



PROVIDENCE

By Laws

Denton County
Cynthia Mitchell
County Clerk
Denton, TX 76202



70 2014 00015783

Instrument Number: 2014-15783

As

Recorded On: February 24, 2014

Misc General Fee Doc

Parties: PROVIDENCE HOA INC

To

Billable Pages: 5

Number of Pages: 5

Comment:

(Parties listed above are for Clerks reference only)

**** Examined and Charged as Follows: ****

Misc General Fee Doc	42.00
Total Recording:	42.00

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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.

File Information:

Record and Return To:

Document Number: 2014-15783

Receipt Number: 1135861

Recorded Date/Time: February 24, 2014 04:03:47P

User / Station: P Gaines - Cash Station 4

CHARLES W SPENCER & ASSOCIATES PLLC

7920 BELT LINE RD

STE 620

DALLAS TX 75254

THE STATE OF TEXAS }
COUNTY OF DENTON }

I hereby certify that this instrument was FILED in the File Number sequence on the date/time
printed hereon, and was duly RECORDED in the Official Records of Denton County, Texas.

C Mitchell

County Clerk
Denton County, Texas



CERTIFICATE
FOR
RECORDATION OF DEDICATORY INSTRUMENTS
OF
PROVIDENCE HOMEOWNERS ASSOCIATION, INC.

STATE OF TEXAS §
 § **KNOW ALL MEN BY THESE PRESENTS:**
COUNTY OF DENTON §

WHEREAS, Section 202.006 of the Texas Property Code requires that "A property owners' association shall file its dedicatory instruments in the real property records of each county in which the property to which the dedicatory instrument relates is located."; and

WHEREAS, Providence Homeowners Association, Inc, a Texas nonprofit corporation (the "Association") desires to comply with Section 202.006 by filing of record in the real property records of Denton County, Texas, the attached *Resolution Regarding Vacancy Appointments & Term of Appointed Directors*, said instrument being an instrument governing the operation of the Association and constitutes a "Dedicatory Instrument" as defined in Section 202.001 of the Texas Property Code; and

WHEREAS, the Declaration of Covenants, Conditions, Restrictions for Providence was filed in Volume 5105, Page 2787 of the Real Property Records of Denton County, Texas, subjecting to the scheme of development therein certain land described in Exhibit "A" thereto located in Denton County, Texas (said instrument and any supplements or amendments thereto being referred to herein collectively as the "Declaration");

NOW, THEREFORE, the undersigned authorized representative of the Association hereby executes this Certificate to effect the recording of the DEDICATORY INSTRUMENT attached hereto on behalf of the Providence Homeowners Association, Inc.

EXECUTED effective as of the 17th day of February, 2014.

PROVIDENCE HOMEOWNERS ASSOCIATION, INC.,
a Texas non-profit corporation

By: Charles W. Spencer
Charles W. Spencer,
Authorized Representative

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 17th day of February, 2014, by Charles W. Spencer, authorized representative of Providence Homeowners Association, Inc., a Texas non-profit corporation, on behalf of said corporation.



Carol J. Spencer
Notary Public, State of Texas

AFTER RECORDING RETURN TO:

*Charles W. Spencer
7920 Belt Line Road
Suite 620
Dallas, TX 75254*

**RESOLUTION OF THE
BOARD OF DIRECTORS
OF
PROVIDENCE HOMEOWNERS ASSOCIATION, INC.
FOR
VACANCY APPOINTMENT & TERM OF APPOINTED DIRECTORS**

I, the undersigned President of **PROVIDENCE HOMEOWNERS ASSOCIATION, INC.**, a Texas non-profit corporation (the "**Association**", hereby certify that, by a majority vote, the Board of Directors of the Association, at a meeting duly called and held pursuant to the provisions of Section 22.214 of the Texas Business Organizations Code, adopted the following resolutions:

WHEREAS, that certain *Declaration of Covenants, Conditions and Restrictions for Providence, dated June 12, 2002*, and recorded as Document No. 2002-R0073755, in Volume 5105, Page 02787, Real Property Records of Denton County, Texas, as well as any and all further supplements thereof and amendments thereto (collectively hereinafter referred to as the "**Declaration**") establishes covenants the general purpose of which are to preserve and enhance Providence and are for the common benefit of owners and residents of Providence; and

WHEREAS, an owners association was formed, being **PROVIDENCE HOMEOWNERS ASSOCIATION, INC.**), and, acting through its Board of Directors (the "**Board**"), is vested with the powers and duties necessary for the administration of the Association's affairs, for the operation and maintenance of Providence, and for the enforcement of the covenants contained in the Declaration; and

WHEREAS, Section 3.2 of the Bylaws of the Association provides that "The Board of Directors shall consist of three or five directors, as provided herein and as determined by the Board of Directors."; and

WHEREAS, by Resolution of the Board of Directors dated October 12, 2011, it was established that five (5) directors would be elected to serve staggered terms of one (1) and two (2) years initially and thereafter for two (2) year terms as the term of each director expires; and

WHEREAS, the last sentence of Section 3.4(e) of the Bylaws reads as follows:

"In the event of death, disability or resignation of a director elected by the Members, the Board of Directors may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Members shall select a successor for the remainder of the term."

and

WHEREAS, §209.00593(a) of the Texas Property Code reads as follows:

"(a) Notwithstanding any provision in a dedicatory instrument, any board member whose term has expired must be elected by owners who are members of the property owners' association. A board member may be appointed by the board to fill a vacancy on the board. A board member appointed to fill a vacant position shall serve for the remainder of the unexpired term of the position."

and,

WHEREAS, a majority of the Board interpret the last sentence of §209.00593(a) to govern when the vacant position filled by appointment does not expire until after the next annual meeting;

NOW THEREFORE, BE IT RESOLVED that the Board does hereby make the following resolutions regarding the term to be served by directors appointed to fill vacancies on the Board:

RESOLVED, that at a director appointed to fill a vacancy on the Board shall serve for the remainder of the unexpired term of the position to which such director was appointed in compliance with §209.00593(a) of the Texas property code.

FURTHER RESOLVED, that, applying the above resolution to a vacancy filled by the Directors for a position expiring in less than one (1) year after such appointment, the position must be filled by a director elected by owners who are members of the Association at the next election of directors.

FURTHER RESOLVED, that, applying the above resolution to a vacancy filled by the Directors for a position expiring in more than one (1) year after such appointment, the Director so appointed shall serve the remainder of the two (2) year term of the position which must then be filled by a director elected by owners who are members of the Association.

IN WITNESS WHEREOF, I have hereto set my hand and executed on this 17 day of FEBRUARY, 2014.

Providence Homeowners Association, Inc.

Don Fisher
Name: Donald J Fisher
Title: President

THE STATE OF TEXAS §
 §
COUNTY OF DENTON §

This instrument was acknowledged before me on the 17 day of February, 2014 by DON FISHER, President of Providence Homeowners Association, Inc., on behalf of and as the official act and deed of Providence Homeowners Association, Inc.

Cody Michael Watson
Notary Public In and For the State Of Texas

My Commission Expires: 06-11-14



Denton County
Cynthia Mitchell
County Clerk
Denton, Tx 76202



70 2011 00018446

Instrument Number: 2011-18446

As

Recorded On: February 28, 2011

Misc General Fee Doc

Parties: PROVIDENCE HOA

Billable Pages: 6

To

Number of Pages: 6

Comment:

(Parties listed above are for Clerks reference only)

**** Examined and Charged as Follows: ****

Misc General Fee Doc	31.00
Total Recording:	31.00

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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.

File Information:

Record and Return To:

Document Number: 2011-18446
Receipt Number: 768287
Recorded Date/Time: February 28, 2011 01:30:41P
User / Station: S Parr - Cash Station 3

CHARLES SPENCER & ASSOC
7920 BELT LINE RD
STE 395
DALLAS TX 75254



THE STATE OF TEXAS }
COUNTY OF DENTON }

I hereby certify that this instrument was FILED in the File Number sequence on the date/time printed hereon, and was duly RECORDED in the Official Records of Denton County, Texas.

C Mitchell

County Clerk
Denton County, Texas

**CERTIFICATE
FOR
RECORDATION OF DEDICATORY INSTRUMENTS
OF
PROVIDENCE HOMEOWNERS ASSOCIATION, INC.**

**STATE OF TEXAS §
 § **KNOW ALL MEN BY THESE PRESENTS:**
COUNTY OF DENTON §**

WHEREAS, Section 202.006 of the Texas Property Code requires that "A property owners' association shall file its dedicatory instruments in the real property records of each county in which the property to which the dedicatory instrument relates is located."; and

WHEREAS, Providence Homeowners Association, Inc, a Texas nonprofit corporation (the "Association") desires to comply with Section 202.006 by filing of record in the real property records of Denton County, Texas, the attached Amendment to Bylaws, said instrument being an instrument governing the operation of the Association and constitutes a "Dedicatory Instrument" as defined in Section 202.001 of the Texas Property Code; and

WHEREAS, the Declaration of Covenants, Conditions, Restrictions for Providence was filed in Volume 5105, Page 2787 of the Real Property Records of Denton County, Texas, subjecting to the scheme of development therein certain land described in Exhibit "A" thereto located in Denton County, Texas (said instrument and any supplements or amendments thereto being referred to herein collectively as the "Declaration");

NOW, THEREFORE, the undersigned authorized representative of the Association hereby executes this Certificate to effect the recording of the DEDICATORY INSTRUMENT attached hereto on behalf of the Providence Homeowners Association, Inc.

EXECUTED effective as of the 25th day of February, 2011.

**PROVIDENCE HOMEOWNERS ASSOCIATION, INC.,
a Texas non-profit corporation**

By: *Charles W. Spencer*
**Charles W. Spencer,
Authorized Representative**

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 25th day of February, 2011, by Charles W. Spencer, authorized representative of Providence Homeowners Association, Inc., a Texas non-profit corporation, on behalf of said corporation.



Carol J. Spencer

Notary Public, State of Texas

AFTER RECORDING RETURN TO:

*Charles W. Spencer
7920 Belt Line Road
Suite 935
Dallas, TX 75254*

**AMENDMENT TO BYLAWS
OF
PROVIDENCE HOMEOWNERS ASSOCIATION, INC.**

STATE OF TEXAS §
 § **KNOW ALL MEN BY THESE PRESENTS:**
COUNTY OF DENTON §

This AMENDMENT TO THE BYLAWS OF PROVIDENCE HOMEOWNERS ASSOCIATION, INC. ("**Amendment**") is made effective as of the 22 day of February 2011, by CHS Providence, L.P., a Delaware limited partnership ("**Declarant**");

WITNESSETH:

WHEREAS, Bylaws of Providence Homeowners Association, Inc. (the "**Association**") were filed by Valerian Properties Associates, L.P. as original declarant on June 12, 2002, in Volume 5105, Page 2827 *et seq.* as part of Instrument 2002-R0073755 in the Real Property Records of Denton County, Texas ("**Bylaws**"); and

WHEREAS, Valerian Properties Associates, L.P. has been succeeded by Declarant as evidenced by the Assignment of Declarant Rights, recorded April 3, 2006, as Instrument No. 2006-38125; and

WHEREAS, Section 7.1 of the Bylaws provides that,

"During the Class B Control Period, and subject to any applicable provisions in the Declaration, the Declarant may amend these Bylaws without approval of the Board of Directors or any Class A Members.";

and

WHEREAS, the Class B Control Period has not expired as of this date and there are no applicable provisions in the Declaration to conflict with the terms of this Amendment;

NOW, THEREFORE, the Bylaws are hereby amended as follows:

1. Section 3.4 of the Bylaws is hereby amended and supplemented by the addition of subsection (f) reading as follows:

"f. **Eligibility.** No person shall be eligible for election to the Board of Directors of the Association, nor to serve on the Board if previously elected, at any time when such person or the entity which he or she represents, if applicable, is [i] sixty (60) days or more delinquent on assessments or other amounts due the Association, or [ii] is in violation of the Declaration."

2. Section 2.6 of the Bylaws is hereby amended and supplemented by the addition of the following provision:

“Eligibility of a Member to vote as provided in the Declaration and these Bylaws is automatically suspended at any time when such person, or the entity which he or she represents if applicable, is sixty (60) days or more delinquent on assessments or other amounts due the Association.”

IN WITNESS WHEREOF, the Declarant has caused this Amendment to the Bylaws to be executed by its duly authorized officer or representative as of the date first above written.

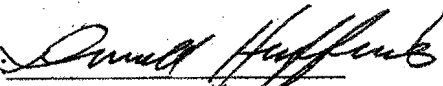
ASSOCIATION:

CHS PROVIDENCE, L.P.,
a Delaware limited partnership

By: HC Operating Providence, LLC,
A Texas limited liability company,
its General Partner

By: HC Operating, L.P.,
a Texas limited partnership,
its sole member

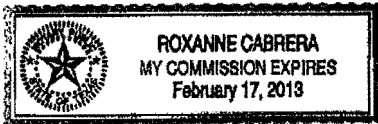
By: HC Operating GP, LLC,
A Texas limited liability company,
Its General Partner

By: 
Name: DONALD HUFFINES
Title: Agent

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on this 22 day of February, 2011, by Donald Huffines, Agent of HC Operating GP, LLC, a Texas limited liability company, on behalf of the company in its capacity as general partner of HC Operating, L.P., a Texas limited partnership, on behalf of the partnership in its capacity as sole member of HC Operating Providence, LLC, a Texas limited liability company, on behalf of the company in its capacity as general partner of CHS Providence, L.P., a Delaware limited partnership, on behalf of said limited partnership.

Roxanne Cabrera
Notary Public, State of Texas



AFTER RECORDING RETURN TO:
Charles W. Spencer
Charles W. Spencer & Associates, PLLC
7920 Belt Line Road
DALLAS, TX 75254

Exhibit B
BYLAWS
OF
PROVIDENCE HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
NAME, PRINCIPAL OFFICE AND DEFINITIONS

1.1 Name.

The name of the corporation is Providence Homeowners Association, Inc. (the "**Association**").

1.2 Principal Office.

The Association's principal office shall be located in Denton County, Texas or in such other county in Texas as the Board of Directors determines. The Association may have such other offices, either within or outside the State of Texas, as the Board of Directors may determine or as the affairs of the Association may require.

1.3 Definitions.

In addition to the definitions set forth herein, capitalized terms that are not defined herein shall have the meaning as defined in the Declaration of Covenants, Conditions and Restrictions for Providence, recorded or to be recorded in the public land records of Denton County, Texas, as it may be amended from time to time (the "**Declaration**"), which definitions are incorporated herein by this reference.

ARTICLE II
ASSOCIATION; MEMBERSHIP AND MEETINGS

2.1 Membership.

The Association shall have two classes of membership, Class A and Class B, as more fully set forth in the Declaration, the terms of which pertaining to membership are incorporated herein by this reference.

2.2 Place of Meetings.

Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board of Directors.

2.3 Annual Meetings.

The first meeting of the Association, whether a regular or special meeting, shall be held within two years from the date of incorporation of the Association. Subsequent regular annual meetings shall be at a time set by the Board of Directors.

2.4 Special Meetings.

The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting if so directed by resolution of the Board of Directors or upon a petition signed by Members representing at least 10% of the total Class A votes in the Association.

2.5 Notice of Meetings.

Written or printed notice stating the place, day, and hour of any meeting of the Members shall be delivered, either personally or by mail, to an Owner of each Lot entitled to vote at such meeting, not less than 10 or more than 50 days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting. In the case of a special meeting or when otherwise required by statute or these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

2.6 Voting.

The voting rights of the Members shall be as set forth in the Declaration and in these Bylaws, and such voting rights provisions are specifically incorporated by this reference.

2.7 Proxies.

At all meetings of Members, each Member may vote in person (or if a corporation, partnership or trust, through any officer, director, partner or trustee duly authorized to act on behalf of the Member) or by proxy, subject to the limitations of Texas law. Each proxy shall be in writing specifying the Lot(s) for which it is given, signed by the Member or its duly authorized attorney-in-fact, dated and filed with the Secretary of the Association prior to any meeting for which it is to be effective. Unless otherwise specifically provided in the proxy, a proxy shall be presumed to cover all votes which the Member giving such proxy is entitled to cast, and in the event of any conflict between two or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid. Every proxy shall be revocable and shall automatically cease upon conveyance of any Lot for which it is given, or upon receipt of notice by the Secretary of the death or judicially declared incompetence of a Member who is a natural person, or of written revocation, or 11 months from the date of the proxy, unless a shorter or longer period is specified in the proxy.

2.8 Quorum - Adjournment.

A quorum at all meetings of the Association shall be determined as provided in the Declaration.

2.9 Action Without a Meeting.

Any action required or permitted by law to be taken at a meeting of the Members may be taken without a meeting, without notice and without a vote, if written consent specifically authorizing the proposed action is signed by Members holding at least the minimum number of votes necessary to authorize such action at a meeting if all Members entitled to vote thereon were present. Such consents shall be signed within 90 days of the earliest date that a notice regarding such consent is delivered by the Association, which date shall be designated in the notices. Such consents shall be filed with the minutes of the Association and shall have the same force and effect as a vote of the Members at a meeting. For votes taken by written consent as provided above, the date specified in the notice as the ownership date, which date shall not be more than 20 days prior to the date the notices are sent, shall be the date used for determining the ownership of the Lot for the written consent voting purposes. Within 10 days after receiving authorization for any action by written consent, the Secretary shall give written notice to all Members entitled to vote who did not give their written consent, fairly summarizing the material features of the authorized action.

ARTICLE III BOARD OF DIRECTORS

3.1 Governing Body; Composition.

The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one equal vote. Except with respect to directors appointed by Declarant, the directors shall be Members or Residents, and no Owner and Resident representing the same Lot may serve on the Board of Directors at the same time. A "Resident" shall be any natural person 18 years of age or older whose principal place of residence is a Lot. In the case of a Member which is not a natural person, any officer, director, partner, employee or trust officer of such Member shall be eligible to serve as a director unless otherwise specified by written notice to the Association signed by such Member; provided no Member may have more than one such representative on the Board of Directors at a time except for the Declarant.

3.2 Number of Directors.

The Board of Directors shall consist of three or five directors, as provided herein and as determined by the Board of Directors. The initial Board of Directors shall consist of three directors as identified in the Articles of Incorporation.

3.3 Directors - During Class B Control Period.

During the Class B Control Period, all directors shall be selected and removed by Declarant acting in its sole discretion and shall serve at the pleasure of the Declarant.

3.4 Directors - After Class B Control Period.

Following expiration of the Class B Control Period, the directors shall be nominated and elected as follows:

a. **Nomination Procedures.** Prior to each election, the Board of Directors shall prescribe the opening date and the closing date of a reasonable filing period in which each and every eligible person who has a bona-fide interest in serving as a director may file as a candidate for any position. The Board of Directors shall also establish such other rules and regulations as it deems appropriate to conduct the nomination of directors in a fair, efficient and cost-effective manner. Nominations from the floor shall also be permitted.

b. **Nominating Committee.** Nominations for election to the Board of Directors may also be made by a nominating committee. The nominating committee, if any, shall consist of a Chairperson, who shall be a member of the Board of Directors, and three or more Members or representatives of Members. The Board of Directors shall appoint the members of the nominating committee not less than 30 days prior to each annual meeting to serve a term of one year and until their successors are appointed, and such appointment shall be announced at each annual meeting. The nominating committee may make as many nominations for election to the Board of Directors as it shall in its discretion determine. In making the nominations, the nominating committee shall use reasonable efforts to nominate candidates representing the diversity which exists within the pool of potential candidates. Each candidate shall be given a reasonable, uniform opportunity to communicate his or her qualifications to the Members and to solicit votes.

c. **Election and Term.** At the first annual meeting after the expiration of the Class B Control Period, all directors shall be elected by the Members to a term of one year. The number of directors to be elected at such meeting shall be determined by the then current Board of Directors. Upon the expiration of the term of office of each director elected by the Members, a successor shall be elected to serve a term of one year, unless the Board of Directors decides to allow one or more of the directors to be elected to serve for a term of two years. Unless removed as provided herein, the directors shall hold office until their respective successors shall be elected.

d. **Election Procedures.** Each Owner may cast the entire vote assigned to his or her Lot for each position to be filled. There shall be no cumulative voting. That number of candidates equal to the number of positions to be filled receiving the greatest number of votes shall be elected. Directors may be elected to serve any number of consecutive terms.

e. **Removal.** Any director elected by the Members may be removed, with or without cause, by Members holding at least a majority of the votes entitled to be cast. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall be elected by the Members to fill the vacancy for the remainder of the term of such director. Any director elected by the Members who has three or more consecutive unexcused absences from the Board of Directors meetings, or who is more than 60 days delinquent (or is the representative of a Member who is delinquent more than 60 days) in the payment of any assessment or other charge due the Association, or who after notice and hearing is held to be in violation of the Declaration, may be removed by a majority of the directors present at a regular or special meeting at which a quorum is present, and the Board of Directors may appoint a successor to fill the vacancy for the remainder of the term. In the event of death, disability or resignation of a director elected by the Members, the Board of Directors may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Members shall elect a successor for the remainder of the term.

3.5 Compensation.

Directors shall not receive any compensation from the Association for acting as such unless approved by Members representing at least 67% of the votes of the Association. Any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other directors. Nothing herein shall prohibit the Association from compensating a director, or any entity with which a director is affiliated, for services or supplies furnished to the Association in a capacity other than as a director pursuant to a contract or agreement with the Association, provided that such director's interest was made known to the Board of Directors prior to entering into such contract and such contract was approved by a majority of the Board of Directors, excluding the interested director.

3.6 Meetings of the Board of Directors.

a. **Regular Meetings.** Regular meetings of the Board of Directors may be held at such time and place as a majority of the directors shall determine, but at least two such meetings shall be held during each fiscal year with at least one during the first six months of the year and one during the last six months. Notice of the time and place of a regular meeting shall be communicated to directors not less than four days prior the meeting; provided, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

b. **Special Meetings.** Special meetings of the Board of Directors shall be held when called by written notice signed by the President or Vice President or by any two directors. 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 given to each director: (i) as provided in Section 8.4; (ii) by telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or (iii) by facsimile, computer or such other communication device. All such notices shall be given at the director's telephone number or fax number or sent to the director's address as shown on the Association's records. Notices given by mail shall be deposited at least seven business days prior to the

time set for the meeting. Notices given by personal delivery, telephone, or other electronic device shall be delivered or transmitted at least 72 hours before the time set for the special meeting.

c. **Waiver of Notice.** The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (i) a quorum is present, and (ii) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding a meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting.

d. **Telephonic Participation in Meetings.** Members of the Board of Directors or any committee designated by the Board of Directors may participate in a meeting of the Board of Directors or committee by means of conference telephone or similar communication equipment, by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.

e. **Quorum of Board of Directors.** At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors, unless otherwise specified in these Bylaws or the Declaration. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board of Directors cannot be held because a quorum is not present, a majority of the directors present at such meeting may adjourn the meeting to a time not less than 5 or more than 30 days from the date of the original meeting. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

f. **Notice to Owners; Open Meetings.** Subject to the provisions of Section 3.6g, all meetings of the Board of Directors shall be open to all Members, but Members other than directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director. In such case, the President may limit the time any Member may speak. Notwithstanding the above, the President may adjourn any meeting of the Board of Directors and reconvene in executive session, and may exclude Members, to discuss matters of a sensitive nature, such as pending or threatened litigation, personnel matters, etc.

g. **Action Without Meeting.** Any action to be taken at a meeting of directors or any action that may be taken at a meeting of directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

3.7 Powers of Directors.

The Board of Directors shall have all of the powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the Declaration, these Bylaws, the Articles of Incorporation, and as provided by law. The Board of Directors may do or cause to be done all acts and things as are not directed by the Declaration, Articles of Incorporation, these Bylaws, or Texas law to be done and exercised exclusively by the membership generally.

3.8 Duties of Directors.

The duties of the Board of Directors shall include, without limitation:

- a. preparing and adopting, in accordance with the Declaration, an annual budget establishing each Owners share of the Common Expenses;
- b. levying and collecting such assessments from the Owners;
- c. providing for the operation, care, upkeep, and maintenance of the Common Properties;
- d. designating, hiring, and dismissing the personnel necessary to carry out the rights and responsibilities of the Association and where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;
- e. depositing all funds received on behalf of the Association in appropriate bank accounts or in other accounts approved by the Board of Directors, and using such funds to operate the Association; provided, any reserve funds may be deposited, in the director's best business judgment, in depositories other than banks;
- f. making and amending rules in accordance with the Declaration;
- g. opening the bank accounts on behalf of the Association and designating the signatories required;
- h. making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Properties in accordance with the Declaration and these Bylaws;
- i. enforcing the provisions of the Declaration and any rules or standards developed pursuant to the Declaration, the Articles of Incorporation, these Bylaws and bringing any legal proceedings which may be instituted on behalf of or against the Owners concerning the Association; provided, the Associations obligation in this regard shall be conditioned in the manner provided in the Declaration;
- j. obtaining and carrying insurance as provided in the Declaration, paying the cost thereof, and filing and adjusting claims, as appropriate;
- k. paying the cost of all services rendered to the Association;
- l. keeping books with detailed accounts of the receipts and expenditures of the Association;
- m. taking such actions as contemplated by the Board of Directors in the Declaration, these Bylaws and/or the Articles of Incorporation;
- n. permitting utility suppliers to use portions of the Common Properties reasonably necessary to the ongoing development or operation of the Property; and
- o. indemnifying a director, officer or committee member, or former director, officer, committee member of the Association or any agent, contractor or management company of the Association to the extent such indemnity is required or permitted under Texas law, the Articles of Incorporation or the Declaration.

3.9 Borrowing.

The Association shall have the power to borrow money for any legal purpose; provided, the Board of Directors shall obtain Member approval in the same manner provided for Special Assessment as specified in the Declaration if the total amount of such borrowing, together with all other debt incurred within the previous 12-month period, exceeds or would exceed 10% of the budgeted gross expenses of the Association for that fiscal year.

ARTICLE IV OFFICERS

4.1 Officers.

The officers of the Association shall be a President, Vice President, Secretary and Treasurer. The President and Secretary shall be elected from among the members of the Board of Directors; other officers may, but need not, be members of the Board of Directors. Any two or more offices may be held by the same person except for the offices of President and Secretary.

4.2 Election of Officers.

The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

4.3 Term.

The officers of the Association shall be elected annually by the Board of Directors and each shall hold office for one year, unless he or she shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

4.4 Special Appointments.

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

4.5 Resignation and Removal.

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

4.6 Vacancies.

A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

4.7 Powers and Duties.

The Association's officers shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may specifically be conferred or imposed by the Board of Directors, including, without limitation, the following:

a. **President.** The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Board of Directors and the Members and shall see that orders and resolutions of the Board of Directors are carried out.

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

c. **Secretary.** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members; serve notice of meetings of the Board of Directors and of the Members; keep appropriate current records showing the members of the Association together with their addresses; and perform such other duties as required by the Board of Directors.

d. **Treasurer.** The Treasurer shall receive and deposit, in appropriate bank accounts or in other accounts approved by the Board of Directors, all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; sign all checks of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall 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 each to the Members.

4.8 Authorized Agents.

Except when the Declaration, these Bylaws or the Articles of Incorporation require execution of certain instruments by certain individuals, the Board of Directors may authorize any person to execute instruments on behalf of the Association. In the absence of such Board of Directors resolution, the President and the Secretary are the only persons authorized to execute instruments on behalf of the Association. However, only the President and/or Secretary shall have the authority to sign a mortgage or deed of trust relating to the Common Properties.

ARTICLE V ASSOCIATION MATTERS

5.1 Committees.

The Board of Directors may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board of Directors may designate by resolution. Each committee shall operate in accordance with the terms of such resolution.

5.2 Management.

The Board of Directors may employ for the Association a professional management agent or agents at such compensation as the Board of Directors may establish, to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate such powers as are necessary to perform the manager's assigned duties, but shall not delegate policymaking authority. The Board of Directors may delegate to one of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board of Directors.

5.3 Right to Contract.

The Association shall have the right to contract with any person or entity for the performance of various duties and functions. This right shall include, without limitation, the right to enter into management, operational, or other agreements with other persons or entities; provided, any such agreement shall require approval of the Board of Directors.

5.4 Accounting Standards.

The following management standards of performance shall be followed unless the Board of Directors by resolution specifically determines otherwise: (a) accrual accounting, as defined by generally accepted accounting principles, shall be employed; (b) accounting and controls should conform to generally accepted accounting principles; (c) cash accounts of the Association shall not be commingled with any other accounts; (d) no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts or otherwise; any thing of value received shall benefit the Association; and (e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors.

5.5 Accounting Reports.

Unless the Board of Directors by resolution specifically determines otherwise, the Board of Directors shall obtain the following reports:

a. **Quarterly Reports.** Commencing at the end of the first quarter of the Association's first full fiscal year, financial reports shall be prepared for the Association at least quarterly containing (i) an income statement reflecting all income and expense activity for the preceding period on an accrual basis; (ii) a variance report reflecting the status of all accounts in an actual versus approved budget format; (iii) a balance sheet as of the last day of the preceding period; and (iv) a delinquency report listing all Owners who are delinquent in paying any assessment at the time of the report and describing the status of any action to collect such assessments which remain delinquent.

b. **Annual Reports.** An annual report consisting of at least the following, which shall be made available to all Members within 120 days after the close of the fiscal year: (i) a balance sheet; (ii) an operating (income) statement; and (iii) a statement of changes in financial position for the fiscal year. Such annual report may be prepared on an audited, reviewed or compiled basis, as the Board of Directors determines, by an independent public accountant.

5.6 Enforcement of Governing Documents.

The Association shall have the power, as provided in the Declaration, to impose sanctions for any violation of any duty imposed under the Declaration (and any rules promulgated pursuant thereto), these Bylaws and the Articles of Incorporation and any amendment thereto.

a. **Notice and Hearing.** Except as provided in paragraph 5.6b below, prior to imposition of any sanction hereunder or under the Declaration, the Board of Directors or its delegate shall serve an Owner of the Lot related to or connected with the alleged violation with written notice as provided below and provide such Owner with an opportunity of a hearing as provided below.

The Board or its delegate shall serve the alleged violator with written notice, by certified mail, return receipt requested (i) describing the alleged violation or property damage which is the basis of the proposed sanction or amount due to the Association, as

applicable, (ii) describing the proposed sanction to be imposed, (iii) informing the alleged violator that he or she has 30 days after receipt of the notice to present a written request for a hearing to the Board; and (iv) informing the alleged violator that he or she may avoid the proposed sanction by curing the violation within a reasonable cure period stated in the notice, except that the Association shall have no obligation to provide a cure period if the alleged violator has been given notice of a similar violation within the preceding six months.

The alleged violator shall respond to the notice of the alleged violation in writing within such 30-day period, regardless of whether the alleged violator is challenging the imposition of the proposed sanction. If the alleged violator cures the alleged violation and notifies the Board in writing within such 30-day period the Board may, but shall not be obligated to, waive the sanction.

Prior to the effectiveness of sanctions imposed pursuant to this Section, proof of proper notice shall be placed in the minutes of the Board or Covenants Committee, as applicable. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative requests and appears at the hearing.

If a hearing is requested within the allotted 30-day period, the hearing shall be held before the Board in executive session within 30 days after receipt of the alleged violator's request. Either the Board or the alleged violator may request a postponement of up to 10 days, and such postponement shall be granted. Additional postponements may be granted upon agreement of both the Association and the alleged violator. The Board shall notify the alleged violator at least 10 days prior to the hearing of the time, date, and place of the hearing. At the hearing, the alleged violator shall be afforded a reasonable opportunity to be heard and shall be entitled to make an audio recording of the hearing. The minutes of the meetings of the Board shall contain a written statement of the results of the hearing (*i.e.*, the Board's decision) and the sanction, if any, to be imposed.

If a timely request for a hearing is not made, the sanction stated in the notice shall be imposed unless the violation is cured within the cure period stated in the notice.

b. **Optional Courtesy Letter.** The Association may, at its option and in its sole and absolute discretion, voluntarily provide the Owner of the Lot related to or connected with the alleged violation with a courtesy letter informing the Owner of the violation. The foregoing courtesy letter is not required to be given by the Association and such notice shall not constitute the written notice described Section 5.6a. The Board of Directors or its designee shall have the sole and exclusive right to determine under which facts and circumstances the Association may elect to send a courtesy letter.

c. **No Waiver.** In the event the Board of Directors decides, in its discretion, not to take enforcement action, such a decision shall not be construed a waiver of the Association's right to enforce such provision at a later time under other circumstances or to estop the Association from enforcing any other covenant, restriction, or rule.

ARTICLE VI ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments (and special individual assessments if applicable) which are secured by a continuing lien upon the Lot against which the assessment is made. If

an assessment is not paid as provided in the Declaration, then the Association shall be entitled to the remedies provided in the Declaration, these Bylaws and the Articles of Incorporation.

ARTICLE VII AMENDMENTS

7.1 Amendment by Declarant.

During the Class B Control Period and subject to any applicable provisions in the Declaration, the Declarant may amend these Bylaws without approval of the Board of Directors or any Class A Members. In addition, after the expiration of the Class B Control Period but while the Declarant owns a Lot, Declarant may amend these Bylaws if such amendment (i) is necessary to bring any provision into compliance with any applicable governmental statutes, rule, regulation, or judicial determination; (ii) is necessary to comply with the requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the U. S. Department of Veterans Affairs, the U. S. Department of Housing and Urban Development, or any other applicable governmental agency or secondary mortgage market entity; or (iii) is necessary to clarify or to correct technical, typographical or scrivener's errors; provided, any such amendment must not have a material adverse effect upon any material right of any Owner.

7.2 Amendment by Members.

Except as provided above, these Bylaws may be amended only by the affirmative vote or written consent, or any combination thereof, of persons entitled to cast at least 51% votes of the total votes of each Class of Members (*i.e.*, at least 50% of total Class A votes and 50% of total Class B votes). Notwithstanding the foregoing, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

7.3 HUD/VA Approval.

While there is Class B membership, HUD or VA shall have right to veto amendments to these Bylaws if such entity has issued approval of the Property for purposes of insuring or guaranteeing mortgages.

7.4 Validity and Effective Date of Amendments.

Amendments to these Bylaws shall become effective upon their recording in the Public Records of Denton County, Texas, unless a different date is specified in the amendment. Any procedural challenge to an amendment must be made within three months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provision of these Bylaws.

ARTICLE VIII MISCELLANEOUS

8.1 Fiscal Year.

The Board of Directors shall determine the Association's fiscal year. If the Board of Directors fails to adopt a certain fiscal year, then until the Board of Directors adopts a specific fiscal year the fiscal year shall be January 1st to December 31st of every year, except that the first fiscal year shall begin on the date of incorporation.

8.2 Conflicts.

In the event of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control; and in the event of any conflict between the Declaration and these Bylaws, the Declaration shall control.

8.3 Books and Records.

a. **Inspection by Members.** The Board of Directors shall make the books and records of the Association available for inspection and copying by any Member or the duly appointed representative of any of the Member. The files and records of an attorney or accountant who performs services for the Association are not records of the Association and are not subject to inspection by Members. The Board of Directors may deny the request to review particular records to the extent the Board of Directors determines that the Member's purpose for inspection is not proper.

b. **Rules of Inspection.** The Board of Directors may establish reasonable rules with respect to: (i) notice to be given to the custodian of the records; (ii) hours and days of the week when such an inspection may be made; and (iii) payment of the cost of reproducing copies of documents requested.

c. **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 or controlled by the Association. The right of inspection by a director includes the right to make a copy of relevant documents at the Association's expense.

8.4 Notices.

Except as otherwise provided in the Declaration or these Bylaws, all notices, demands, bills, statements and other communications under the Declaration or these Bylaws shall be in writing and shall be given personally or by mail. Notices that are mailed shall be deemed to have been duly given three days after deposit unless such mail service can prove receipt at an earlier date. Owners shall maintain one mailing address for a Lot, which address shall be used by the Association for mailing of notices, statements and demands. If an Owner fails to maintain a current mailing address for a Lot with the Association, then the address of that Owner's Lot is deemed to be such Owner's mailing address. If a Lot is owned by more than one person or entity, then notice to one co-owner is deemed notice to all co-owners. Attendance by a Member or director at any meeting shall constitute waiver of notice by the Member or director of the time, place and purpose of the meeting. Written waiver of notice of a meeting, either before or after a meeting, of the Members or directors shall be deemed the equivalent of proper notice.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Providence Homeowners Association, Inc., a Texas corporation;

That the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof held on the ____ day of _____, 2002.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this ____ day of _____, 2002.

Secretary [SEAL]

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 DENTON }

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 Denton County, Texas on

JUN 12 2002

Cynthia Mitchell
COUNTY CLERK
DENTON COUNTY, TEXAS



Filed for Record in:
DENTON COUNTY, TX
CYNTHIA MITCHELL, COUNTY CLERK

On Jun 12 2002
At 2:48pm

Receipt #: 33391
Recording: 109.00
Doc/Mgmt : 6.00
Doc/Num : 2002-R0073755
Doc/Type : DEC
Deputy -Cristina