying special assessments; appeals from denials of architectural control approval; or suspending rights of an Owner before the Owner has an opportunity to appeal before the Board.

5. Summary of Actions Taken Without Board Meeting. Board actions taken without notice given under paragraph (3) must be summarized orally at the next Board meeting for which notice under paragraph (3) is given, including a summary of any actual or estimated expenditures approved, and documented in the minutes of the next noticed Board meeting
6. Definition of "Meeting": Work Sessions A meeting or other gathering at which one or more Board members is present is not a Board meeting for purposes of this rule unless formal action (a binding vote) is taken by the Board members at such meeting on behalf of the Association. For example, work sessions of the Board, provided no formal action is taken, do not require notice and need not be open to Owners
7. Executive Session The Board has the right to adjourn a Board meeting and reconvene in a closed executive session for issues involving personnel matters, pending or threatened litigation, contract negotiations, enforcement actions, confidential attorney communications, matters involving the invasion of owners' privacy, or matters that are to remain confidential by request of the affected parties and agreement of the Board. Decisions made in executive sessions must be summarized orally in general terms, including any expenditures approved, and recorded in the minutes

SECTION IX. TRANSFER FEES

1. Transfer Fees In addition to fees for issuance of a resale certificate, fees are due upon the sale of any property in accordance with the then-current fee schedule, including any fee charged by the Association's managing agent

SECTION X. EMAIL ADDRESSES

1. Email Addresses. An Owner is required to keep a current email address on file with the Association if the Owner desires to receive email communications from the Association. Failure to supply an email to the Association or to update the address in a manner required by these rules may result in an Owner not receiving Association emails. The Association has no duty to request an updated address from an Owner, in response to returned email or otherwise. The Association may require Owners to sign up for a group email, email list serve or other such email subscription service in order to receive Association emails

SECTION XI. SOLAR DEVICES

1. Conflict with Other Provisions Per state law, this Section controls over any provision in any other Association governing document to the contrary

During the Declarant Control Period, the following Rule 2 applies:

2. During Declarant Control Period, Prior Approval Required During the Declarant Control Period, the ARC shall have sole discretion to permit, deny, or conditionally approve solar installations

After the Declarant Control Period, the following rules 3-8 apply:

3. After Declarant Control, Prior Approval Required An Owner may install solar energy devices only on property solely owned and solely maintained by the Owner, and only in accordance with the restrictions provided herein. Owners may not install solar energy devices except in accordance with the restrictions provided herein. Prior to installation of any solar energy device, the Owner must submit plans for the device and all appurtenances thereto to the ARC. The plans must provide an as-built rendering, and detail the location, size, materials, and color of all solar devices, and provide calculations of the estimated energy production of the proposed devices
4. Definition In this section, "solar energy device" means a system or series of mechanisms designed primarily to provide heating or cooling or to produce electrical or mechanical power by collecting and transferring solar-generated energy. All solar devices not meeting this definition are prohibited
5. Prohibited Devices Owners may not install solar energy devices that:
- a. threaten the public health or safety;
 - b. violate a law;
 - c. are located on property owned by the Association;
 - d. are located in an area owned in common by the members of the Association;
 - e. are located in an area on the property Owner's property other than:
 - i. on the roof of the home (or of another structure on the Owner's lot allowed under the Association's governing documents); or
 - ii. in a fenced yard or patio owned and maintained by the Owner;
 - f. are installed in a manner that voids material warranties;
 - g. are installed without prior approval by the ARC; or
 - h. substantially interfere with the use and enjoyment of land by causing unreasonable discomfort or annoyance to persons of ordinary sensibilities. *This determination may be made at any time, and the ARC may require removal of any device in violation of this or any other requirement.*
6. Limitations on Roof-Mounted Devices If the device is mounted on the roof of the home, it must:
- a. extend no higher than or beyond the roofline;
 - b. be located only on the back of the home – the side of the roof opposite the street. The ARC may grant a variance in accordance with state law if the alternate location is substantially more efficient¹;
 - c. conform to the slope of the roof, and have all top edges parallel to the roofline;
 - d. not have a frame, a support bracket, or visible piping or wiring that is any color other than silver, bronze, or black tone commonly available in the marketplace.

¹ If an alternate location increases the estimated annual energy production of the device more than 10 percent above the energy production of the device if located on the back of the home, the Association will authorize an alternate location in accordance with these rules and state law. It is the Owner's responsibility to determine and provide sufficient evidence to the ARC of all energy production calculations. All calculations must be performed by an industry professional.

7. Limitations on Devices in a Fenced Yard or Patio If the device is located in a fenced yard or patio, it may not be taller than the fence line
8. Solar shingles Any solar shingles must:
- a. Be designed primarily to:
 - i. be wind and hail resistant;
 - ii. provide heating/cooling efficiencies greater than those provided by customary composite shingles; or
 - iii. provide solar generation capabilities; and
 - b. When installed:
 - i. resemble the shingles used or otherwise authorized for use on property in the subdivision;
 - ii. are more durable than and are of equal or superior quality to the shingles used or otherwise authorized for use on property in the subdivision;
 - iii. match the aesthetics of the property surrounding the Owner's property.

SECTION XII. ENFORCEMENT; GENERAL

1. Suspension of Privileges/Fines. In the event of a violation of the Declaration, Bylaws, or any rules and regulations of the Association, the Board of Directors, acting on behalf of the Association, in addition to any other remedies provided by the Declaration, Bylaws, or rules and regulations and remedies available pursuant to State statute or other law, may

- (1) suspend or condition the right of an Owner and any tenants, occupants, or guests to use of facilities (including all or part of any common areas) owned, operated, or managed by the Association (see Bylaws 4.17(a));
- (2) record a notice of non-compliance encumbering the Lot;
- (3) levy a damage assessment against a Lot for damages caused by Owners' actions in violation of the Declaration, Bylaws, or Rules;
- (4) levy late fees, collection costs and/or deed restriction enforcement costs (including attorneys fees) against a Lot;
- (6) assess a fine against the Lot Owner and Lot for the violation of Owner, his tenants, occupants, or guests in an amount to be determined by the Board of Directors; and
- (7) enter onto an owner's lot without liability for trespassing and cure any violation of the governing documents and charge the costs of cure to the owner and Lot (see Declaration §5 4(E))

The Association must comply with any notice requirements of state law. Owners are responsible for all violations of their occupants, tenants, guests, agents and invitees

Any amounts charged to an Owner under these procedures may be collected in the same manner as regular assessments under the Declaration, including lien and foreclosure rights to the extent permitted by law. The association may foreclose the lien in any manner authorized by the governing documents or state law, and shall expressly have a power of sale and right to appoint a Trustee to carry out such sale

It is the owners' responsibility to notify the association, in writing, when a violation has been cured so as to stop any fines from being assessed. Fines may continue to be assessed until the association receives this notice from the owner.

2. Attorneys Fees The Association may assess reasonable attorneys fees to an Owner's account for nonpayment of amounts due or other violations of the Declaration, Bylaws, or rules

3. Non Waiver. The failure of the Association to enforce any provisions of the Declaration, Bylaws, rules, or procedures shall not constitute a waiver of the right to enforce the same thereafter. All remedies in the Declaration, Bylaws, and rules are cumulative and not exclusive.

4. **Board decision to pursue enforcement action** The decision to pursue enforcement action in any particular case shall be left to the board's discretion, except that the board shall not be arbitrary or capricious in taking enforcement action. For example, the board may determine that, in a particular case, (i) the association's position is not strong enough to justify taking any or further action, or the board does not have sufficient evidence to pursue an enforcement action; (ii) the covenant or rule being enforced is, or is likely to be construed as, inconsistent with applicable law; (iii) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; (v) it is not in the association's best interest, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action; or (vi) the issue is one more appropriately addressed by law enforcement or other governmental body, in which case the board may contact, or advise the complaining party to contact, law enforcement or the appropriate governmental body

APPROVED and ADOPTED the 15 day of December, 2011

LEGENDS VILLAGE HOMEOWNERS ASSOCIATION, INC.,

A Texas nonprofit corporation

Acting by and through its Board of Directors

Adm
NAME: APRIL MERTSCHIN
TITLE: Director

[Notary Block on Following Page]

Acknowledgement

STATE OF TEXAS §

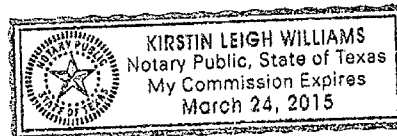
COUNTY OF WILLIAMSON §

This instrument was acknowledged before me on the 21st day of DECEMBER, 2011, by APRIL MERTSCHIN in the capacity stated above

K. Williams
Notary Public, State of Texas

After recording, please return to:

Niemann & Heyer, L.L.P.
Attorneys At Law
Westgate Building, Suite 313
1122 Colorado Street
Austin, Texas 78701





**BYLAWS
OF
LEGENDS VILLAGE HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE 1
NAME, DEFINITIONS AND PURPOSES**

1.1 **Name.** The name of the corporation is **LEGENDS VILLAGE HOMEOWNERS ASSOCIATION, INC.** (hereinafter, the "Association").

1.2 **Definitions.** The Association is formed to exercise all the powers and privileges of the "Association" under that certain Legends Village Master Declaration of Covenants, Conditions and Restrictions, recorded September 22, 2006, under Document No. 2006082523 of the Official Public Records of Williamson County, Texas (said Declaration, as amended from time to time, the "Declaration"). All capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Declaration.

1.3 **Purposes.** Subject to the provisions of Sections 2.002, 2.003, 2.010 and 22.051 of the Texas Business Organizations Code (the "TBOC"), the Association is organized exclusively to act as an agent for each and every Owner in exercising all of the powers and privileges, and performing all of the duties and obligations, of the Association under the Declaration, as set forth in the Declaration and the Association's Certificate of Formation (the "Certificate of Formation"). No part of its activities shall be carrying on propaganda, or otherwise attempting to influence legislation, and the Association shall not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of or in opposition to any candidate for public office.

**ARTICLE 2
OFFICES**

2.1 **Principal Office.** The principal office of the Association shall be located in Travis County, Texas. From time to time, the Board may change the registered office and/or the registered agent of the Association in accordance with the provisions of Section 5.202 of the TBOC.

2.2 **Additional Offices.** The Association may also have offices at such other places both within and without the State of Texas as the Board may from time to time determine or the business of the Association may require.

ARTICLE 3 MEMBERS

3.1 **General.** The Association shall have Members. Each Owner of a Lot, automatically and concurrently with acquiring the Lot, becomes a mandatory Member of the Association, as more fully set forth in the Declaration, the terms of which pertaining to membership are incorporated herein by reference.

3.2 **Place of Member Meetings.** Meetings of Members for any purpose may be held at such time and place within or without the State of Texas as the Board shall designate.

3.3 **Annual Meetings.** An annual meeting of Members shall be held at such time and place as the Board shall determine. At each annual meeting, the Members shall elect a Board and transact such other business as may be properly brought before the meeting.

3.4 **Special Meetings.** Special meetings of the Members for any purpose or purposes may be called in accordance with Section 22.155 of the TBOC. A request for a special meeting shall state the purpose or purposes of the proposed meeting, and business transacted at any special meeting of Members shall be limited to the purposes described in the notice of the meeting.

3.5 **Notice of Meetings.** Subject to the provisions of Sections 6.051 and 22.156 of the TBOC, written notice stating the place (unless the meeting is to be held entirely by remote communication), date and time of the meeting, the means of any remote communication by which Members may be considered present and may vote at the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally, by facsimile or other electronic message, or by mail, by or at the direction of the officers or persons calling the meeting, to each Member entitled to vote at such meeting. If the meeting is to be held solely or in part by conference telephone or other remote communication authorized by Section 6.002 of the TBOC or these Bylaws, the notice must also state the form of communications system to be used for the meeting and the means of accessing such communications system. Subject to the TBOC, the Certificate of Formation and these Bylaws, notice that is mailed is considered to be delivered on the date notice is deposited in the United States mail with postage paid in an envelope addressed to the Member at the Member's address as it appears on the membership records of the Association. If transmitted by facsimile or electronic message, notice is considered to be delivered when the facsimile or electronic message is successfully transmitted.

3.6 **Quorum of Members.** Except as may otherwise be provided by the TBOC, the Certificate of Formation or these Bylaws, Members holding one-tenth (1/10) of the votes entitled to be cast, represented in person or by proxy, shall constitute a quorum at all meetings of the

Members for the transaction of business. If a quorum is not represented at any meeting of the Members, the Members entitled to vote thereat, represented in person or by proxy, may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is represented. At such adjourned meeting, provided a quorum is represented thereat, any business may be transacted that might have been transacted if the meeting had been held in accordance with the original notice thereof.

3.7 Record Date for Determining Members Entitled to Notice and Vote. Subject to the TBOC, the Certificate of Formation and these Bylaws, for the purpose of determining Members entitled to receive notice of or to vote at any meeting of Members, or any adjournment thereof, or in order to make a determination of Members entitled to exercise any rights regarding any other lawful action, the Board may fix in advance a date as the record date for any such determination of Members, which date shall fall not more than sixty (60) days prior to the date of the meeting or action that requires the determination of the Members. In the case of setting a record date for determining the Members entitled to written consent to action without a meeting of the Members, the record date may not be earlier than the date the board adopts the resolution providing for the record date. When a determination of Members entitled to notice of or to vote at any meeting of Members has been made as provided in this Paragraph 3.7, such determination shall be effective for any adjournment of the meeting unless the Board fixes a new date for determining the right to notice or the right to vote. The Board must fix a new date for determining the right to notice or the right to vote if the meeting is adjourned to a date more than ninety (90) days after the record date for determining Members entitled to notice of the original meeting.

3.8 Voting Members' List for Meeting. After setting a record date for the notice of a meeting, the Association shall prepare an alphabetical list of the names of all its voting Members. This list must identify (a) the Members who are entitled to notice and the Members who are not entitled to notice of the meeting, (b) the address of each voting Member, and (c) the number of votes each voting Member is entitled to cast at the meeting.

3.9 Inspection of Voting Member's List. Not later than the second business day after the date notice is given of a meeting for which a list was prepared, as provided by Paragraph 3.8, and continuing through the meeting, the list of voting Members must be available at the Association's principal office or at a reasonable place in the municipality where the meeting will be held, as identified in the notice of meeting, for inspection by Members entitled to vote at the meeting for the purpose of communication with other Members concerning the meeting. A voting Member or voting Member's agent or attorney is entitled on written demand to inspect and, at the Member's expense and subject to Section 22.351 of the TBOC, to copy the list at a reasonable time during the period the list is available for inspection.

3.10 List of Voting Members Available at Meeting. The Association shall make the list of voting Members available at the meeting, and any voting Member or voting Member's

agent or attorney is entitled to inspect the list at any time during the meeting or any adjournment of the meeting.

3.11 **Majority Vote of Members** 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 Members meeting, unless the vote of a greater number is required by law, these Bylaws or by the Certificate of Formation.

3.12 **Voting** Subject to applicable provisions, if any, of the Certificate of Formation or these Bylaws, the right to cast votes and the number of votes which may be cast on all matters to be voted on by the Members shall be calculated in accordance with Article 7, Section 7.3 of the Declaration. All Members may vote in person or, unless the Certificate of Formation or these Bylaws otherwise provide, may vote by proxy executed in writing by the Member or by the Member's 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, and in no event shall it remain irrevocable for more than eleven (11) months. Regardless of whether a proxy states it is irrevocable, all proxies will be revoked automatically and concurrently with a Member's conveyance of the Lot to which membership is appurtenant. The Board may suspend an Owner's right to vote during any period during which the Owner is delinquent in the payment of any Assessment. A Member vote on any matter may be conducted by mail, by facsimile transmission, by electronic message, or by any combination of those methods.

3.13 **Member Action by Written Consent** Any action required or permitted to be taken at a meeting of the Members may be taken without a meeting if a written consent, stating the action to be taken, is signed by (a) all the Members entitled to vote with respect to the subject matter thereof, or (b) Members having at least the minimum number of votes that would be necessary to take that action at a meeting at which all of the Members entitled to vote on the action are present and voting. Any written consent signed by less than all of the Members must state the date of each Member's signature and must be executed, dated, and filed with the Association in the manner required by Section 6.202 or Section 6.203 of the TBOC, as applicable. If such written consent was solicited on behalf of the Association or the Board, the Association shall promptly notify each Member who did not sign the consent of the action that is the subject thereof.

3.14 **Attendance by Telephone or Other Remote Communications Technology** Subject to the provisions of the TBOC and these Bylaws concerning notice of meetings and unless otherwise restricted by the Certificate of Formation or these Bylaws, Members may participate in and hold a meeting of such Members by means of either conference telephone or similar communications equipment, or another suitable electronic communications system, including videoconferencing technology or the Internet, or any combination of those methods, but only if (a) each Member entitled to participate in the meeting consents to the meeting being

held by means of that system, and (b) the system provides access to the meeting in a manner or using a method by which each Member participating in the meeting can communicate concurrently with each other participant. If voting by Members is to take place at the meeting, the Association must implement reasonable measures to verify that every person voting at the meeting by means of remote communications is sufficiently identified and keep a record of any vote or other action taken. If a meeting is held solely or in part by using a conference telephone or other communications system authorized by Section 6.002 of the TBOC or by the Bylaws, the notice of the meeting must identify the forms of communications systems to be used for the meeting and the means of accessing the communications system.

3.15 Participation Constitutes Presence. A Member participating in any meeting is considered present at such meeting, unless the participation is for the express purpose of objecting to the transaction of business at the meeting on the ground that the meeting has not been lawfully called or convened.

ARTICLE 4 BOARD OF DIRECTORS

4.1 General Powers. The affairs of the Association shall be managed by, and the control and disposition of its properties and funds shall be vested in, the Board, which may exercise all powers of the Association and do all such lawful acts and things as are not by law or by the Certificate of Formation or by these Bylaws directed or required to be done by the Members.

4.2 Number and Qualifications. The number of Directors which shall constitute the whole Board shall be three (3). Directors need not be residents of the State of Texas or Members of the Association.

4.3 Increase or Decrease in Directors. Unless the Certificate of Formation provides otherwise, 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. The number of Directors may not be decreased to fewer than three (3).

4.4 Election and Vacancies. At the first annual meeting of the Members, the Members shall elect one Director for a term of three (3) years, one Director for a term of two (2) years and one Director for a term of one (1) year. At each annual meeting of the Members thereafter, upon the expiration of the initial term of office of each respective member of the Board, the Members shall elect a successor Director for a term of three (3) years. Unless removed in accordance with the provisions of Paragraph 4.5 of these Bylaws, each Director shall hold office for the term for which he or she is elected, and until his or her successor shall have been elected, approved, or designated and qualified. Notwithstanding the foregoing, (a) any vacancy occurring in the Board shall be filled by the affirmative vote of a majority of the

remaining Directors though less than a quorum of the Board, and any Director thus elected shall be elected for the unexpired term of his or her predecessor in office, and (b) 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 Members called for that purpose.

4.5 **Removal.** Subject to Section 22.211 of the TBOC, at any meeting of the Members called expressly for that purpose at which a quorum is present, any Director or the entire Board may be removed either with or without cause.

4.6 **Place of Meetings.** Meetings of the Board, regular or special, may be held at any place within the State of Texas.

4.7 **Organizational and First Meetings.** An organizational meeting of the Board named in the Certificate of Formation shall be held, at the call of the organizers or the call of a majority of the Directors named in the Certificate of Formation, for the purpose of adopting bylaws, electing officers, and for such other purposes that may come before the meeting. The persons calling the meeting shall give at least three (3) days' notice thereof by mail to each Director named in the Certificate of Formation, which notice shall state the date and time and place of the meeting. The first meeting of each newly elected Board shall be held at such time and place as shall be fixed by the previous Board, and no notice of such meeting shall be necessary to the newly elected Director(s) in order legally to constitute the meeting, provided a quorum shall be present. If the Board fails to fix the time and place of a first meeting, it shall be held without notice immediately following the annual meeting of Members, and at the same place, unless the time or place is changed by the unanimous consent of the Directors then elected and serving.

4.8 **Regular Meetings.** Regular meetings of the Board may be held upon such notice, or without notice, and at such time and at such place as shall from time to time be determined by the Board.

4.9 **Special Meetings.** Special meetings of the Board may be called by the President and shall be called by the Secretary on the written request of any Director. Notice of each special meeting of the Board shall be given to each Director at least two (2) days before the date of the meeting.

4.10 **Attendance as Waiver of Notice.** Attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director 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. Except as may be otherwise provided by law or by the Certificate of Formation or by these Bylaws, neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting.

4.11 Voting. A Director may vote in person or by proxy executed in writing by the Director. No proxy shall be valid after three (3) months after the date of its execution. Each proxy shall be revocable unless expressly provided therein to be irrevocable, or unless otherwise made irrevocable by law.

4.12 Quorum of Directors; Majority Vote. At all meetings of the Board, the presence in person (but not by proxy) of a majority of the number of Directors set by these Bylaws shall constitute a quorum for the transaction of business, and the act of the majority of the Directors present in person or by proxy at any meeting at which a quorum is present shall be the act of the Board, unless the act of a greater number is required by the Certificate of Formation or these Bylaws. If a quorum is not present at any meeting of Directors, the Directors present in person may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

4.13 Committees. The Board, by resolution adopted by a majority of the Directors in office, may from time to time designate one or more committees, including a Management Committee, which, to the extent provided in such resolution, shall have and exercise the authority of the Board in the management of the Association. Each such committee shall consist of two (2) or more persons, a majority of whom are Directors; the remainder need not be Directors. Any non-Director who becomes a member of any such committee shall have the same responsibility with respect to such committee as a Director who is a member thereof. A majority of all the members of any such committee may determine its action and fix the time and place of its meetings, unless the Board shall otherwise provide. The Board shall have the power at any time to change the number and members of any such committee, to fill vacancies and to discharge any such committee. Other committees not having and exercising the authority of the Board in the management of the Association may be designated and appointed by a resolution adopted by a majority of the Directors at a meeting at which a quorum is present, or by the President thereunto authorized by a like resolution of the Board. Membership on such committees may, but need not be, limited to Directors.

4.14 Director Action by Written Consent. Any action required to be taken at a meeting of Directors, or any action which may be taken at a meeting of the Directors or any committee, may be taken without a meeting if a written consent, stating the action to be taken, is signed by the number of Directors or committee members necessary to take that action at a meeting at which all of the Directors or committee members are present and voting. Any such consent must state the date of each Director's or committee member's signature. Any such written consent signed by less than all of the Directors or committee members shall be executed, dated, and filed with the Association in the manner required by Section 22.220 of the TBOC, and prompt notice of any action so taken must be given to each Director or committee member who did not consent in writing to the action.

4.15 Attendance by Telephone or Other Remote Communications Technology.

Subject to the provisions of the TBOC and these Bylaws concerning notice of meetings and unless otherwise restricted by the Certificate of Formation or these Bylaws, members of the Board, or members of any committee designated by the Board, may participate in and hold a meeting of such Board or committee by means of either conference telephone or similar communications equipment, or another suitable electronic communications system, including videoconferencing technology or the Internet, or any combination of those methods, but only if (a) each person entitled to participate in the meeting consents to the meeting being held by means of that system, and (b) the system provides access to the meeting in a manner or using a method by which each person participating in the meeting can communicate concurrently with each other participant. If voting by Directors or committee members is to take place at the meeting, the Association must implement reasonable measures to verify that every person voting at the meeting by means of remote communications is sufficiently identified and keep a record of any vote or other action taken. If a meeting is held solely or in part by using a conference telephone or other communications system authorized by Section 6.002 of the TBOC or by these Bylaws, the notice of the meeting must identify the forms of communications systems to be used for the meeting and the means of accessing the communications systems.

4.16 Participation Constitutes Presence. A Director or committee member participating in any meeting is considered present at such meeting, unless the participation is for the express purpose of objecting to the transaction of business on the ground that the meeting has not been lawfully called or convened.

4.17 Powers of Board. The Board shall have the powers and duties necessary for the administration of the Association's affairs and in order to exercise all of the powers and privileges, and perform all of the duties and obligations, of the "Association" under the Declaration, including without limitation, maintaining, preserving and providing architectural control for the Property and Common Area, and promoting the health, safety and welfare of the residents of the Property, and in the exercise of these purposes may exercise all powers applicable to nonprofit corporations under the TBOC, including but not limited to, the following actions:

(a) adopt and publish Association rules, including regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend a Member's voting rights and right to use of the Common Area during any period in which that Member shall be in default in the payment of any Assessment levied by the Association, or after notice and hearing, for any period during which an infraction of the Association rules exists;

(c) exercise for the Association all powers, duties and authority vested in or related to the Association and not reserved to the membership by other provisions of the Restrictions;

(d) employ such employees as they deem necessary, and to prescribe their duties;

(e) as more fully provided in the Declaration, to:

(1) fix the amount of the Assessments against each Lot in advance of each annual assessment period and any other assessments provided by the Declaration; and

(2) foreclose the lien against any property for which Assessments are not paid within thirty (30) days after due date, bring an action at law against the Owner personally obligated to pay the same, or enforce by any other legal means the payment of Assessments;

(f) 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 and to levy a reasonable charge for the issuance of these certificates (it being understood that if a certificate states that an Assessment has been paid, such certificate shall be conclusive evidence of such payment); and

(g) perform such other duties, and exercise such other and further powers as provided in the Declaration.

ARTICLE 5 NOTICES

5.1 Notice to Directors or Members. Subject to the TBOC, the Certificate of Formation and these Bylaws, any notice to Directors or Members shall be in writing and shall be either delivered (by personal delivery or by facsimile or other electronic transmission or overnight delivery service) or mailed to the Directors or Members at their respective addresses, fax numbers or electronic mail addresses appearing on the books of the Association. If mailed or sent by overnight delivery service, notice to such addresses shall be deemed to be given when deposited in the United States mail, with postage paid in an envelope addressed to the person at the person's address as it appears on the Association's membership records, or on the day such notice is actually delivered to such address. If transmitted by facsimile or electronic message, notice is deemed delivered when the facsimile or electronic message is successfully transmitted. Subject to the TBOC, the Certificate of Formation and these Bylaws, notice of any meeting must state the date and time of the meeting and, (a) unless the meeting is to be held solely by conference telephone or other communications system authorized by Section 6.002 of the TBOC, the location of the meeting, or (b) if the meeting is to be held solely or in part by using a conference telephone or other remote communications system authorized by Section 6.002 of the TBOC, the form of communications system to be used for the meeting and the means of accessing the communications system.

5.2 **Waiver of Notice.** Whenever any notice is required to be given to a Director or Member under the provisions of the TBOC or under the provisions of the Certificate of Formation or of these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time of the meeting, shall be deemed equivalent to the giving of such notice. If any person entitled to notice of a meeting participates in or attends the meeting, the person's participation or attendance constitutes a waiver of notice of the meeting unless the person participates or attends the meeting solely to object to the transaction of business at the meeting on the ground that the meeting was not lawfully called or convened.

ARTICLE 6 OFFICERS

6.1 **Officers of the Association.** The officers of the Association shall be elected by the Board and shall consist of a President and Secretary. The Board may also elect or appoint a Chairman of the Board, one or more Vice Presidents, a Treasurer and such other officers and assistant officers as it shall deem necessary. All officers shall hold their offices for such terms (not exceeding three (3) years) and shall have such authority and exercise such powers and perform such duties as shall be determined from time to time by the Board by resolutions not inconsistent with these Bylaws. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary. A properly designated committee may perform the functions of any officer and the functions of any two or more officers may be performed by a single committee, including the functions of both President and Secretary.

6.2 **Qualifications.** No officer need be a Member or a Director. The Board shall have the power to enter into contracts for the employment and reasonable compensation of officers for such terms as the Board deems advisable, subject to Paragraph 6.3 below.

6.3 **Compensation; Restrictions on Loans and Dividends.** The Association may pay compensation in a reasonable amount to its Members, Directors, officers and other agents for services rendered, but only as permitted by the TBOC and these Bylaws. The salaries and other compensation of all officers and agents of the Association shall be fixed by the Board. Any compensation paid to any officer of the Association in the form of salary, commission, bonus or otherwise that is determined in whole or in part to be unreasonable by the Internal Revenue Service shall be reimbursed by such officer to the Association, and each officer, by virtue of becoming an officer, agrees to execute and deliver to the Association any and all documents reasonably requested by the Association in order to provide for such reimbursement. No dividend shall be paid and no part of the income of the Association shall be distributed to its Members, Directors or officers. No loan shall be made by the Association to its Directors, officers, or employees.

6.4 **Term of Office and Removal.** Unless otherwise specified by the Board, the term of office for all officers shall be for one (1) year, commencing with the date of the annual Directors' meeting; provided that no such term of office shall exceed three (3) years and provided further that the officers of the Association shall hold office until their successors are elected or appointed and qualify, or until their death or until their resignation or removal from office. Any officer elected or appointed may be removed by the persons authorized to elect or appoint such officer whenever in their judgment the best interests of the Association will be served thereby, but 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. Any vacancy occurring in any office of the Association by death, resignation, removal or otherwise shall be filled by the Board.

6.5 **Chairman of the Board.** The Chairman of the Board, if one is elected, shall preside at all meetings of the Board and shall have such other powers and duties as may from time to time be prescribed by the Board, upon written directions given him pursuant to resolutions duly adopted by the Board.

6.6 **President.** The President shall be the Chief Executive Officer of the Association, shall have general and active management of the business of the Association and shall see that all orders and resolutions of the Board are carried into effect. The President shall preside at all meetings of the Members and, in the absence of the Chairman of the Board, at all meetings of the Board.

6.7 **Vice President.** The Vice Presidents in the order of their seniority, unless otherwise determined by the Board, 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 may from time to time prescribe or as the President may from time to time delegate.

6.8 **Secretary.** The Secretary shall attend all meetings of the Board of which, ex officio, he or she shall be the Secretary, and all meetings of Members, and record all of the proceedings of the meetings of the Board and of the Members in a minute book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the Members, special meetings of the Board, and (if notice is required) regular meetings of the Board, and shall perform such other duties as may be prescribed by the Board or the President under whose supervision the Secretary shall be. The Secretary shall keep in safe custody the seal of the Association (if any) and, when authorized by the Board, shall affix the same (or state that the Association has none) to any instrument requiring it and, when so affixed (or so stated), it shall be attested by his or her signature or by the signature of an Assistant Secretary or of the Treasurer, if any.

6.9 Assistant Secretaries. The Assistant Secretaries, if any, in the order of their seniority, unless otherwise determined by the Board, shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary. They shall perform such other duties and have such other powers as the Board may from time to time delegate.

6.10 Treasurer The Treasurer, if any, shall have custody of the corporate funds and securities and shall keep full and accurate accounts and records of receipts, disbursements and other transactions in the records of the Association, and shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board. The Treasurer shall disburse the funds of the Association as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render the President and the Board, at its regular meetings, or when the President or Board so requires, an account of all his or her transactions as Treasurer and of the financial condition of the Association.

6.11 Bond. If required by the Board of Directors, the Treasurer shall give the Association a bond of such type, character and amount as the Board may require.

ARTICLE 7 GENERAL PROVISIONS

7.1 Checks. All checks or demands for money and notes of the Association shall be signed by such officer or officers or such other person or persons as the Board may from time to time designate.

7.2 Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise fixed by resolution of the Board.

7.3 Seal The Association shall have no seal

7.4 Books and Records. The Association shall keep correct and complete books and records of account, and shall keep minutes of the proceedings of its Members and Board and committees having any authority of the Board, and shall keep at its registered office or principal place of business in Texas a record of the names and addresses of its Members entitled to vote. A Member of the Association, on written demand stating the purpose of the demand, has the right to examine and copy at the Member's expense, in person or by agent, accountant, or attorney, at any reasonable time, for any proper purpose, the books and records of the Association relevant to that purpose.

7.5 Financial Records and Annual Reports. The Association shall maintain such financial records, and shall prepare such reports of financial activity, as may be required by

Section 22.352 of the TBOC. The Association's financial information shall be made available for public inspection in accordance with Section 22.353 of the TBOC.

7.6. Conveyance of Land. The Association may convey land by deed, with or without the seal of the Association, signed by an officer or attorney-in-fact of the Association when authorized by appropriate resolution of the Board or Members.

ARTICLE 8 AMENDMENTS

8.1 Amendment to Bylaws. The Board may amend or repeal the Association's Bylaws, or adopt new Bylaws, unless the TBOC reserves the power exclusively to the Members in whole or in part.

ARTICLE 9 INDEMNIFICATION

9.1 Power to Indemnify and to Purchase Indemnity Insurance. To the maximum extent permitted by Chapter 8, Subchapter C of the TBOC, the Association shall indemnify any person who is or was a Director or officer of the Association against any and all judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses actually incurred by such person in connection with a proceeding (as defined in Section 8.001(8) of the TBOC) because of that person's service or status as a Director or officer. Further, the Association shall pay or reimburse reasonable expenses incurred by a present governing Director or officer who was, is or is threatened to be made a party in a proceeding, in advance of the final disposition of the proceeding, to the maximum extent permitted by Section 8.104 of the TBOC; provided, however, that payment or reimbursement of expenses pursuant to the procedures set out in Section 8.104 of the TBOC may be conditioned upon a showing, satisfactory to the Board in its sole discretion, of the financial ability of the officer or Director in question to make the repayment referred to in such Section. Further, the Association may indemnify, and may reimburse or advance expenses to or purchase and maintain insurance or any other arrangement on behalf of, any person who is or was a Director, officer, employee or agent of the Association, or who is or was serving at the request of the Association as a director, officer, partner, venturer, proprietor, employee, agent or similar functionary of another association, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, in connection with any liability asserted against such person because of such service or status, to such further extent, consistent with Chapter 8, Subchapter C of the TBOC and other applicable law, as the Board may from time to time determine. The provisions of this Paragraph 9.1 shall not be deemed exclusive of any other rights to which any such person may be entitled under any bylaw, agreement, insurance policy, or otherwise. No amendment, modification or repeal of this Paragraph 9.1 shall in any manner terminate, reduce or impair the right of any person to be indemnified by the Association in accordance with the provisions of this Paragraph

9.1 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.



FILED
In the Office of the
Secretary of State of Texas

MAY 30 2007

**CERTIFICATE OF FORMATION
OF**

Corporations Section

LEGENDS VILLAGE HOMEOWNERS ASSOCIATION, INC.

The undersigned natural person of the age of eighteen (18) years or more, acting as sole organizer of a domestic non-profit corporation under the Texas Business Organizations Code, does hereby adopt the following Certificate of Formation for such corporation:

ARTICLE I.

The name of the corporation is Legends Village Homeowners Association, Inc., a Texas nonprofit corporation (the "Association").

ARTICLE II.

The Association is a domestic nonprofit corporation.

ARTICLE III.

The Association is organized in accordance with, and shall operate for nonprofit purposes pursuant to, the Texas Business Organizations Code, and does not contemplate pecuniary gain or profit to its members. The Association is formed for the sole purpose of exercising all of the power and privileges, and performing all of the duties and obligations, of the "Association", as defined and set forth in that certain Legends Village Master Declaration of Covenants, Conditions and Restrictions, recorded September 22, 2006, under Document No. 2006082523 of the Official Public Records of Williamson County, Texas (said Declaration, as amended from time to time, the "Declaration"). Without limiting the generality of the preceding sentence, the Association is organized to maintain, preserve and provide architectural control for the Property and Common Areas (as such terms may be defined in the Declaration from time to time), and to

promote the health, safety and welfare of the residents of the Property, and in the exercise of these purposes:

(a) to fix, levy, collect and enforce payment of, by any lawful means, all charges or assessments arising pursuant to the terms of the Declaration;

(b) to pay all expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the Association's property; and

(c) to have and to exercise any and all powers, rights and privileges which a nonprofit corporation organized under the Texas Business Organizations Code may now or hereafter have or exercise, subject to any limits set forth in the Declaration

The above statement of purposes shall be construed as a statement of both purposes and powers. The purposes and power stated in each of the above clauses shall not be limited or restricted by reference to, or inference from, the terms and provisions of any other such clause, but shall be broadly construed as independent purposes and powers.

No part of the Association's property, whether income or principal, shall inure to the benefit of, or be distributable to, its members, directors, officers or employees, or any person having a personal or private interest in the activities of the Association, nor shall any of said persons receive or be entitled to receive any payment from the Association except reasonable compensation for personal services actually rendered in carrying out the Association's purposes. Nothing contained in this Certificate authorizes the Association to carry on any activity for the profit of its members.

ARTICLE IV.

The street address of the initial registered office of the Association is c/o Watson-Beverly, Inc d/b/a Certified Management of Austin, 2127 West Parmer Lane, Austin, Texas 78727. The name of its initial registered agent at such address is Resa Watson.

ARTICLE V.

The direction and management of the affairs of the Association and the control and disposition of its properties and funds shall be vested in a Board of Directors composed of such number of persons as the bylaws may fix, provided that the number of directors shall not be fewer than three (3). The original number of directors shall be three (3). The directors shall continue to serve until their successors are selected in the manner provided in the bylaws of the Association. The names and addresses of the persons who shall serve as directors of the Association until their successors are duly elected and qualified are as follows:

<u>Name</u>	<u>Address</u>
Blake J Magee	1011 Lamar Blvd. Austin, Texas 78703
Jay A Hanna	1011 Lamar Blvd. Austin, Texas 78703
Leanna Einhaus	1011 Lamar Blvd. Austin, Texas 78703

ARTICLE VI.

The initial bylaws of the Association shall be adopted by its Board of Directors. The power to alter, amend or repeal the bylaws or to adopt new bylaws shall be vested in the Board of Directors.

ARTICLE VII.

Upon the dissolution of the Association, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Association, dispose of all of the Association's assets exclusively for the purposes of the Association in such manner as the Board of Directors shall determine, and the laws of the State of Texas may permit, notwithstanding any provision to the contrary which may be contained in Section 22.304 of the Texas Business Organizations Code.

ARTICLE VIII.

Membership in the Association shall be dependent upon ownership of a qualifying property interest as defined and set forth in the Declaration. Any person or entity acquiring such a qualifying property interest shall automatically become a member of the Association, and such membership shall be appurtenant to, and shall run with, the property interest. The foregoing shall not be deemed or construed to include persons or entities holding an interest merely as security for performance of an obligation. Membership may not be severed from or in any way transferred, pledged, mortgaged, or alienated except together with the title to the qualifying property interest, and then only to the transferee of title to said property interest. Any attempt to make a prohibited severance, transfer, pledge, mortgage, or alienation shall be void.

ARTICLE IX.

Voting rights of the members of the Association shall be determined as set forth in the Declaration. No owner, other than the Declarant under the Declaration, shall be entitled to vote at any meeting of the Association until such owner has presented to the Association evidence of ownership of a qualifying property interest. The vote of each owner may be cast by such owner or by proxy given to such owner's duly authorized representative

ARTICLE X.

No director of the Association shall be personally liable to the Association or its members for monetary damages for an act or omission in the director's capacity as director, except that this Article does not eliminate or limit the liability of a director to the extent the director is found liable for:

- 1 a breach of the director's duty of loyalty to the Association or its members;
- 2 an act or omission not in good faith that constitutes a breach of duty of the director to the Association or its members;
- 3 an act or omission not in good faith that involves intentional misconduct or a knowing violation of the law;
- 4 a transaction from which the director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's duties; or
- 5 an act or omission for which the liability of the director is expressly provided by an applicable statute

If the Texas Business Organizations Code is amended to authorize corporation action further eliminating or limiting the personal liability of directors, then the liability of a director of the Association shall be eliminated or limited to the fullest extent permitted by the Texas Business Organizations Code, as amended.

Any repeal or modification of this Article by the members of the Association shall not adversely affect any right or protection of a director of the Association existing at the time of such repeal or modification. Any repeal or modification of those provisions in the Texas Business Organizations Code that concern the limitation of director liability shall not be construed to affect adversely any right or protection of a director of the Association existing at the time of such repeal or modification unless such adverse construction is required by law.

ARTICLE XI.

Any action required by law to be taken at a meeting of the members or directors of the Association, or any action which may be taken at a meeting of the members, directors or of any committee, may be taken without a meeting if a written consent, stating the action to be taken, is signed by the number of members, directors or committee members necessary to take that action at a meeting at which all of the members, directors, or committee members entitled to vote on the action are present and voting.

ARTICLE XII.

The name and street address of the sole organizer is:

<u>Name</u>	<u>Address</u>
Ann E. Vanderburg	814 West 10 th Street Austin, Travis County, Texas 78701

EXECUTED BY THE UNDERSIGNED ORGANIZER on this 21st day of May, 2007.


ANNE E. VANDERBURG

After recording, please return to:

Niemann & Heyer, L L P
Attorneys At Law
Westgate Building, Suite 313
1122 Colorado Street
Austin, Texas 78701

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