

SIXTH AMENDED AND RESTATED BYLAWS
OF
STONEBRIDGE RANCH COMMUNITY ASSOCIATION, INC.

Article 1

Name, Principal Office and Definitions

Section 1.1 Name. The name of the Association shall be the Stonebridge Ranch Community Association, Inc. (the "Association").

Section 1.2. Principal Office. The principal office of the Association shall be located in the State of Texas in Collin County.

Section 1.3. Definitions. The words used in these Bylaws shall be given their ordinary, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in the Second Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for Stonebridge Ranch Community Association, Inc. (said Declarations, as amended, renewed or extended from time to time, is hereinafter sometimes referred to as the "Declaration"), unless otherwise defined herein.

Article II

Association: Membership, Meetings, Quorum, Voting, Proxies

Section 2.1. Membership. The Association shall have one class of membership, as more fully set forth in the Declaration. The provisions of the Declaration pertaining to membership are specifically incorporated herein by reference.

Section 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 the Board may designate either within the Properties or as convenient as possible and practical.

Section 2.3. Annual Meeting. Regular annual meetings of the membership shall be set by the Board so as to occur with 90 days after the close of the Association's fiscal year on a date and at a time set by the Board.

Section 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 or a majority of the Board or upon a petition signed by Members representing at least ten percent (10%) of the total votes of the Association.

Section 2.5. Notice of Meetings. Members shall be given notice of the date, hour, place and general subject of a regular or special meeting, including a general description of any matter to be brought up for deliberation in executive session. The notice shall be: (1) mailed to each Member not later than the 10th day or earlier than the 60th day before the date of the meeting; or (2) provided at least 72 hours before the start of the meeting by: (A) posting the notice in a conspicuous manner reasonably designed to provide notice to Members: (i) in a place located on the Association's Common Property, or, with consent, on other conspicuously located privately owned property within the Association Properties; or (ii) on the Association's Internet maintained website; and (B) sending the notice by e-mail to each Member who has registered an e-mail address with the Association. It is the Member's obligation and duty to ensure that the Association has his/her most updated and current e-mail address registered with the Association.

If the meeting involves an Association wide vote or election, the notice must be mailed to the Members as

prescribed in Section 2.5(1) herein. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the Association, with postage thereon prepaid.

Section 2.6. Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, a majority of the Members who are present at such meeting, either in person, or by proxy, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting, or if for some reason a new date is fixed for reconvening the meeting after adjournment, notice of time and place for reconvening the meeting shall be given to Members in the manner prescribed in Section 2.5 herein.

The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, provided that any action taken is approved by Members representing at least a majority of votes required to constitute a quorum.

Section 2.7. Voting. The voting rights of the Members shall be as set forth in the Declaration and these Bylaws, and the Declaration's voting rights provisions are specifically incorporated herein.

Section 2.8. Proxies. At all meetings of Members, each Member may vote in person or by proxy, absentee ballot, or electronic ballot. An absentee or electronic ballot: (1) may be counted as a Member present and voting for the purpose of establishing a quorum only for items appearing on the ballot; (2) may not be counted if the Member attends the meeting to vote in person; and (3) may not be counted on the final vote of a proposal if the motion is amended at the meeting to be different from the exact language on the absentee or electronic ballot. All proxies shall be in writing, signed by the Member or his or her duly authorized attorney-in-fact, dated and filed with the Secretary or such other Person as may be designated by the Board before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon loss of good standing by any such Member, conveyance by the Member of such Member's Lot, or upon receipt of notice by the Secretary of the death or judicially declared incompetence of a Member, or of written revocation, or upon the expiration of eleven (11) months from the date of the proxy. A form of proxy or written ballot may provide an opportunity to specify approval or disapproval with respect to any proposal.

Section 2.9. Majority. As used in these Bylaws, the term "majority" shall mean those votes, owners or other group, as the as the context may indicate, totaling more than fifty percent (50 %) of the total number.

Section 2.10. Quorum. Except as otherwise provided in these Bylaws or in the Declaration, the presence in person or by proxy of Members representing at least ten percent (10 %) of the total votes in the Association shall constitute a quorum at all meetings of the Association. Any provision in the Declaration concerning quorums is specifically incorporated herein. There is one exception, if the only item on the agenda to be voted on is the approval of the most recent Association meeting minutes, then the quorum requirements shall be two percent (2%) of the total votes in the Association counted as present in person or by proxy.

Section 2.11. Conduct of Meetings. The President (or, in the absence of the President, the Vice-President) shall preside over all meetings of the Association, and the Secretary or someone appointed by the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting. All meeting records will be reviewed and signed by the Secretary.

Section 2.12. Action without a Meeting. Any action required by law to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting if written consent setting forth the action so 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, and any such consent shall have the same force and effect as a unanimous vote of the Members. Such consents shall be signed within sixty (60) days after receipt of the earliest dated consent, dated and delivered to the Association. Such consent shall be filed with the minutes of the Association and shall have the same force as a vote of Members at a meeting. Each written consent shall bear the date

of the signature of each Member who signs the consent. Within a reasonable time following authorization of any action by written consent, the Association shall give notice to all Members of the material features of the authorized action.

Article III

Board of Directors: Number, Powers, Meetings

A. Composition and Selection.

Section 3.1. Governing Body: Composition. "The affairs of the Association shall be governed by a Board consisting of seven (7) persons. The Directors must be Members of the Association. Each Director shall have one vote.

Section 3.2. Election of Directors. Candidate(s) standing for election to the Board of Directors' position(s) are required to complete and sign the candidate Questionnaire application form and return it to the Association office by the designated deadline in order for their name to be placed on the nomination ballot. Candidates receiving the most votes will be elected to the vacant positions having a three (3) year term,

1. Directors elected by the Members shall hold office until their respective successors have been elected and qualified. At each election, each Member may cast one (1) vote for each Lot owned by such Member for each vacancy to be filled. There shall be no cumulative voting. If the number of candidates equals to the number of positions to be filled the Board of Directors may vote to accept the candidates standing for election to those positions. Members will be notified of such action and that the Association need not undergo the expense of an annual election. In such instances, the Annual meeting will be held as scheduled and the new Board members will be introduced.
2. If the number of candidates does not equal the number of positions to be filled, the Board of Directors may vote to accept the candidate(s) standing for election to those positions and select, at its sole discretion, the process to fill the vacant position(s), including, but not limited to, directly appointing an individual to fill the position, forming a committee to present candidates to the Board or any other process the Board believes is appropriate based on the circumstances. A Director appointed or elected to fill a vacant position shall serve the open position's full remaining term. If the selection process is completed in time, the new Board member(s) will be introduced at the Annual meeting.

Any Director may be removed, with or without cause, by either the vote of two-thirds (2/3rds) of the Directors present at a regular or special meeting or the vote of the Members holding a majority of the votes entitled to be cast for the election of such Director. Any Director whose removal is sought shall be given at least five (5) days' notice prior to any meeting called for that purpose and shall be given an opportunity to be heard at the meeting or to communicate his or her position.

Failure to meet the following standards could result in the removal of a Board member:

1. Any Director who has three (3) consecutive non-medical related absences, or four (4) non-medical related absences consisting of regular or special Board meetings in a given calendar year. Calendar year is hereby defined as the date following the Association's annual meeting until the date of the annual meeting the following year.
2. Any Director who misses a combination of six (6) non-medical related meetings in a given calendar year consisting of a total of Board meetings and Committee meetings where the Board member is the assigned liaison Committee member.
3. Any Director who fails to meet the requirement of full attendance at regular or special Board meetings or assigned Committee meeting will be viewed as failure to meet standards in the above standards in paragraph 1 and 2. Full attendance is defined as being present at the "scheduled" start time on the meeting agenda and staying until the meeting is formally adjourned.

Any Director who fails to meet the requirement of full attendance at regular or special Board meeting or assigned Committee meeting may be voted on for removal by a majority of the Directors present at a special meeting at which a quorum is present. If the Board elects to have a vote, this meeting must be called within 21 days of a Director's failure to meet one of the above standards.

Any Director's whose term has expired must be elected by Members of the Association. The Board shall only fill a vacancy caused by death, disability resignation or removal by vote of the Directors. The Board, at its sole discretion, shall select the process to fill the vacant position, including, but not limited to, a decision to leave the position open until the vacant term expires, directly appointing an individual to fill the position, forming a committee to present candidates to the Board, opening the vacancy to allow individuals to apply, holding a special election, or adding the position to the annual election of Directors' slate, or any other process the Board believes is appropriate based on the circumstances. A Director appointed or elected to fill a vacant position shall serve the unexpired term of the predecessor Director.

A Director whose term has expired or who has been removed from office must be prepared, if requested, to return to the Association any and all documents, notebooks or electronic media or equipment issued or transmitted that is in their possession concerning the Association. The Association will provide a media storage device to the board member as required to return any electronic documents.

B. Meetings.

Section 3.4. Organizational Meetings. The first meeting of the Board following each annual meeting of the Membership shall be within seven (7) days thereafter at such time and place as shall be fixed by the board.

Section 3.5. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Directors, but at least six (6) such meetings shall be held during each fiscal year with at least (1) every other month. Notice of the time and place of the meeting shall be communicated to Directors no less than seven (7) days prior to the meeting, provided, however, notice of a meeting need not be given any Director who has signed a waiver of notice or a written consent to holding of the meeting.

Section 3.6. 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. 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 by one of the following methods: (i) by personal delivery; (ii) written notice by first-class mail, postage prepaid; (iii) 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 (iv) by electronic mail, facsimile, or other communication device. All such notices shall be given at the Director's telephone number, fax number, electronic mail, or sent to the Director's address shown on the records of the Association. Notices sent by first-class mail shall be deposited in a United States mailbox at least four (4) days before the time set for the meeting.

Section 3.7. Workshops And Other Meetings. Meetings, other than those held under Section 3.4, Section 3.5 or Section 3.6 may be held. These Workshops and Other Meetings are such that discussions occur between Board Members with no input from Members. At these meetings, no substantive decisions will be rendered; however, minutes of such meetings may be recorded and entered into the official records of the Association. No prior notice to Members is required.

Section 3.8. Waiver of Notice. The transaction of any meeting of the Board, however called and noticed or wherever held, shall be 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 the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 3.9. Telephone Meetings. Members of the Board or any committee may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment, by means of which all persons participating in the meeting simultaneously communicate with one another. Participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.

Section 3.10. Quorum of Board. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors. If any meeting of the Board cannot be held because a quorum is not present, a majority of the Directors who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have transacted at the meeting originally called may be transacted without further notice.

Section 3.11. Compensation. No Director shall receive any compensation from the Association unless approved by Members representing a majority of the total vote of the Association at a regular or special meeting of the Association; not withstanding that any Director may be reimbursed for expenses incurred on behalf of the Association upon approval of the Board President or Director of Operations.

No Director may be hired or compensated for working for or as a consultant for the Association for a minimum of three (3) years after serving a board term.

Section 3.12. Conduct of Meetings; Minutes. The President (or, in the President's absence, a Vice-President) shall preside over all meetings of the Board, and the Secretary shall keep a minute book of meetings of the Board, recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings. Business of the Association shall be conducted during a minimum of six (6) public Board Meetings per year. Unless otherwise prohibited by the Bylaws, the Board shall be entitled to have one or more private workshop per fiscal year. The minutes of each and every meeting shall be accurately recorded, approved by the Board and filed with the records of the Association. The minutes of all public meetings shall be made available to the Association membership for inspection by whatever means necessary, including posting on the Association's official web site once the minutes have been approved by the Board no later than the next Board meeting.

Following an executive session during an open meeting, any decision made in the executive session must be summarized orally and placed in the minutes, in general terms, without breaching the privacy of individual owners, violating any privilege, or disclosing information that was to remain confidential at the request of the affected parties. The oral summary must include a general explanation of expenditures approved in executive session.

Section 3.13. Open Meetings. Subject to the provisions of Section 3.14, all meetings of the Board shall be open to all Members, but Members other than Directors may not participate in any discussion or deliberation except as follows:

The Directors shall publish a meeting agenda indicating topics for Board review and action. Members will be permitted a reasonable opportunity to express their opinions concerning such agenda matters, in an open forum session, prior to taking any formal action. The agenda will also indicate Executive Session matters.

In an open forum, the President may limit the number of speakers, limit the time for each presentation to three minutes and adopt other rules of efficiency and decorum as may be reasonably needed to maintain order.

Section 3.14. Executive Sessions and Workshops. Unless otherwise required by law, the Board may, with approval of a majority of a quorum, adjourn any meeting of the Board and reconvene in executive session, excluding Members, to discuss and vote upon matters of a sensitive nature, involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, assessment delinquencies, confidential communications with the property owners' Association's attorney, matters involving the invasion of privacy of individual owners, or matters that are to remain confidential by request of the affected parties and agreement of the Board. The general

nature of any business to be considered in executive session must first be announced at the open meeting. The Board may also attend "workshop" meetings or sessions to discuss long-range concepts, receive educational assistance and training and the like, provided no official action of any sort is taken.

Section 3.15. Action without a Formal Meeting. Any action to be taken at a meeting of the Directors or any action that may be taken at a meeting of the Directors may be taken without a meeting if a directed consent is approved by a vote by a majority of Directors in a regular Board of Directors scheduled meeting. Such consent actions shall have the same force and effect as a unanimous vote. An explanation of the action taken shall be made a part of the next regular scheduled meeting reports and minutes.

Additionally, pursuant to Texas State Statute 209.0051 the Association's Board of Directors may take action outside of a meeting, including voting by electronic or telephonic means, without prior notice to owners under 209.0051 Subsection (e), if each board member is given a reasonable opportunity to express the board member's opinion to all other board members and to vote. Any action taken without notice to owners under Subsection (e) must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting, and documented in the minutes of the next regular or special board meeting. The Board may not, unless done in an open meeting for which prior notice was given to owners under Subsection (e), consider or vote on:

- (1) fines;
- (2) damage assessments;
- (3) initiation of foreclosure actions;
- (4) initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety;
- (5) increases in assessments;
- (6) levying of special assessments;
- (7) appeals from a denial of architectural control approval;
- (8) a suspension of a right of a particular owner before the owner has an opportunity to attend a board meeting to present the owner's position, including any defense, on the issue;
- (9) lending or borrowing money;
- (10) the adoption or amendment of a dedicatory instrument;
- (11) the approval of an annual budget or the approval of an amendment of an annual budget that increases the budget by more than 10 percent;
- (12) the sale or purchase of real property;
- (13) the filling of a vacancy on the board;
- (14) the construction of capital improvements other than the repair, replacement, or enhancement of existing capital improvements; or
- (15) the election of an officer.

C. Powers and Duties.

Section 3.16. Powers. The Board shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do or cause to be done all acts and things as are not by the Governing Documents or by law directed to be done and exercised exclusively by the Members or the membership generally. The Board may delegate (see Section 3.15) to one or more of the members the authority to act on behalf of the Board on all matters relating to the duties of and/or matters directly or indirectly pertaining to the managing agent or manager, if any, which might arise between meetings of the Board.

Section 3.17. Duties. The duties of the Board shall include, without limitation, the following:

- (a) preparation and adoption, in accordance with Article V of the Declaration, of annual budgets in which there shall be established the contribution of each Owner to the Common Expenses;
- (b) making assessments to defray the Common Expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment;

- (c) providing for the operation, care, upkeep, and maintenance of all the Common Properties;
- (d) designating, hiring and dismissing the personnel necessary for the operation of the Association and the maintenance, operation, repair and replacement of its property and the Common Properties 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) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve and using the proceeds to operate the Association; provide; provided, any reserve fund may be deposited in the Directors' best business judgment, in depositories other than banks;
- (f) making and amending rules and regulations;
- (g) opening of 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 other provisions of the Declaration and these Bylaws after damage or destruction by fire or other casualty;
- (i) enforcing by legal means the provisions of the Governing Documents and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;
- (j) obeying or carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;
- (k) paying the cost of all services rendered to the Association or its Members and not chargeable directly to specific Owners;
- (l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifically the maintenance and repair expenses and any other expenses incurred;
- (m) making available to any prospective purchaser of a Lot, any Owner of a Lot, any first mortgagee, and the holders, insurers and guarantors of a first mortgage on any Lot, current copies of the Governing Documents and all other books, records and financial statements of the Association; and
- (n) permitting utility suppliers to use portions of the Common Properties reasonably necessary to the ongoing development or operation of the Properties.

Section 3.18. Management. The Board may employ for the Association a professional management agent or agents at a compensation established by the Board to perform such duties and services as the Board shall authorize. The Board may delegate to its managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board by these Bylaws, other than the powers set forth in this Section 3.18.

The Association shall not be bound, either directly or indirectly, by any contract, lease or other agreement (including any management contract) executed during the Development Period, unless such contract, lease or other agreement contains a right of termination exercisable by either party without penalty at any time, with or without cause, upon not more than 90 days' notice to the other party.

Section 3.19. Accounts and Reports. The following management standards of performance will be followed unless the Board by Resolution specifically determines otherwise:

- (a) cash or accrual accounting (as determined by the Board from time to time), as defined by generally accepted accounting principles, shall be employed;
- (b) accounting and controls should conform to generally accepted accounting principles;
- (c) a segregation of accounting duties should be maintained and disbursements by check shall require only one signature, except as otherwise specified by resolution of the Board;

(d) cash accounts of the Association shall not be commingled with any other accounts:

(e) 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; anything of value received shall benefit the Association;

(f) 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;

(g) financial reports shall be prepared for the Association at least quarterly containing:

- (i) a balance sheet as of the last day of the preceding period;
- (ii) an income statement reflecting all income and expenses actively for the proceeding period on a cash or on an accrual basis, as the Board may prescribe;
- (iii) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;
- (iv) a statement reflecting all cash receipts and disbursements for the preceding year; and
- (v) a delinquency report listing all Owners who are delinquent in paying any assessments at the time of the report and describing the status of any action to collect such assessments which remain delinquent (any assessment or installment thereof shall be considered to be delinquent on the thirtieth (30th) day following the due date unless otherwise specified by resolution of the Board of Directors).

(h) an annual report consisting of at least the following shall be made available for inspection by the Members in accordance with the provisions of Section 6.4(b) within one hundred twenty (120) days after the close of the fiscal year: (i) balance sheet; (ii) an operating (income) statement; and (iii) a statement of change in financial position for the fiscal year. The annual report referred to above shall be prepared on an audited or reviewed basis, as determined by the Board; provide, upon written request of any holder, guarantor or insurer of any First Mortgage on a Lot, the Association shall provide an audited financial statement.

Section 3.20. Borrowing. The Association shall have the power to borrow money for any purposes; provided the Board shall obtain Member approval in the same manner provided in Section 5.4 of the Declaration for special group assessments in the event that the proposed borrowing is for the purpose of modifying, improving or adding amenities and the total amount of such borrowing exceeds or would exceed twenty percent (20%) of the budgeted gross expenditures of the Association for that fiscal year or would increase the total Annual Assessment by more than five percent (5%).

Section 3.21. Rights of the Association. With respect to the Common Properties, and in accordance with the Articles of Incorporation and the Declaration, the Association shall have the right to contract with any person for the performance of various duties and functions, without limitations. Without limiting the forgoing, this right shall entitle the Association to enter into common management, operational or other agreement with trusts, condominiums, cooperatives and other owners or residents associations, both within and without the Properties. Such agreements shall require the consent of a majority of the total number of Directors of the Association.

Section 3.22. Enforcement. The Association shall have the power to impose reasonable fines, which shall constitute a lien upon the property of the violating Owner, and to suspend an Owner's right to vote or any Person's right to use the Common Properties for violation of any covenant or duty imposed under the Governing Documents; provided, however, nothing herein shall authorize the Association to limit ingress or egress to or from a Lot. In the event that any occupant, guest or invitee of a Lot violates the Governing Documents for which a fine is imposed, such fine may be assessed against the occupant or the Owner provided, however, if the fine is not paid by the occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Association of the Occupant's failure to do so. The failure of the Board to enforce any provision of the Governing Documents shall not be declared a waiver of the right of the Board to do so thereafter or of the right to enforce any other violation.

(a) Notice. Prior to imposition of any fine under the Governing Documents, suspension of an Owner's right to use the Common Properties, commencement of a suit against an Owner (other than a suit to collect a regular or special assessment or foreclose under the Associations assessment lien), imposition of a charge against an Owner for property damage (the foregoing actions are collectively referred to herein as a "sanction"), the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction and/or fine to be imposed, (iii) a period of thirty (30) days from receipt of the notice within which the alleged violator may cure the alleged violation and avoid the sanction and/or fine unless the Owner was given notice and a reasonable opportunity to cure a similar violation in the preceding six (6) months; (iv) that the alleged violator may present a written request to the Board within thirty days (30) of receipt of the notice, for a hearing (v) a statement that the proposed sanction shall be imposed as contained in the notice unless a hearing is requested within thirty (30) days of the notice; and (vi) a statement that the alleged violator may have rights or relief related to the enforcement action under federal law, including the Service members Civil Relief Act (50 U.S.C. app. §501 et. seq.), if the owner is serving on active military duty. Any suspension of a sanction or fine referenced herein shall not constitute a waiver of the right to sanction or fine for future violations of the same or other provision and rules by any Person.

Notwithstanding the foregoing, the notice and hearing provisions of this Section 3.22 do not apply if the Association files a suit seeking a temporary restraining order or temporary injunctive relief or files a suit that includes foreclosure as a cause of action. The notice and hearing provisions of this Section 3.22 do not apply to a temporary suspension of a Person's right to use the common Properties if the temporary suspension is the result of a violation that occurred on the Common Properties and involved a significant and immediate risk of harm to others in the Properties. The temporary suspension is effective until the Board makes a final determination on the suspension action after following the procedures prescribed by this Section 3.22(a).

If the Association has determined to foreclose its lien provided in the declaration to the collections attorney, that decision step must be formally authorized by a majority vote of the Board of Directors at a regularly scheduled Board meeting. All actions and authorizations will be documented in executive session to exercise the power of sale to be accomplished pursuant to the requirements of Section 209.0092 of the Texas Property Code by first obtaining a court order in an application for expedited foreclosure under the rules adopted by the Supreme Court of Texas.

(b) Hearing. If a hearing is requested within the allotted thirty (30) day period, the hearing shall be held in executive session affording the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if, 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 appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanctions, if any, imposed. The Board of Directors or Member may request a postponement, and, if requested, the postponement shall be granted for a period of no more than ten (10) days. The Board may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the thirty (30) day period referenced in Section 3.22(a). Such suspension shall not constitute a waiver of the rights to sanction future violations of the same or other provisions and rules by any Person.

(c) Appeal. Following a hearing before a Committee of the Association, the violator shall have the right to appeal the decision to the Board of Directors. To perfect this right, a written notice of appeal must be received by the manager, President, or Secretary of the Association within thirty (30) days after the hearing date.

(d) Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Association, acting through the Board of Directors, may elect to enforce any provision of the Declaration, these Bylaws or the rules and regulations of the Association by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations and the maintenance of an Owner's Lot which the Owner failed and/or refused to perform) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the notice and hearing procedures set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

Article IV **Officers**

Section 4.1. Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer, to be elected among the members of the Board. The board may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 4.2. Election and Term of Office, and Vacancies. The officers of the Association shall be elected annually by the Board at the first meeting of the Board following each annual meeting of the Members, as set forth in Section 3.2. A vacancy in any office arising because of death, resignation, and removal or otherwise may be filled by the Board of Directors in accordance with the provisions in Section 3.3.

Section 4.3. Removal. Any officer may be removed by the Board whenever in its judgment the best interest of the Association will be served thereby.

Section 4.4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time specifically be conferred or imposed by the Board. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a Finance Committee, management agent or both.

Section 4.5. Resignation. Any officer may resign at any time by giving written notice to the Board, he President or the Secretary. Such resignation shall take effect on the date of the 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.

Section 4.6. Agreements, Contracts, Deeds, Leases, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by such person or persons as may be designated by resolution of the Board.

Article V **Committees**

Section 5.1 Generally. Committees are hereby authorized to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Each committee shall cooperate in accordance with the terms of the resolution of the Board designating the committee or with rules adopted by the Board of Directors. The Board shall ratify the committee's selected/voted chairperson for each committee, who shall preside at its meeting and who shall be responsible for transmitting any and all communications to the Board through its committee liaison. The Board may, at its discretion, appoint a committee chairperson.

For each committee, a Board Member shall be designated as the primary interface/liaison to the Board for the specific committee. Committee reports or minutes should be taken at each meeting and presented at each regular Board Meeting. Committee members should also receive copies of the committee minutes. These minutes should include actions, recommendations and a list of committee members present at the meeting.

Committee members may be removed from the Committee by the Board with or without cause by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Or a Committee member may also be removed for causes related to "Disclosure Due to Conflict of Interest. In either situation, the removal of the Committee member shall be effective immediately upon adoption of the resolution. Causes relating to "Disclosure Due to Conflict of Interest" include, (1) soliciting personal business or gain while acting in the capacity of a member of the committee or as an Association volunteer, (2) communicating directly with any vendor of the association or person or entity requested to submit a bid to provide services to the Association without express approval to do so

from the Association, and (3) failing to fully disclose to the Association any personal or business relationship with a vendor of the association or a person or entity requested to submit a bid to provide services to the Association, if the committee made any recommendation to the Association to engage that vendor or to renew an existing contract, or to request a bid from that person or entity.

Committee members (effective Feb 23, 2017) may not serve on more than one committee at a time. Any committee member serving on more than one committee prior to the effective date, may continue to do so, but may not apply for additional committee assignments. Committee members may serve on a subcommittee or an ad hoc committee at the Board of Directors' direction/approval, while still serving on a standing committee.

Article VI **Miscellaneous**

Section 6.1. Fiscal Year. The fiscal year of the Association shall be the twelve (12) month period commencing on January 1 and ending on the following December 31, unless the Board shall otherwise select an alternative twelve (12) month period.

Section 6.2. Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (Current edition) shall govern the conduct of Association proceedings when not in conflict with Texas law, the Articles of Incorporation, the Declaration or these Bylaws.

Section 6.3. Conflicts. If there are conflicts between the provisions of Texas law, the Articles of Incorporation, the Declaration and these Bylaws, the provisions of Texas law, the Declaration, the Articles of Incorporation and the Bylaws (in that order) shall prevail.

Section 6.4. Books and Records.

(a) Inspection by Members and Mortgagees. The Governing Documents, the membership register, books of account and the minutes of meetings of the Members, the Board and Committees, shall be made available for inspection and copying by any holder, insurer or guarantor of a First Mortgage on a Lot, a Member, or by the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in the Lot. Such inspection shall take place at the office of the Association or at such other place within the Properties as the Board shall prescribe.

(b) Rules for Inspection. The Board shall establish reasonable rules with respect to:

- (i) notice to be given to the custodian of records;
- (ii) hours and day 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 Properties owned or controlled by the Association. The right of inspection by a Director includes the right to make extracts and a copy of relevant documents at the expense of the Association.

Section 6.5. Notices. Unless otherwise provided in these Bylaws, all notices, demands, Bills, statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered electronically (delivery confirmed), personally or if sent by United States mail, first-class postage prepaid:

- (a) if to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Lot of such Member, or
- (b) if to the Association, the Board, or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members

pursuant to this Section.

Section 6.6. Amendments. The power and authority to alter, amend or repeal the Bylaws, or to adopt new Bylaws, has been delegated by the Members to the Board.

Section 6.7 Use of Technology. In recognition of the opportunities offered through computers and continuing advancement in the high technology fields, the Association may, to the extent Texas law permits, and unless otherwise specifically prohibited in the Governing Documents, do the following:

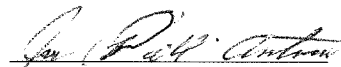
- send required notices to Members and Directors by electronic means;
- hold Board or Association meetings and permit attendance and voting by electronic means, to include early voting;
- where Directors are to be elected by the Members, conduct such elections by mail, facsimile, or electronically, or by any combination of the foregoing;
- send and collect assessments and other invoices over the computer via the Internet or Intranet;
- sponsor a community cable television channel;
- create and maintain a community intranet or internet web site offering interactive participation opportunities for users;
- maintain an "online" newsletter or bulletin board.

CERTIFICATION

I, the undersigned, am the duly elected and Board President of STONEBRIDGE RANCH COMMUNITY ASSOCIATION, INC., a Texas non-profit corporation, and I do hereby certify:

That the within and foregoing Sixth Amended and Restated Bylaws of Stonebridge Ranch Community Association, Inc., were adopted as the Bylaws of said corporation as of February 22, 2018, thereby replacing the existing Bylaws of the Association and that the same do now constitute the Bylaws of said corporation, and that they have not been modified, amended nor rescinded since their adoption.

IN WITNESS WHEREOF, I have hereunto subscribed my name as of February 22, 2018.


Board President



Filed and Recorded
Official Public Records
Stacey Kemp, County Clerk
Collin County, TEXAS
02/26/2018 08:58:21 AM
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