

**EXHIBIT B  
TO THE CORRECTED SECOND AMENDED  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
CHATEAU DU LAC**

**Bylaws of Chateau du Lac Homeowners Association, Inc.**

**ARTICLE I  
OFFICES, DEFINITIONS**

**Section 1.1. Office/Agent**

The office of the Association shall be at the address designated in the articles of incorporation of the Association as its principal place of business and the name of the Agent of the Association shall be the registered agent for service of process set forth on the articles of incorporation of the Association.

**Section 1.2. Other Offices**

The Association may also have offices at such other places within or without the State of Texas as the Board of Directors may from time to time determine or the business of the Corporation may require.

**Section 1.3. Definitions**

Capitalized words, when used in these Bylaws (unless otherwise indicated), shall have the same meanings as set forth in the Second Amended Declaration of Covenants, Conditions and Restrictions for Chateau du Lac and all permitted modifications, amendments, supplemental declarations, and replacements thereto (the "Declaration").

**Section 1.4. Establishment of Association**

The Articles of Incorporation of the Chateau Du Lac Homeowners' Association were filed with the Texas Secretary of State on August 13, 2001 and a Certificate of Incorporation was issued by the Texas Secretary of State on that same date.

**ARTICLE II  
MEMBERSHIP AND VOTING RIGHTS**

**Section 2.1. Membership**

Every Person who is a record Owner of any Lot which is subject by covenants or record to assessment by the Association shall automatically and mandatorily become a Member of the Association (provided that any such Person who holds such interest merely as security for the performance of an obligation shall not be a Member), and any Person who acquired any such fee or undivided fee interest shall be deemed to have accepted membership and assumed all obligations thereof.

Section 2.2. Voting Rights

The Association shall initially have one class of voting membership.

Members shall be all those Owner entitled to one vote for each Lot in which they hold the interest required for membership by Section 2.1. When more than one Person holds such interest in any Lot, all such Persons shall be Members and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Section 2.3. Methods of Voting

At any meeting of the Members, every Member having the right to vote shall be entitled to vote in person or by a proxy appointed in writing, or his/her duly authorized attorney-in-fact and dated not more than two (2) months prior to said meeting. Any proxy shall be filed with the Secretary of the Corporation prior to or at the time of the meeting. In the absence of any action by the Board of Directors, the date upon which the Notice of the Meeting is mailed shall be the record date.

**ARTICLE III  
MEETING OF MEMBERS**

Section 3.1. General Meetings

All meetings of the Members for the election of directors shall be held at the office of the Association in Texas or at such other place, within or without the State of Texas as may be specified in the Notice of the Meeting or in a duly executed Waiver of Notice thereof. Meetings of the Members for any other purpose may be held at such time and place, within or without the State of Texas as shall be stated in the Notice of the Meeting or in a duly executed Waiver of Notice thereof.

Section 3.2. Annual Meeting

An Annual Meeting of the Members shall be held on the third Monday of January of each year, at the hour of 7:00 PM; provided, however, that should said day fall upon a legal holiday, then at the same time on the next business day thereafter. At such meeting, Directors shall be elected, reports of the affairs of the Corporation shall be considered, and any other business may be transacted which is within the powers of the Members.

Section 3.3. Member List

At least ten (10) days before each meeting of Members, a complete list of the Members entitled to vote at each meeting arranged in alphabetical order, with the residence of each and the number of votes held by each shall be prepared by the Secretary. Such list shall be kept on file at the office of the Association for a period of ten (10) days prior to such meeting and shall be subject to inspection by any Member at any time during usual business hours. Such list shall be produced and kept open at the time and place of the meeting during the whole time thereof, and shall be subject to the inspection of any Member who may be present.

#### Section 3.4. Call for Special Meetings

Special meetings of the Members for any purpose or purposes, unless otherwise prescribed by statute or these Bylaws, may be called by the President, the majority of the Board of Directors or the holders of not less than one-fifth (1/5) of all the Members entitled to vote at a meeting of the Corporation. Business transacted at any special meeting shall be confined to the objects stated in the Notice of the Meeting.

#### Section 3.5. Notice

A. Written or printed notice stating the place, date and time of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) or more than sixty (60) days before the date of the meeting, either personally, by facsimile, by electronic mail (to the extent permitted under Texas law) or by mail, by or at the direction of the President, the Secretary, or the officer or person calling the meeting, to each Member of record entitled to vote at the meeting.

B. Notice of any meeting of Members shall specify the place, date and hour of the meeting. The notice shall also specify the purpose of the meeting if it is a special meeting, or if its purpose or one of its purposes will be to consider a proposed dissolution or the revocation of a voluntary dissolution by the Act of the Association or to consider a proposed disposition of all, or substantially all of the assets of the Association outside the ordinary course of business.

#### Section 3.6. Quorum/Adjournments

Except as provided in the Declaration, or as otherwise provided by statute or these Bylaws, the Members holding one-tenth (1/10) of the votes issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of the Members for the transaction of business. If, however, a quorum shall not be present or represented at any meeting of the Members, the Members entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified.

#### Section 3.7. Transaction of Business

When a quorum is present at any meeting, the vote of the Members holding a majority of the votes having voting power present in person or represented by proxy shall decide any question properly noticed for such meeting, unless the question is one upon which by express provisions of the statutes or these Bylaws, a different vote is required, in which case such express provision shall govern. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of any Members to leave less than a quorum.

## **ARTICLE IV DIRECTORS**

### **Section 4.1. Powers**

The business and affairs of the Association shall be managed by its Board of Directors who may exercise all the powers of the Association and may do all lawful acts and things which are not by statute, the Declaration, or these Bylaws directed or required to be exercised or done by the Members. Specifically, the Board of Directors shall be empowered to take such actions as authorized by the Director.

### **Section 4.2. Number and Election**

The Board of Directors shall consist of three (3) directors. The Directors shall be elected at the annual meeting of the Members, except as hereinafter provided, and each Director elected shall hold office until his/her successor has been elected and qualified.

### **Section 4.3. Term of Office**

At the initial meeting of the Board after expiration of the Declarant Control Period, the Declarant shall appoint two (2) resident Members for a two (2) year term and one (1) resident Member for a one (1) year term.

### **Section 4.4. Removal/Filling Vacancies**

Any Director may be removed, with or without cause, at any special meeting of the Members by the affirmative vote of a majority of the Members present in person or by proxy at such meeting and entitled to vote for the election of such Director, if notice of intention to act upon such matter shall have been given in the notice calling such meeting. If any vacancies occur in the Board of Director, for any reason, a majority of the Directors then in office, though less than a quorum, may choose a successor or successors. Each successor Director so chosen shall be elected for the unexpired term of the predecessor in office.

### **Section 4.5. Prohibition of Cumulative Voting**

Directors shall be elected by plurality vote. Cumulative voting shall not be permitted.

### **Section 4.6. Location of Meetings**

The Directors of the Association may hold their meetings, both regular and special, either within or without the State of Texas.

### **Section 4.7. Annual Meetings**

The first meeting of each newly elected Board shall be held without further notice immediately following the annual meeting of the Members, and at the same place, unless by unanimous consent of the Directors then elected and serving such time or place shall be changed.

### **Section 4.8: Regular Meetings**

Regular meetings of the Board of Directors shall be held semiannually or more frequently if called by the President or by a majority of Board Members at such time and place as shall from time to time be determined by the Board.

Section 4.9. Special Meetings

Special meetings of the Board of Directors may be called by the President or secretary on two (2) days' notice to each Director, either personally, by facsimile, by electronic mail (to the extent permitted by Texas law) or by mail; special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of a majority of Directors. Except as may be otherwise expressly provided by statute, these Bylaws neither the business to be transacted, nor the purpose of any special meeting need be specified in a notice or waiver of notice.

Section 4.10. Quorum

At all meetings of the Board of Directors, the presence of a majority of the Directors shall be necessary and sufficient to constitute a quorum for the transaction of business and the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by Statute, the Declaration or these Bylaws. If a quorum shall not be present at any meeting of the Directors, the Directors present thereat may adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum shall be present.

Section 4.11. Duties and Powers of the Board

In addition to all powers and duties provided elsewhere in the Declaration, these Bylaws or by applicable Texas law, the Board of Directors shall have and exercise the following duties and powers:

- A. to execute all declarations of ownership for tax assessment purposes with regard to the Common Areas on behalf of all Owners;
- B. to borrow funds to pay costs of operations secured by assignment or pledge of rights against delinquent Owners if the Board sees fit;
- C. to enter into contracts, to maintain one or more bank accounts, and generally to have all the power necessary or incidental to the operation and management of the Association;
- D. to protect or defend the Common Areas from loss or damage by suit or otherwise and to provide adequate reserves for replacements;
- E. to make reasonable rules and regulations for the operation of the Common Areas and to amend them from time to time; provide that any rule or regulation may be amended or repealed by an instrument in writing signed by owners constituting a majority of votes of the Association, or, at the option of the Board with respect to a rule applicable to less than all the Common Areas, by a majority of votes of the



Owners of the portions affected; however, the Association's agreements, covenants and restrictions pertaining to the use, operation, maintenance and/or supervision of any facilities, structures, improvements, systems, areas or grounds that are the Association's responsibility may not be amended without the prior written consent signed by the chief executive employee of the Town of Flower Mound.

- F. to take any action which the Association is or may be permitted or authorized to do in connection with the enforcement and application of the Declaration.

## **ARTICLE V NOTICES**

### **Section 5.1. Formalities of Notice**

Whenever under the provisions of the statutes or these Bylaws, notice is required to be given to any Director or Member, and no provision is made as to how such notice shall be given, it shall be construed to mean either personal notice or notice in writing, by mail (regular or otherwise), postage prepaid, addressed to such Director or Member at such address as appears on the books of the Association. Any notice required or permitted to be given by mail shall be deemed to be given at the time when the same shall be thus deposited in the United States Mail as aforesaid.

### **Section 5.2. Waiver of Notices**

Whenever any notice is required to be given to any Member or Director of the Association under the provisions of the statutes or these Bylaws, a waiver thereof in writing signed by the Person or Persons entitled to such notice, whether before or after the time stated in such notice, shall be deemed equivalent to the giving of such notice. Signing the minutes of any meeting shall be deemed a waiver of all formalities with respect to such meeting.

## **ARTICLE VI OFFICERS**

### **Section 6.1. Miscellaneous Provisions**

The officers of the Corporation shall be elected by the Directors and shall be a President, Vice-President, a Secretary and a Treasurer. Any two or more offices may be held by the same person, except that the offices of President and Secretary and President and Treasurer shall not be held by the same persons. Any such officer shall have the powers and duties usually associated with such office, subject to limitations or extension by the Board of Directors.

### **Section 6.2. Other Agents**

The Board of Directors may appoint such other officers and agents as it shall deem necessary, who shall be appointed for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

### **Section 6.3. Duties**

The duties of the officers are as follows:

A President: The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all contracts, mortgages, tax returns and other written instruments; shall cosign all checks (except those on a monthly recurring nature previously approved by the Board), and promissory notes; shall appoint committee chairmen and Members of committees with the concurrence of the Board; and shall carry out such other duties as may be assigned by the Board or the Policy Manual as adopted by the Board.

B Vice-President: The Vice-President shall act in the place and stead of the President when he is absent, unable or unwilling to act; and shall discharge such other duties as may be required of him by the Board.

C Secretary: The Secretary shall perform or cause to be performed the following secretarial duties: record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal and affix it on all papers requiring said seal; serve notice of meetings of the Board and Members; keep the appropriate current records showing the ownership of Lots and membership of the Association, together with their addresses; and shall perform such other duties as required by the Board or the Policy Manual as adopted by the Board.

D. Treasurer. The Treasurer shall perform or cause to be performed the following financial activities: receive and deposit in appropriate bank accounts all monies of the Association and disburse such funds as directed by a Resolution of the Board; sign all checks and promissory notes; cause an annual audit of the Association Books to be made at the completion of each fiscal year; prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting and deliver a copy of the budget and assessments adopted by the Board to each Member. The Treasurer shall perform such other duties as required by the Board or the Policy Manual as adopted by the Board.

#### Section 6.4. Salaries

All officers and directors of the Corporation shall serve without compensation. However, expenses may be reimbursed for unusual activities carried out on behalf of the Corporation. Any officer may receive compensation for services rendered to the Corporation in other than his/her official capacity.

#### Section 6.5. Tenure; Removal; Vacancies

Each officer of the Corporation shall hold office for a term of at least one (1) year or until his/her successor is chosen and qualified in his/her stead or until death, resignation or removal from office. Any officer or agent elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the whole Board of Directors, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. If the office of any officer becomes vacant, for any reason, the vacancy may be filled by the Board of Directors.

## **ARTICLE VII COMMITTEES**

### **Section 7.1. Number**

There shall be one (1) standing committee. Except as specified in Declaration, all of the Chairmen and Members of the standing committee shall be appointed by the President with the concurrence of the Board. Additional ad hoc committees may be appointed by the President as the need may arise.

### **Section 7.2. Architectural Control Committee**

A Committee composed of at least three (3) persons who shall be responsible for approving or disapproving the design, location, details, color, texture, materials and specifications of all new construction, landscaping and tree removal and for any additions or modifications to buildings or lots. All decisions by the Committee shall be based on an adopted set of architectural and landscape guidelines. The Committee shall render consistent judgments based on these guidelines. Decisions of the Committee may be appealed to the Board by filing a notice thereof with the Secretary of the Board at least thirty (30) days in advance of a regularly scheduled meeting of the Board. Except that decisions made with respect to new construction on a vacant Lot may not be appealed to the Board.

This Committee may appoint a subcommittee, composed of Members outside the Committee to be responsible for approving or disapproving the design, location, details, color, texture, materials and specifications of all construction, landscaping and the removal as they relate to additions or modifications of buildings or lots.

## **ARTICLE VIII GENERAL PROVISIONS**

### **Section 8.1. Fiscal Year**

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

### **Section 8.2. Indemnification**

The Association shall indemnify any director, officer or employee or former director, officer or employee of the Association against expenses actually and necessarily incurred by him and any amount paid in satisfaction of judgments in connection with any action, suit or proceeding, whether civil or criminal in nature, in which he is made a party by reason for being or having been such a director, officer or employee (whether or not a director, officer or employee at the time such costs of expenses are incurred by or imposed upon him) except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of duty. The Association shall pay or cause to be paid to any director, officer or employee the reasonable costs of settlement of any such action, suite or proceeding. Such right of indemnification shall not be deemed exclusive of



any other rights to which such director, officer or employee may be entitled by law or under any bylaw, agreement, vote of Members or otherwise.

## **ARTICLE IX AMENDMENTS**

### **Section 9.1. Amendment**

These Bylaws may be altered or amended by a majority of Members who are present, in person or by proxy, and voting at a duly called regular or special membership meeting at which a quorum is present; provided, however that no amendment to these Bylaws shall be effective without the written consent of the chief executive employee of the Town of Flower Mound of Flower Mound.