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**BYLAWS  
OF  
BOZMAN FARM ESTATES  
MASTER ASSOCIATION, INC.**

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**BYLAWS  
OF  
BOZMAN FARM ESTATES MASTER ASSOCIATION, INC.,**

These Bylaws of Bozman Farm Estates Master Association, Inc. ("Bylaws") govern the affairs of Bozman Farm Estates Master Association, Inc. (the "Association"), a non-profit corporation organized under the Texas Non-Profit Corporation Act.

**ARTICLE ONE  
OFFICES**

**Section 1.01 Principal Office.** The principal office of the Association shall be located at 5001 LBJ Freeway, Suite 830, Dallas, Texas 75244. The Association may have such other offices either within or without the State of Texas as the Board of Directors may determine or as the affairs of the Association may require from time to time. Meetings of Members and directors may be held at such places within or without the State of Texas as may be designated by the Board of Directors.

**Section 1.02 Registered Office and Registered Agent.** The Association shall have and continuously maintain in the State of Texas a registered office and a registered agent. The registered office may be, but need not be, the same as the principal office of the Association. The registered office or the registered agent, or both, may be changed from time to time by the Board of Directors.

**ARTICLE TWO  
PURPOSE AND PARTIES**

**Section 2.01 Purpose.** The purpose for which the Association is formed to govern that certain real property situated in the City of Wylie, Collin County, State of Texas, described in that certain Master Declaration of Covenants, Conditions and Restrictions of Bozman Farm Estates, a subdivision in Collin County, Texas (as the same may hereafter be amended, the "Master Declaration"), recorded in the Real Property Records of Collin County, Texas, which property, together with any other property hereafter made subject to the terms of the Master Declaration in accordance with the terms thereof, is referred to in the Master Declaration and herein as the "Property".

**Section 2.02. Parties.** All present or future Owners, tenants or future tenants of any Lot, or any other person who might use in any manner the facilities of the Property are subject to the Master Declaration, these Bylaws and any Rules of the Association that may be adopted from time to time. The mere acquisition, lease or rental of any Lot, or the mere act of occupancy of a Lot, by any person or entity will signify that the Master Declaration, these Bylaws and Rules are accepted, approved, ratified, and will be complied with by that person or entity.

**ARTICLE THREE  
DEFINITIONS**

The definitions contained in the Master Declaration, as amended, are incorporated herein by reference.

**ARTICLE FOUR  
MEMBERSHIP AND VOTING RIGHTS**

**Section 4.01 Membership.** Each and every Owner shall automatically be a Member of the Association without the necessity of any further action on the part of such Owner, subject to the terms of the Master Declaration, the Articles of Incorporation, these Bylaws, and the Rules from time to time promulgated by the Association. Membership in the Association ("Membership") shall be appurtenant to and may not be separated from the interest of the Owner in and to any portion of the Property. Ownership of any portion of the Property shall be the sole qualification for being a Member; provided, however, that a Member's voting rights, as herein described, or privileges in the Common Area, or both, may be regulated or suspended as provided in the Master Declaration, these Bylaws, and/or the Rules. No person or entity shall be a Member by reason of ownership of any easement, right-of-way, or mineral interest. In addition, any person or entity that holds an interest in and to all or any part of the Property merely as security for the performance of an obligation shall not be a Member.

**Section 4.02 Transfer.** Membership may not be severed from ownership of any portion of the Property nor may Membership in any way be transferred, pledged, mortgaged or alienated except upon the sale or assignment of the Owner's interest in all or any part of the Property and then only to the purchaser or assignee as the new Owner thereof. Membership shall not be severed by the encumbrance by an Owner of all or any part of the Property. Any attempt to make a prohibited severance, transfer, pledge, mortgage or alienation shall be void and of no further force or effect, and will be so reflected upon the books and records of the Association. Any transfer of the fee title to a Lot, or to a tract or parcel of real estate out of or a part of the Property, shall automatically operate to transfer Membership to the new Owner thereof. If an Owner fails or refuses to transfer the Membership registered in such Owner's name to the transferee, the Association shall have the right to record the transfer upon its books and records.

**Section 4.03 Classes of Voting Membership and Voting Rights.** The Association shall have two (2) classes of Membership as described below, each Class of Membership having voting powers as described below:

**A. Class A Members.** Class A Members shall be all Members with the exception of the Declarant. Each Class A Member shall be entitled to one vote for each Lot owned by that Class A Member as of the date of notice of a meeting at which votes of Members are to be cast. When two or more persons or entities hold undivided interests in any Lot, all those persons shall be Class A Members; provided, however, that the vote for that Lot shall be exercised as all of those Class A Members, among themselves, shall determine, and in no event shall more than one vote be cast with respect to each Lot owned by those Class A Members.

**B. Class B Member.** The Class B Member shall be the Declarant. The Class B Member shall be entitled to one hundred (100) votes for each Lot owned by it and two hundred (200) votes for each acre of unplatted land within the property owned or controlled by it.

**Section 4.04 Multiple Owner Votes.** Where there are multiple Owners of a Lot it is not intended by any provision of the Master Declaration or these Bylaws that each of the Owners shall be entitled to cast the votes allocated to the Lot nor may fractional votes be cast. For example, where three

persons own a Lot, they shall jointly be entitled to vote the one vote allocated to the Lot and shall not be entitled to cast a full vote each. When more than one person or entity owns the interest or interests in and to any Lot, as required for Membership in the Association, every person or entity shall be a Class A Member, and the vote for the Lot shall be exercised as they, among themselves, collectively determine and they shall designate one person to cast the vote or execute a written consent, as applicable. The Owners of the Lot will notify the Association, in writing, of the person so designated. Such notice will not be valid unless signed by all Owners of the Lot. The Association shall not be required to recognize the vote or written assent of any multiple Owners except the vote or written assent of the Owner designated in writing executed by all of the multiple Owners and delivered to the Association.

If multiple Owners are unable to agree among themselves as to how the one vote per Lot shall be cast, the Owners shall forfeit the right to vote on the matter in question. If more than one person or entity purports to exercise the voting rights with respect to any Lot on any matter in question, none of the votes shall be counted in tabulating the vote on that matter and the votes shall be deemed void.

**Section 4.05 Suspension of Voting Rights.** The voting rights of any Member may be suspended by the Board for any period during which any Assessment levied by the Association remains past due, unless the Member is in good faith contesting the validity or amount of the Assessment. The voting rights of any Member may also be suspended by the Board for a period not to exceed sixty (60) days for an infraction of the Rules set forth in the Master Declaration.

**Section 4.06 Quorum, Notice and Voting Requirements.**

A. **Quorum.** The presence at the initial meeting of Members entitled to cast, or of proxies entitled to cast, twenty percent (20%) of the votes of all Owners, regardless of class, shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Master Declaration or these Bylaws. If the required quorum is not present or represented at the meeting, one additional meeting may be called, subject to the notice requirements set forth below, and the required quorum at such second meeting shall be one-half (1/2) of the required quorum at the preceding meeting; provided, however, that no second meeting shall be held more than thirty (30) days following the first meeting.

B. **Notice.** Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of the notice, postage prepaid, at least ten (10) but not more than sixty (60) days before the meeting to each Member, addressed to the Member's address last appearing on the books of the Association, or supplied by the Member to the Association for the purpose of notice. The notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

C. **Majority Vote.** Any action taken at a duly called meeting of the Members at which a quorum is present shall require the assent of the majority of all of the votes of those who are voting in person or by proxy, regardless of class.

**Section 4.07 Annual Meetings.** The first annual meeting of the Members shall be held within one (1) year after the date of incorporation of the Association. Thereafter, the annual meeting shall be set by the Board so as to occur not later than ninety (90) days after the close of the Association's

prior fiscal year. The time and place of all annual meetings shall be determined by the Board. The Board shall give written notice of the place of holding of the meeting to all Members.

**Section 4.08 Special Meetings.** Special meetings of the Members may be called at any time by the Declarant, by the President, by the Board, or upon the written request for a special meeting from Members who are entitled to vote at least ten percent (10%) of the outstanding votes of the Members, regardless of class.

**Section 4.09 Proxies.** At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary before the appointed time of each meeting. Proxies shall be revocable and shall automatically cease upon conveyance by the Member of that Member's Lot, or upon receipt by the Secretary of the Association of notice of the death or judicially declared incompetence of the Member. Unless otherwise provided in the proxy, no proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided therein, except that the maximum term of any proxy shall be three (3) years from the date of execution.

**Section 4.10 Conduct of Meetings.** At every meeting of Members, the President of the Association (or in his absence, the Vice President) shall act as Chairman. The Secretary of the Association (or in his absence, any person appointed by the President) shall act as Secretary at all meetings of the Members.

**Section 4.11 Action By Written Consent.** Any action which may be taken by the Members at a regular or special meeting may be taken without a meeting if done in compliance with relevant provisions of the Texas Business Corporation Act, the Texas Non-Profit Corporation Act, the Texas Miscellaneous Corporation Laws Act, and these Bylaws. Without limiting the generality of the foregoing, any action required by the Texas Non-Profit Corporation Act to be taken at a meeting of the Members or any action that may be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of Members as would be necessary to take that action at a meeting at which all of the Members were present and voted. Each written consent shall comply with the requirements of Article 1396-9.10 of the Texas Non-Profit Corporation Act, as amended. Prompt notice of the taking of any action by the Members without a meeting by less than unanimous written consent shall be given to all Members who did not consent in writing to the action.

## ARTICLE FIVE

### BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

**Section 5.01 Number.** The affairs of the Association shall be managed by a Board of not less than three (3) directors (the "Board"). Except as provided in Section 5.02, the directors shall be elected by the Members. Directors do not have to be Members of the Association. The number of directors may be changed by amendment of these Bylaws. The members of the initial Board or their successors, shall serve until the first annual meeting of the Members.

**Section 5.02 Term of Office.** The directors shall be selected by the Declarant each year so long as the Declarant owns land within the Property. After the Declarant no longer owns land within the Property, the Members, voting regardless of class, shall elect two (2) directors for a term of one (1) year each and one (1) director for a term of two (2) years. At each annual meeting thereafter the Members, voting regardless of class, shall elect to replace those directors whose terms have expired.

With the exception of the directors selected by the Declarant and the two directors elected at the first meeting to serve for a term of one year, all directors shall serve for a term of two (2) years.

**Section 5.03 Removal.** The entire Board may be removed from office, with or without cause, by a vote of Members holding a majority of the votes, regardless of class. Any individual director may be removed from the Board, with or without cause, prior to the expiration of such director's term of office by a vote of Members holding a majority of the votes, regardless of class.

**Section 5.04 Vacancies.** So long as the Declarant owns land within the Property, any vacancy occurring on the Board shall be filled by the Declarant. After the Declarant no longer owns land within the Property, any vacancies on the Board shall be filled subject to the following provisions:

A. **Vacancies by Death or Resignation.** In the event of the death or resignation of a director, a successor director shall be selected by a majority of the remaining members of the Board and shall serve for the unexpired term of the deceased or resigning director.

B. **Vacancies by Removal.** Vacancies created by the removal of a director shall be filled only by a vote of Members holding a majority of the votes. The new director shall serve for the unexpired term of the removed director.

C. **Vacancies by Increase in Directorships.** Any vacancy 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.

**Section 5.05 Indemnification of Officers and Directors.** The Association shall indemnify directors, officers, employees and agents of the Association to the extent required and permitted by the Texas Non-Profit Corporation Act, as amended from time to time. The Association may purchase and maintain insurance on behalf of any director or officer or may enter into other arrangements, such as creating a trust fund, establishing a form of self-insurance, or establishing a letter of credit, guaranty or surety arrangement, in connection with indemnification of directors and officers; provided, however, that in no event shall the grant of a security interest or other lien on the assets of the Association ever be given to secure an indemnity obligation under this Section 5.05.

**Section 5.06 Compensation and Loans.** No director shall receive compensation for any service the director may render to the Association. However, directors shall be reimbursed for actual expenses incurred in the performance of their duties of office. No loans may be made by the Association to any officer or director of the Association.

## ARTICLE SIX NOMINATION AND ELECTION OF DIRECTORS

**Section 6.01 Nominations.** Nominations for election to the Board shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board, and two or more Members. The Nominating Committee shall be appointed by the Board not less than thirty (30) days prior to each annual meeting of the Members, to serve from the close of that annual meeting until the close of the next annual meeting and the appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board as it in its discretion shall determine, but not less than the number of vacancies that are to be filled.



Nominations must be made from Owners or, where an Owner is not an individual person, an officer, director, shareholder, partner or representative of an Owner.

**Section 6.02 Election of Board.** The Board of Directors shall be selected by the Declarant each year so long as the Declarant owns any land within the Property. Thereafter, directors shall be elected by Members at the annual meeting. At the elections the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Master Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

## ARTICLE SEVEN MEETINGS OF DIRECTORS

**Section 7.01 Regular Meetings.** Regular meetings of the Board shall be held at the times and at the places within or without the State of Texas that may be fixed from time to time by resolution of the Board. If the meeting date falls upon a Saturday, Sunday or legal holiday, then that meeting shall be held at the same time on the next day which is of a Saturday, Sunday or legal holiday. Notice of the agenda and place of meeting shall be delivered either personally, by mail, by telephone, telegraph or facsimile communication equipment to the Board members not less than four (4) days prior to the meeting. However, notice of a meeting need not be given to Board members who have signed a waiver of notice or a written consent to the holding of the meeting. Attendance in person at a 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, shall constitute waiver of notice and the director's consent to the holding of the meeting. Participation by a director in a regular meeting by telephone or similar communication equipment shall constitute waiver of notice and attendance in person at that meeting.

**Section 7.02 Special Meetings.** Special meetings of the Board shall be held when called by written notice signed by the President or by any two (2) directors other than the President. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be sent to all directors by mail not less than three (3) days prior to the scheduled time of the meeting, provided that notice of the meeting need not be given to Board members who have signed a waiver of notice or a written consent to the holding of the meeting. An officer of the Association shall make reasonable efforts to notify all directors of the meeting by telephone. Attendance in person at a 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, shall constitute waiver of notice and the director's consent to the holding of the meeting. Participation by a director in a special meeting by telephone or similar communication equipment shall constitute waiver of notice and attendance in person at that meeting.

**Section 7.03 Quorum.** A majority of the total number of directors constituting the Board shall constitute a quorum for the transaction of business. Every act performed or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

**Section 7.04 Open Meetings.** All meetings of the Board shall be open to all Members, but Members other than directors may not participate in any discussion or deliberation unless expressly so authorized by a majority of a quorum of the Board.

**Section 7.05 Executive Session.** The Board may, with approval of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, disciplinary matters, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

**Section 7.06 Action by Written Consent.** Any action which may be taken by the directors at a regular or special meeting may be taken without a meeting if done in compliance with relevant provisions of the Texas Business Corporation Act, the Texas Non-Profit Corporation Act, the Texas Miscellaneous Corporation Laws Act, and these Bylaws. Without limiting the generality of the foregoing, any action required by the Texas Non-Profit Corporation Act to be taken at a meeting of the Directors or any action that may be taken at a meeting of the Directors or of any committee may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of Directors or committee members as would be necessary to take that action at a meeting at which all of the Directors or members of the committee were present and voted. Each written consent shall comply with the requirements of Article 1396-9.10 of the Texas Non-Profit Corporation Act, as amended. Prompt notice of the taking of any action by the Directors or any committee without a meeting by less than unanimous written consent shall be given to all Directors or committee members who did not consent in writing to the action. Any action so approved shall have the same effect as though taken at a meeting of the Board or the committee. The Board or any committee may hold duly called meetings between directors or committee members by conference, telephone or other similar communications equipment by means of which all participants in the meeting can hear each other.

## ARTICLE EIGHT POWERS AND DUTIES OF THE BOARD OF DIRECTORS

**Section 8.01 General.** The affairs of the Association shall be conducted by the Board. The Board shall have the powers and duties that are necessary for the performance and administration of the purposes of the Association as set forth in the Articles.

**Section 8.02 Powers and Duties.** In addition to the powers and duties enumerated in the Master Declaration or elsewhere in these Bylaws, and without limiting the generality thereof, the Board, for the mutual benefit of the Members, shall have the following powers and/or duties:

A. **Enforcement.** If, as and when the Board, in its sole discretion, deems necessary it may take any action to enforce the terms and provisions of the Master Declaration, the Articles of Incorporation and these Bylaws by appropriate means and carry out the obligations of the Association thereunder, including without limitation, the expenditure of funds of the Association, the employment of legal counsel and accounting services, the commencement of legal proceedings (including without limitation, litigation that may be necessary to collect Assessments, Fines and foreclose liens for which provisions are made in the Master Declaration), the promulgation and enforcement of the Rules which may include the establishment of a system of fines and/or penalties enforceable as special individual assessments as provided in the Master Declaration, and to enjoin and/or seek legal damages from any Owner for violation of those provisions or Rules;

B. **Taxes.** To execute all declarations of ownership for tax assessment purposes and to

pay any and all real and personal property taxes and other charges or assessments assessed against the Common Area, if any, unless the taxes, charges or assessments are separately assessed to all or any of the Owners, in which event they shall be paid by those Owners;

C. **Borrow Money.** To borrow funds to pay costs of operation secured by assignment or pledge of its rights against delinquent Owners to the extent deemed advisable by the Board;

D. **Establish Reserves.** To establish and maintain a working capital and/or contingency fund in an amount to be determined by the Board;

E. **Establish Rules.** To make reasonable Rules for the operation and use of the Common Area and to amend the Rules from time to time;

F. **Delegate and Employ.** To delegate its powers and duties to committees, officers or employees as provided in these Bylaws, employ a manager or other persons and contract with independent contractors or managing agents who have professional experience to perform all or any part of the duties and responsibilities of the Association; and

G. **Incidental Powers.** To have all powers necessary or incidental to the operation and management of the Association and the Common Area.

## ARTICLE NINE OFFICERS

**Section 9.01 Enumeration of Officers.** The officers of the Association shall consist of a President, one or more Vice-Presidents (the number to be determined by the Board), a Secretary, a Treasurer and any other officers that may be elected in accordance with the provisions of this Article.

**Section 9.02 Multiple Offices.** Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

**Section 9.03 Election of Officers.** At its organizational meeting following the incorporation of the Association, the directors shall elect officers. Thereafter, the election of officers shall take place at the first meeting of the Board following each annual meeting of the Members. New offices may be created and filled at any meeting of the Board.

**Section 9.04 Term.** The officers shall be elected annually by the Board and each shall hold office for one (1) year unless an officer shall sooner resign, be removed, or otherwise become disqualified to serve.

**Section 9.05 Special Appointments.** The Board may elect other officers or appoint other agents that the affairs of the Association may require, each of whom shall hold office for the period, have the authority, and perform the duties that the Board may, from time to time, determine.

**Section 9.06 Resignation and Removal.** Any officer may be removed from office by the Board with or without cause. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Any resignation shall take effect on the date of receipt of the notice or at

any later time specified therein, and unless otherwise specified therein, the acceptance of the resignation shall not be necessary to make it effective.

**Section 9.07 Vacancies.** A vacancy in any office may be filled by appointment by the Board. The officer appointed to fill the vacancy shall serve for the remainder of the term of the replaced officer.

**Section 9.08 Duties.** The duties of the officers are as follows:

**A. President.** The President shall be the chief executive officer of the Association and shall, in general, supervise and control all of the business and affairs of the Association. The President shall (i) preside at all meetings of the Board; (ii) see that orders and resolutions of the Board are carried out; and (iii) perform any other duties that may be required by the Board.

**B. Vice President.** The Vice President, if one is elected by the Board, shall (i) act in the place and stead of the President in the event of the President's absence, inability or refusal to act, and (ii) exercise and discharge any other duties that may be required by the President or the Board.

**C. Secretary.** The Secretary shall (i) record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; (ii) if required, keep the corporate seal of the Association and affix it on all papers requiring said seal; (iii) serve notice of meetings of the Board and of the Members; (iv) keep appropriate current records showing the Members of the Association together with their addresses; and (v) perform any other duties that may be required by the Board.

**D. Treasurer.** The Treasurer shall (i) receive and deposit in appropriate bank accounts all monies of the Association; (ii) disburse the funds as directed by resolution of the Board; (iii) maintain the financial records of the Association; and (iv) perform any other duties of a similar nature that may be required by the Board. If no Treasurer is elected by the Board, the Secretary of the Association shall carry out the responsibilities of the Treasurer.

## ARTICLE TEN COMMITTEES

**Section 10.01 Architectural Committee.** The Association shall have an Architectural Committee composed of three (3) members, who shall be appointed by the Declarant until the Declarant no longer owns any land within the Property. After the Declarant no longer owns any land within the Property, the Board shall have the exclusive right and power at any time and from time to time to fill vacancies on the Architectural Committee. The Master Declaration specifically sets forth the rights, duties, obligations, responsibilities and liabilities of the Architectural Committee and its members and those provisions are incorporated herein by reference for all purposes.

**Section 10.02 Other Committees.** The Board shall appoint any other committees that it determines to be appropriate in carrying out its purpose.

**ARTICLE ELEVEN  
INDEMNIFICATION OF OFFICERS, DIRECTORS AND OTHERS**

The Association shall indemnify any person who is or was a Director, Officer, agent or employee of the Association and any nominee or designee of the Association who is not or was not an Officer, agent or employee of the Association but who is or was serving at the Association's request as a Director, Officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust other enterprise or employee benefit plan, as provided in this Article Eleven.

**Section 11.1 Definitions.** For purposes of this Article Eleven, the following terms shall have the following meanings:

- A. "Director" means any person who is or was a Director of the Association and any person who, while a Director of the Association, is or was serving at the request of the Association as a Director, Officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise.
- B. "Expenses" include court costs and attorneys' fees.
- C. "Official Capacity" means as follows:
- i. When used with respect to a Director, the office of Director in the Association; and
  - ii. When used with respect to a person other than a Director, the elective or appointive office in the Association held by the Officer or the employment or agency relationship undertaken by the employee or agent on behalf of the Association; but
  - iii. In both subsections (i) and (ii) above, Official Capacity does not include service for any other foreign or domestic corporation or any partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise.
- D. "Proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitative 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.

**Section 11.2 Persons.** The Association shall indemnify, to the extent provided in Section 11.4, the following:

- A. Any person who is or was a Director, Officer, employee or agent of the Association; and
- B. Any person who is not or was not an Officer, employee or agent of the Association but who is or was serving at the request of the Association as a Director, Officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or

domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise.

**Section 11.3 Standards.** The following standards shall govern the indemnification provided by this Article Eleven:

A. The Association shall indemnify a person named in Section 11.2 who was, is or is threatened to be made a named defendant or respondent in a Proceeding because the person holds or has held a position named in Section 11.2 only if it is determined, in accordance with Section 11.5, that the person:

- i. Conducted himself in good faith;
- ii. Reasonably believed the following:
  - a. In the case of conduct in his Official Capacity, that his conduct was in the Association's best interests; and
  - b. In all other cases, that his conduct was at least not opposed to the Association's best interests; and
  - c. In the case of any criminal Proceeding, had no reasonable cause to believe his conduct was unlawful.

B. Notwithstanding Subsection A of this Section 11.3, a person named in Section 11.2 shall not be indemnified for obligations resulting from a Proceeding as follows:

- i. In which the person is 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 person's Official Capacity; or
- ii. In which the person is found liable to the Association.

C. The termination of a Proceeding by judgment, order, settlement or conviction, or on a plea of nolo contendere or its equivalent shall not of itself be determinative that the person did not meet the requirements set forth in this Section 11.3. A person shall be deemed to have been found liable in respect of any claim, issue or matter only after the person shall have been so adjudged by a court of competent jurisdiction after exhaustion of all appeals therefrom.

**Section 11.4 Extent.** A person shall be indemnified under Section 11.3 against judgments, penalties (including excise and similar taxes), fines, settlements and reasonable Expenses actually incurred by the person in connection with the Proceeding, but, if the person is found liable to the Association or is found liable on the basis that personal benefit was improperly received by the person, the indemnification shall be limited to reasonable Expenses actually incurred by the person in connection with the Proceeding and shall not be made in respect of any proceeding in which the person shall have been found liable for willful or intentional misconduct in the performance of his duty to the Association.

**Section 11.5 Determination That Standards Have Been Met.** A determination that the standards of Section 11.3 have been satisfied must be made as follows:

- A. By a majority vote of a quorum consisting of Directors who at the time of the vote are not named defendants or respondents in the Proceeding;
- B. If such a quorum cannot be obtained, by a majority vote of a committee of the Board of Directors, designated to act in the matter by a majority vote of all Directors, consisting solely of two (2) or more Directors who at the time of the vote are not named defendants or respondents in the Proceeding;
- C. By special legal counsel selected by the Board of Directors or a committee of the Board of Directors by vote as set forth in Subsection A or Subsection B of this Section 11.5, or, if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all Directors; or
- D. By the Members in a vote that excludes the vote of Directors who are named defendants or respondents in the Proceeding.

**Section 11.6 Authorization of Indemnification; Determination as to Reasonableness of Expenses.** The authorization of indemnification and the determination as to the 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, the authorization of indemnification and the determination as to the reasonableness of Expenses must be made in the manner specified by Subsection C of Section 11.5 for the selection of special legal counsel.

**Section 11.7 Mandatory Indemnification.** Notwithstanding any other provision of this Article Eleven to the contrary, a person named in Section 11.2, by reason of his holding a position named in Section 11.2, shall be indemnified by the Association to the extent and under the circumstances as follows:

- A. To the extent of reasonable Expenses incurred by him in connection with a Proceeding in which he is a named defendant or respondent, because of his position, if he has been wholly successful, on the merits or otherwise, in the defense of the Proceeding;
- B. To the extent of the indemnification ordered by the court and the Expenses incurred in securing indemnification, as awarded by the court, if, in a suit for the indemnification required by Subsection A of this Section 11.7, a court of competent jurisdiction determines that the person is entitled to indemnification under Subsection A of this Section 11.7 and orders indemnification; and
- C. To the extent of the indemnification which may be ordered by a court of competent jurisdiction (which it determines is proper and equitable), if, upon the application of a person named in Section 11.2, the court determines, after giving any notice the court considers necessary, that the person is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not the person has met the requirements set forth in Subsection A of Section 11.3 or has been found liable in the circumstances described in Subsection B of Section 11.3; provided, however, that the indemnification ordered by the

court shall be limited to reasonable Expenses actually incurred by the person in connection with the Proceeding if the person is found liable by the Association, on the basis that personal benefit was improperly received by him.

**Section 11.8 Advance Payment.** Reasonable Expenses incurred by a person named in Section 11.2 who was, is or is threatened to be made a named defendant or respondent in a Proceeding may be paid or reimbursed by the Association in advance of the final disposition of the Proceeding after the Association receives a written affirmation by the person of his good faith belief that he has met the standard of conduct necessary for indemnification under this Article Eleven and a written undertaking by or on behalf of the person to repay the amount paid or reimbursed if it is ultimately determined that the he has not met that standard. The written undertaking must be an unlimited general obligation of the person but need not be secured. It may be accepted without reference to financial ability to make repayment.

**Section 11.9 Reimbursement of Other Expenses.** Notwithstanding any other provision of this Article Eleven, the Association shall pay or reimburse Expenses incurred by a person named in Section 11.2, by reason of his holding a position named in Section 11.2, in connection with his appearance as a witness or other participation in a Proceeding at a time when he is not a named defendant or respondent in the Proceeding.

**Section 11.10 Insurance.** The Association may purchase and maintain insurance on behalf of any person who holds or has held any position named in Section 11.2 against any liability asserted against him and incurred by him in such capacity or arising out of his status as such a person, whether or not the Association would have the power to indemnify him against that liability under this Article Eleven.

**Section 11.11 Reports.** Any indemnification of or advance of Expenses to a person in accordance with this Article Eleven shall be reported in writing to the Members with or before the notice or waiver of notice of the next meeting of the Members and, in any case, within the 12-month period immediately following the date of the indemnification or advance.

## ARTICLE TWELVE ASSESSMENTS

The Master Declaration specifically sets forth the rights, obligations and liabilities of the Association and its Members relative to the levy, collection and use of Assessments, and those provisions are incorporated herein by reference for all purposes.

## ARTICLE THIRTEEN BOOKS AND RECORDS

**Section 13.01 Inspection by Members.** The Membership register, books of account and minutes of meetings of the Members, of the Board and of committees shall be made available for inspection and copying by any Member or by the Member's appointed representative, at any reasonable time and for a purpose reasonably related to the Member's interest, at the office of the Association or at any other place that the Board may designate.

**Section 13.02 Rules for Inspection.** The Board shall establish reasonable rules with respect to notice to be given to the custodian of the records by the Member desiring to make the inspection,



the hours and days of the week when an inspection may be made, and payment of the cost of reproducing copies of requested documents.

**Section 13.03 Inspection by Directors.** Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical property owned by the Association. The rights of inspection by a director includes the right to make extra copies of documents.

#### ARTICLE FOURTEEN AMENDMENT

These Bylaws and, to the extent permitted by the Texas Non-Profit Corporation Act, the Articles of Incorporation, may be amended by the Board at a regular or special meeting of the Board by a vote or written consent, as provided in Article Seven of these Bylaws; provided, however, until the time that the Class B Membership shall have ceased, neither these Bylaws nor the Articles of Incorporation, may be amended by the Board without the prior written approval of the Class B Member. Additionally, these Bylaws and the Articles of Incorporation may be amended by the Members at a regular or special meeting of the Members by a vote (in person or by proxy) or written consent, regardless of class, as provided in Article Four of these Bylaws; provided, however, until such time as the Class B Membership shall have ceased, neither these Bylaws nor the Articles of Incorporation, may be amended by the Members without the prior written approval of the Class B Member.

#### ARTICLE FIFTEEN MISCELLANEOUS


**Section 15.01 Fiscal Year.** The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation of the Association.

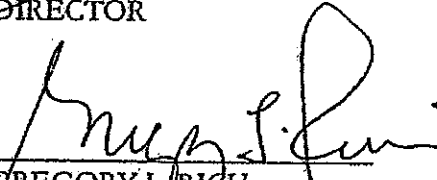
**Section 15.02 Interpretation.** In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; in the case of any conflict between the Master Declaration and these Bylaws, the Master Declaration shall control; and in the case of any conflict between the Master Declaration and the laws of the State of Texas governing non-profit corporations, the laws of the State of Texas shall control; provided, however, to the extent reasonably practical, the Articles of Incorporation, Bylaws and Master Declaration shall be construed and interpreted together as consistent and non-conflicting documents.


**Section 15.03 Non Profit Corporation.** The Association is a Non-Profit Corporation which has been organized and shall be operated solely and exclusively for the purposes that are specified in its Articles of Incorporation. No part of the Association's property or earnings shall ever inure (other than by acquiring, constructing or providing management, maintenance and care of Association property and other than by a rebate of excess membership dues, fees or assessments) to the benefit of any Member, Director, Officer or employee of the Association. The Association shall not pay or distribute any dividends or other income to its Members, Directors or Officers. No Member, Director, Officer or employee shall ever receive or be lawfully entitled to receive any profit from the operations of the Association. Nothing herein shall prevent the payment to its Members, Directors

and Officers of reasonable compensation for services rendered and the reimbursement to its Members, Directors and Officers of reasonable expenses that are incurred in connection with the Association's affairs.

The foregoing was unanimously adopted as the Bylaws of Bozman Farm Estates Master Association, Inc. by the Board of Directors as of May 21, 2004.

  
\_\_\_\_\_  
JAMES A. SIEPIELA  
DIRECTOR

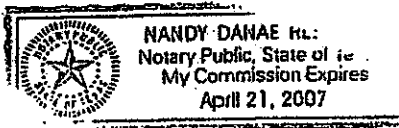
  
\_\_\_\_\_  
GREGORY L. RICH  
DIRECTOR

  
\_\_\_\_\_  
ROBERT A. PIGG  
DIRECTOR

STATE OF TEXAS       §  
                                  §  
COUNTY OF DALLAS   §

BEFORE ME on this 4<sup>th</sup> day of March, 2005, personally appeared James A. Siepiela, Director of Bozman Farm Estates Master Association, Inc., and acknowledged to me that he executed the same for the purposes therein expressed.

NOTARY INSIGNIA:



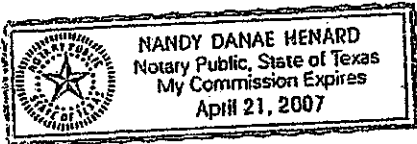
  
\_\_\_\_\_  
Notary Public - State of Texas

Nandy Danae Herard  
\_\_\_\_\_  
(Printed name)

STATE OF TEXAS §  
  §  
COUNTY OF DALLAS §

BEFORE ME on this 4<sup>th</sup> day of March, 2005, personally appeared Gregory L. Rich, Director of Bozman Farm Estates Master Association, Inc., and acknowledged to me that he executed the same for the purposes therein expressed.

NOTARY INSIGNIA:

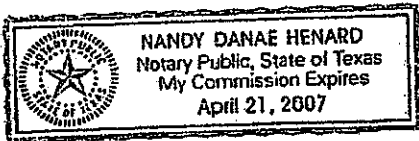


Nandy Danae Henard  
Notary Public - State of Texas  
Nandy Danae Henard  
(Printed name)

STATE OF TEXAS §  
  §  
COUNTY OF DALLAS §

BEFORE ME on this 4<sup>th</sup> day of March, 2005, personally appeared Robert A. Pigg, Director of Bozman Farm Estates Master Association, Inc., and acknowledged to me that he executed the same for the purposes therein expressed.

NOTARY INSIGNIA:



Nandy Danae Henard  
Notary Public - State of Texas  
Nandy Danae Henard  
(Printed name)

5873 04278

After recording, return to:  
Bruce W. Bringardner  
THOMPSON, COE, COUSINS & IRONS, L.L.P.  
Plaza of the Americas  
700 N. Pearl Street  
25th Floor  
Dallas, Texas 75201-2832

5873 04279

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW  
(THE STATE OF TEXAS) (COUNTY OF COLLIN)  
I hereby certify that this instrument was FILED in the File Number Sequence on the date and the time stamped hereon by me, and was duly RECORDED. In the Official Public Records of Real Property of Collin County, Texas on

MAR 10 2005

Brenda Taylor



Filed for Record in:  
Collin County, McKinney TX  
Honorable Brenda Taylor  
Collin County Clerk

On Mar 10 2005  
At 3:17pm

Doc/Num : 2005- 0030745

Recording/Type: BY 54.00  
Receipt #: 10064



Office of the Secretary of State

CERTIFICATE OF INCORPORATION  
OF

Bozman Farm Estates Master Association, Inc.  
Filing Number: 800345340

The undersigned, as Secretary of State of Texas, hereby certifies that Articles of Incorporation for the above named corporation have been received in this office and have been found to conform to law.

Accordingly, the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law, hereby issues this Certificate of Incorporation.

Issuance of this Certificate of Incorporation does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 05/21/2004

Effective: 05/21/2004



A handwritten signature in black ink, appearing to read "G. Connor", written over the printed name of the Secretary of State.

Geoffrey S. Connor  
Secretary of State

MAY 21 2004

Corporations Section

ARTICLES OF INCORPORATION  
OF  
BOZMAN FARM ESTATES MASTER ASSOCIATION, INC.

I, the undersigned natural person of the age of eighteen (18) years or more, acting as the incorporator of a corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for the corporation:

1. Name. The name of the corporation is Bozman Farm Estates Master Association, Inc. (the "Association"),
2. Non-Profit Corporation. The Association is a non-profit corporation.
3. Duration. The period of the Association's duration is perpetual.
4. Purposes. The purposes for which the Association is organized are:
  - a. To provide for the maintenance, preservation and architectural control of the real property described in that certain "Master Declaration of Covenants, Conditions and Restrictions for Bozman Farm Estates" (as the same may hereafter be amended, the "Master Declaration") which will be executed by Bozman Farm Development Ltd. (the "Declarant") and recorded in the Real Property Records of Collin County, Texas, which property, together with any other property made subject to the Master Declaration in accordance with the terms thereof, is referred to in the Master Declaration and herein as the "Property";
  - b. To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association that are set forth from time to time in the Bylaws of the Association ("Bylaws") or in the Master Declaration;
  - c. To fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Master Declaration;
  - d. To pay all expenses in connection with the duties of, and all office, personnel, and other expenses incident to the conduct of the business of, the Association, including all licenses, taxes or governmental charges levied or imposed against the Property by the Association;
  - e. To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;
  - f. To borrow money, under the discretion of the Board of Directors of the Association as set forth from time to time in the Bylaws, as the Board deems necessary and in the best interest of the Association;
  - g. To dedicate, sell or transfer any part of the Common Area (as defined in the Master Declaration) to any public agency, authority, or utility for any service to any property subject

to the Master Declaration, in accordance with the terms and provisions of the Master Declaration; and,

h. To have and to exercise any and all powers, rights and privileges which a corporation organized under the Texas Non-Profit Corporation Act may now or hereafter have or exercise.

The above statement of purposes shall be construed as a statement of both purposes and of power and shall be broadly construed to effectuate its intent.

5. **Membership.** Every person or entity who is a record owner of a fee simple interest, or an undivided fee simple interest, in any Lot (as that term is defined in the Master Declaration), tract or parcel of land which is part of the Property shall be a Member (as that term is defined in the Bylaws and in the Master Declaration) of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot, tract or parcel of land which is part of the Property.

6. **Voting Rights.** Voting rights of Members are described in the Bylaws and in the Master Declaration. Cumulative voting in the election of members of the Board of Directors or in other exercises of the right to vote is prohibited.

7. **Board of Directors.** The affairs of this Association shall be managed by a board of directors ("Board of Directors"), composed of three (3) directors ("Directors") who need not be Members of the Association. The number of Directors may be changed by amendment of the Bylaws. The names and addresses of the persons who are to serve as the initial Directors are:

NAME	ADDRESS
James A. Siepiela	5001 LBJ Freeway Suite 830 Dallas, Texas 75244
Gregory L. Rich	5001 LBJ Freeway Suite 830 Dallas, Texas 75244
Robert A. Pigg	5001 LBJ Freeway Suite 830 Dallas, Texas 75244

8. **Amendments.** Amendment, repeal or alteration of these Articles of Incorporation shall require the consent of Members as set forth in the Bylaws or the Master Declaration.

9. **Limitation of Liability of Directors.** To the fullest extent permitted by applicable law, Directors of the Association shall not be liable to the Association or its members for monetary damages for an act or omission in the director's capacity as a director.



10. **Registered Agent and Registered Office Address.** The street address of the initial registered office of the Association is 5001 LBJ Freeway, Suite 830, Dallas, Texas 75244, and the name of the Association's initial registered agent at that address is Gregory L. Rich.

11. **Incorporator.** The name and street address of the incorporator is James A. Siepiela, 5001 LBJ Freeway, Suite 830, Dallas, Texas 75244.

EXECUTED this 20th day of May, 2004.

  
\_\_\_\_\_  
James A. Siepiela  
Incorporator