



NOTICE OF DEDICATORY INSTRUMENTS
for
TRAILS OF KATY OWNERS ASSOCIATION, INC.

THE STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

The undersigned, being the President of Trails of Katy Owners Association, Inc. ("Association"), a property owners' association as defined in Section 202.001 of the Texas Property Code hereby certifies as follows:

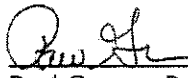
1. Property: The Property to which the Notice applies is described as follows:
 - a. Trails of Katy, Section One (1), a subdivision in Fort Bend County, Texas, according to the map or plat thereof, recorded under Film Code No. 20140090 of the Plat Records of Fort Bend County, Texas and all amendments to or replats of said maps or plats, if any.
2. Restrictive Covenants: The description of the documents imposing restrictive covenants on the Property, the amendments to such documents, and the recording information for such documents are as follows:
 - a. Documents:
 - (1) Declaration of Covenants, Conditions and Restrictions for Trails of Katy.
 - b. Recording Information:
 - (1) Fort Bend County Clerk's File No. 2014052513.
3. Dedicatory Instruments: In addition to the Dedicatory Instruments identified in Paragraph 3 above, the following documents are Dedicatory Instruments governing the Association:
 - a. Certificate of Formation of Trails of Katy Owners Association, Inc.
 - b. Bylaws of Trails of Katy Owners Association, Inc.

True and correct copies of such Dedicatory Instruments are attached to this Notice.

This Notice is being recorded in the Official Public Records of Real Property of Fort Bend County, Texas for the purpose of complying with Section 202.006 of the Texas Property Code. I hereby certify that the information set forth in this Notice is true and correct and that the copies of the Dedicatory Instruments attached to this Notice are true and correct copies of the originals.

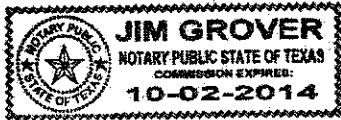
Executed on this 27 day of May, 2014.

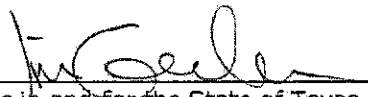
**TRAILS OF KATY OWNERS
ASSOCIATION, INC.**

By: 
Paul Grover, President

THE STATE OF TEXAS §
 §
COUNTY OF Fort Bend §

BEFORE ME, the undersigned notary public, on this 27 day of May, 2014 personally appeared Paul Grover, President of Trails of Katy Owners Association, Inc., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and in the capacity therein expressed.




Notary Public in and for the State of Texas

FILED
In the Office of the
Secretary of State of Texas

MAR 27 2014

Corporations Section

CERTIFICATE OF FORMATION
of
TRAILS OF KATY OWNERS ASSOCIATION, INC.
(A TEXAS NONPROFIT CORPORATION)

I, the undersigned natural person of the age of eighteen (18) years or more, acting as organizer of a corporation under the Texas Business Organizations Code, do hereby adopt the following Certificate of Formation for such corporation.

ARTICLE ONE
NAME

The name of the corporation is TRAILS OF KATY OWNERS ASSOCIATION, INC.

ARTICLE TWO
NON-PROFIT CORPORATION

The corporation is a nonprofit corporation.

ARTICLE THREE
PURPOSES

The purposes for which the corporation is organized are as follows:

(1) The specific and primary purpose for which this corporation is organized is to govern the affairs of that certain property commonly known as "Trails of Katy, Section One (1)" a subdivision in Fort Bend County, Texas, according to the map or plat thereof recorded (or to be recorded) in the Plat Records of Fort Bend County, Texas and any other subdivisions or real property in Fort Bend County, Texas brought within the jurisdiction of the corporation (the "Properties"). IT SHALL NOT BE ONE OF THE PURPOSES OF THE ASSOCIATION TO PROVIDE SECURITY TO THE RESIDENTS OF THE PROPERTIES OR THEIR GUESTS AND INVITEES. NEITHER VENTANA DEVELOPMENT KATY, LTD., A TEXAS LIMITED PARTNERSHIP, ITS SUCCESSORS, ASSIGNS, BENEFICIARIES OR PARTNERS OR THE DEVELOPER OF ANY ADDITIONAL PROPERTIES BROUGHT WITHIN THE JURISDICTION OF THE ASSOCIATION (THE "DEVELOPER"), THE ASSOCIATION, ITS BOARD, NOR ITS OFFICERS, DIRECTORS OR ITS AGENTS SHALL EVER IN ANY WAY, BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE PROPERTIES NOR SHALL THEY BE LIABLE FOR ANY LOSS OR DAMAGE BY REASON OR ALLEGED FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN, IF ANY.

(2) The general powers of the corporation are:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the corporation as set forth in that certain instrument entitled "Declaration of Covenants, Conditions and Restrictions for Trails of Katy" (the "Declaration") and as the same may be amended or supplemented from time to time as therein provided, as well as the restrictive covenants of any other subdivisions brought within the jurisdiction of the corporation;

(b) fix, levy, collect, and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the corporation, including all licenses, taxes or governmental charges levied or imposed against the property of the corporation;

(c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the corporation;

(d) borrow money, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) dedicate, sell or transfer all or any part of the common area to any public agency, authority, or utility;

(f) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and common area; and

(g) have and exercise any and all powers, rights and privileges which a corporation organized under the Texas Business Organizations Code or any successor statute by law may now or hereafter have or exercise.

(3) Notwithstanding any of the foregoing statements of purposes and powers, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purpose of this corporation as set forth in Paragraph (1) of this Article Three, and nothing contained in the foregoing statement of purposes shall be construed to authorize this corporation to carry on any activity for the profit of its members, or to distribute any gains, profits, or dividends to its members as such.

ARTICLE FOUR **MEMBERSHIP**

Each owner, whether one person or more of a lot in the Properties shall, upon and by virtue of becoming such owner, automatically become and shall remain a member of the corporation until ownership of the lot ceases for any reason, at which time the membership in the corporation Association shall also automatically cease. Membership in the corporation shall be appurtenant to and shall automatically follow the ownership of each lot and may not be separated from such ownership.

ARTICLE FIVE **VOTING RIGHTS**

The Corporation shall have two (2) classes of voting membership:

- Class A. Class A members shall be all Owners, with the exception of Developer, and shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be members. The vote

for such Lot shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any Lot. Holders of future interests not entitled to present possession shall not be considered as Owners for the purposes of voting hereunder.

- **Class B.** The Class B member(s) shall be Developer, or its successors or assigns so designated in writing by the Developer, and shall be entitled to seven (7) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership at the end of the Developer Control Period.

ARTICLE SIX INITIAL REGISTERED OFFICE AND AGENT

The street address of the initial registered office of the corporation is 1600 Highway 6, Suite 130, Sugar Land, Texas 77478, and the name of its initial registered agent at such address is Ventana Development Companies.

ARTICLE SEVEN MANAGEMENT

The affairs of the corporation shall be managed by its board of directors, which shall initially consist of three (3) directors, who need not be members of the corporation until after the Developer Control Period, as that term is defined in the Declaration and Bylaws of the corporation ("Developer Control Period"). The Developer shall appoint all of the directors of the corporation until the Developer Control Period as that term is defined in the Declaration and Bylaws of the corporation; thereafter, the directors shall be elected as set forth in the bylaws of the corporation. The number of directors can be increased as provided in the bylaws of the corporation. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
Bruce Grover	1600 Highway 6, Suite 130 Sugar Land, Texas 77478
Paul Grover	1600 Highway 6, Suite 130 Sugar Land, Texas 77478
James B. Grover	1600 Highway 6, Suite 130 Sugar Land, Texas 77478

ARTICLE EIGHT ORGANIZER

The name and street address of the organizer is:

<u>NAME</u>	<u>ADDRESS</u>
James B. Grover	1600 Highway 6, Suite 130 Sugar Land, Texas 77478

ARTICLE NINE
DISSOLUTION

The corporation may be dissolved by the vote of not less than two-thirds (2/3rds) of both classes of the members (as long as there are Class B members), which vote will be taken at a meeting of the members. Upon dissolution of the corporation, other than incident to a merger or consolidation, the assets of the corporation shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this corporation was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE TEN
AMENDMENTS

Amendment of this Certificate of Formation shall require the assent of two thirds (2/3rds) of both classes of the members of the corporation (as long as there are Class B members) that are in attendance (either in person or by proxy), and entitled to vote at a meeting of the members called for such purpose.

ARTICLE ELEVEN
INDEMNIFICATION

The corporation shall indemnify any director or former director, officer or former officer of the corporation to the fullest extent allowed by the Texas Business Organizations Code.

ARTICLE TWELVE
WRITTEN CONSENT

To the extent allowed by Section 209.005 of the Texas Property Code and provided the provisions of Section 22.220 of the Texas Business Organizations Code are fully complied with, any action required by the Texas Business Organizations Code to be taken at a meeting of members, directors, or any committee of the corporation or any action that may be taken without a meeting if a consent in writing setting forth the action to be taken is signed by a sufficient number of members, directors, or committee members as would be necessary to take that action at a meeting at which all of the members, directors, or members of the committee were present and voted.

IN WITNESS WHEREOF, we have hereunto set our hand, this 27 day of MARCH, 2014.

By: 
James B. Grover, Jr.

"CONSENT TO USE SIMILAR CORPORATE NAME"

THE STATE OF TEXAS
COUNTY OF FORT BEND

KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, "Trails of Katy Owners Association, Inc." wishes to incorporate in the State of Texas;

WHEREAS, currently there exists a Texas corporation authorized to transact business in Texas with a similar name of "Trails of Katy, LLC";

WHEREAS, the Secretary of the State of Texas requires the consent of the existing "Trails of Katy, LLC" to use the name "Trails of Katy Owners Association, Inc.", prior to using said corporate name; and

WHEREAS, "Trails of Katy, LLC" consents to the use of the name "Trails of Katy Owners Association, Inc."

NOW, THEREFORE, the Manager of "Trails of Katy, LLC", on its behalf, hereby consents to the use of the corporate name "Trails of Katy Owners Association, Inc."

EXECUTED on this 27 day of MARCH, 2014.

Trails of Katy, LLC

By: [Signature]
James B. Grover, Manager
JR

BYLAWS
of
TRAILS OF KATY OWNERS ASSOCIATION, INC.

Article I

Name, Membership, and Definitions

Section 1. Name. The name of the Association is TRAILS OF KATY OWNERS ASSOCIATION, INC. (hereinafter referred to as the "Association").

Section 2. Definitions/Gender. All other capitalized terms used in these Bylaws shall have the same meanings as that set forth in the Declaration, unless otherwise provided. Pronouns, wherever used in these Bylaws, shall include all persons regardless of gender.

Article II

Association: Meetings, Quorum, Voting, Proxies

Section 1. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place as may be designated by the Board of Directors either in the community of Trails of Katy or as convenient to the Members as possible and practical.

Section 2. Annual Meetings. The annual meeting of the Association shall be held each year, on a date and at a time designated by the Board of Directors.

Section 3. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of a majority of a quorum of the Board of Directors or upon a petition signed by Members representing at least ten percent (10%) of the total votes of the Association. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. Written notice of each annual or special meeting of the Association shall be sent to each Member's address listed with the Association, stating the purpose of the meeting, as well as the time and place where it is to be held. Such notice may be delivered personally, by mail, by facsimile, and to the extent expressly authorized by statute, by electronic message. If a Member desires that notice be given at an address other than the Lot, the Member shall provide the alternative address for the purpose of receiving notice in writing to the Secretary. Notice by facsimile must be sent to the facsimile number provided to the Association in writing by that Member. Notice shall be served not less than ten (10) nor more than sixty (60) days before a meeting. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail, first class postage pre-paid, addressed to the Member. If faxed, the notice shall be deemed to be delivered as of the date and time shown on a written confirmation that the facsimile was successfully transmitted. If sent by electronic message, the notice shall be deemed to be delivered as provided by applicable statute. The Board of Directors may use any other means to deliver a notice of a meeting that may become available with advancements in technology, provided that notice by such means is authorized by statute.

Section 5. Waiver of Notice. Waiver of notice of meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member, whether in person or by proxy, shall be deemed waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted at such meeting unless objection to the calling or convening of the meeting is raised before the business (of which proper notice was not given) is put to a vote.

Section 6. Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, either in person or by proxy, the presiding officer may adjourn the meeting and reconvene at a time not less than five (5) days and not more than thirty (30) days from the time the original meeting was called. If a time and place for reconvening the meeting is not fixed by those in attendance at such an adjourned meeting, or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed herein for a first called meeting. At such reconvened meeting, whether or not a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice provided that (i) at least five percent (5%) of the total votes of the Members as of the date of the meeting is present in person and/or by proxy; and, (ii) any action taken shall be approved by at least a majority of all of the Members present, in person and/or by proxy, at such reconvened meeting.

Section 7. Proxies. All proxies shall be in writing and filed with the Association before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon (i) conveyance by the Member of the Member's interest in a Lot; (ii) receipt of notice by the Secretary of the death or judicially declared incompetence of a Member; (iii) receipt of written revocation; or, (iv) expiration of eleven (11) months from the day of the proxy. In the event a Member executes more than one (1) proxy, the proxy with the most current date shall be valid. Proxies not delivered prior to the start of any meeting shall not be valid.

Section 8. Majority of Members. As used in these Bylaws, the term "majority of Members" shall mean those votes, Members, or any other group, as the context may indicate, totaling more than fifty percent (50%) of the total number of votes.

Section 9. Quorum. Except as otherwise provided in these Bylaws or in the Declaration, the presence in person, by proxy, absentee or electronic ballot (as approved by the Board) of more than ten percent (10%) of the total votes of the Members as of the time of the meeting shall constitute a quorum at all meetings of the Association.

Section 10. Conduct of Meetings. The President shall preside over all meetings of the Association and the Secretary, or another person designated 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.

Section 11. Action Without a Meeting of the Members of the Association. To the extent allowed by applicable law, any action which may be taken or is required to be taken at a meeting of the Association may be taken without a meeting if written consent is signed by Members holding the number of votes necessary to approve the action at a meeting. The written consent must (a) set forth the action to be taken and (b) be executed by the required number of Members as of the effective date set forth in the written consent. Any written consent adopted in accordance with this section shall have the same force and effect as a unanimous vote of the Members.

Article III

Board of Directors: Number, Powers, Meetings

Section 1. Governing Body: Composition. The affairs of the Association shall be governed by a Board of Directors. Not more than one (1) representative of a particular corporation or other entity that is a Member may serve on the Board at any given time. A Member is not eligible to serve on the Board of Directors if the Member has been convicted of a felony or crime involving moral turpitude and there is written, documented evidence of such a conviction from a database or other record maintained by a governmental law enforcement authority.

Section 2. Number and Term of Directors. The Association shall be governed by a Board of Directors consisting of three (3) persons, who need not be Members of the Association until after the end of the Developer Control Period (as defined in the Declaration). Prior to the end of the Developer Control Period, Directors shall be appointed by the Developer. The terms of Directors elected to office by the Members or appointed after the end of the Developer Control Period will be three (3) years, which terms shall be staggered so that only one (1) Director will be elected per year after the end of the Developer Control Period

Provided, however, notwithstanding the foregoing, on or before the 120th day after the date seventy-five percent (75%) of the Lots that may be created under the Declaration have been conveyed to Owners other than Developer, one (1) Director must be elected by Members other than the Developer.

Section 3. Candidates for Election to the Board. After the Developer Control Period end (or otherwise as provided by Article III, Section 2) all Members have the right to run for a position on the Board of Directors. Any Member may place their name in nomination up to twenty (20) days prior to the annual meeting. Nominations may also be taken from the floor at the annual meeting.

Section 4. Election; No Quorum at Annual Meeting. After the Developer Control Period end (or otherwise as provided by Article III, Section 2) the election of Directors is to be conducted at the annual meeting of the members. Provided, however, if an election of Directors cannot be conducted at an annual meeting because a quorum is not established, any member who is present at the attempt to hold the annual meeting (at which quorum was not established) may notify the Board at that time of his/her desire to be a candidate for election to the Board. In addition, a member who is not present at the time the annual meeting was called may notify the Association of his/her desire to be a candidate for election to the Board; provided that, the notice must be in writing and signed by the member and delivered to the Association at the address set forth in the most recently recorded management certificate required by Section 209.004 of the Code not later than five (5) business days after the date on which the annual meeting was called.

Not later than ten (10) business days after the date on which the annual meeting was called, the Association shall either (i) mail to each member of the Association a list of the candidates for election to the Board, together with a written ballot and instructions for returning the ballot, and/or (ii) notify each member of the Association that the Board has opted to utilize Section 209.00592 of the Code for an electronic balloting process, which includes the notification required by Section 209.00592(e) of the Code ("Voting Notice"). The list of candidates for election to the Board shall include:

- (i) each person who notified the Board at the time the annual meeting was called of his/her desire to be a candidate for election to the Board, and

(ii) each person who timely notified the Association in writing of his/her desire to be a candidate for election to the Board after the date on which the annual meeting was called.

In the event there are no more candidates for the Board than there are positions, the mail balloting process described in this Section will not be necessary; in this event those candidates will be placed into office without the need for further action.

Each candidate may, but shall not be required to, provide biographical information to the Association to be included with the other information forwarded to the members of the Association which biographical information can be: mailed to all members; posted on the Association's website (if any); or, made available by other means approved by the Board. The biographical information shall be limited to personal information, work history, service on other boards, and the like; the information shall not include political statements or agendas. Information submitted by a candidate which includes political statements or agendas is not required to be sent by the Association to all members.

Members will have a period of twenty (20) days from the date the Voting Notice was either mailed or members notified in accordance with Section 209.00592(e) of the Code to (i) return ballots to the Association at the address set forth in the instructions, or (ii) vote electronically as directed. Only the balloting process authorized by the Board may be used in the election of Directors under this Section.

Proxies may not be used for the election of Directors under this Section and shall not be counted. Once a member's vote has been cast, the member's vote cannot be changed. No ballots shall be reviewed by anyone other than the vote tabulator(s), unless a member demands a recount in accordance with Section 209.007 of the Code ("Recount").

The results of the election shall be posted in one (1) of the methods allowed for posting of Notices of Board meetings in accordance with Section 209.0051(e)(2)(A) of the Code as soon as the votes have been tabulated. The candidates(s) receiving the highest number of votes shall be elected, regardless of the total number of votes cast by the members. In the event of a tie, the vote tabulators will place the names of the candidates that have the tie vote in a container and draw the name of the winning candidate. If a member demands a Recount, the date that the results of the election are posted shall be the date on which the statutory period to request a recount commences.

Notwithstanding the fact that a person elected as a Director under this Section is elected after the date the annual meeting was called, that Director's term shall expire as of the annual meeting of the members held in the third year after the year in which the Director is elected or, if the annual meeting cannot be held in that year due to a lack of quorum, the date the Director's successor is elected per the provisions of this Section.

Section 5. Removal of Directors. Any Director elected by the Members (i.e., not appointed by the Developer) may be removed from the Board, with or without cause, by the affirmative vote of a majority of the total number of votes of Members present and voting at a special meeting called for that purpose or at an annual meeting at which a quorum is present and notice of the proposed removal is given in the Notice of the annual meeting. The provisions of Article II, Section 6, which reduce the quorum requirement for an adjourned meeting, shall not be applicable to an adjourned meeting originally called for the purpose of considering the removal of a Director. In the event of the removal of a Director, a successor for the removed Director shall be elected by a majority vote of the Members voting at the meeting at which the Director was removed. The Director whose removal is proposed shall be given the opportunity to be heard at the meeting. Provided that, if the Board is presented with written documented evidence from a database or other record

maintained by a governmental law enforcement authority that a Board member has been convicted of a felony or crime involving moral turpitude, the Board member is immediately ineligible to serve on the Board and shall, therefore, be immediately removed. Any Director may also be removed by a vote of a majority of the remaining Directors as the result of the Director's failure, without just cause, to attend three (3) consecutive, regularly scheduled meetings of the Board of Directors. "Just cause" means any event that, in the reasonable, good faith judgment of the Board, prevents a Director from attending a meeting and includes, without limitation, death or serious injury to a member of the Director's family or other person with whom the Director has a long-term relationship, a mental or physical ailment or impairment that prevents the Director from attending a meeting, and any mandatory business engagement related to the Director's livelihood and/or employment. Vacancies on the Board caused by reasons other than removal by a vote the Member shall be filled by the remaining Directors. A Director elected or appointed to fill a vacancy on the Board shall serve the unexpired term of his predecessor.

Section 6. Voting Procedure for Directors. The election of the Board of Directors shall be conducted at the annual meeting of the Association. At such election, the Members may cast, with respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. Voting for Directors shall be by written or electronic ballot unless there is only one (1) candidate for a position on the Board, in which event the candidate may be elected by acclamation.

Section 7. Recount of Votes. Any Member may request a recount of the votes of an election. A request for a recount must be submitted not later than the 15th day after the date of the meeting at which the election was held. A demand for a recount must be submitted in writing either:

- a. by certified mail, return receipt requested or by delivery by the U.S. Postal Service with signature confirmation service to the Association's mailing address as reflected on the last recorded management certificate; or
- b. in person to the Association's managing agent as reflected on the last recorded management certificate or to the address to which absentee ballots and proxy ballots were mailed.

Upon the receipt of a timely request for a recount, the Association shall, at the expense of the Member requesting the recount, retain the services of a qualified person to perform the recount. The Association shall enter into a contract for the services of a person who is not a Member of the Association or related to a member of the Board of Directors of the Association within the third degree by blood or marriage and is a:

- a. current or former county judge;
- b. current or former county elections administrator;
- c. current or former justice of the peace;
- d. current or former county voter registrar; or
- e. person agreed on by the Association and the Member requesting the recount.

A recount must be performed on or before the 30th day after the date of receipt of the request and payment for the recount. If the recount changes the results of the election, the Association shall reimburse the Member for the cost of the recount. Any action taken by the Board in the period between the initial election vote tally and the completion of the recount is not affected by the recount.

Section 8. Regular Meeting. Regular meetings of the Board of Directors may be held at such time, date, and place as shall be determined from time to time by a majority of the Directors, but at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter. Notice of each regular meeting shall be given to all Members as required by law. The Board of Directors may participate in and hold a regular or special meeting by means of:

- (a) conference telephone or similar communication equipment by which all persons participating in the meeting can hear each other; or
- (b) another suitable electronic communications system, including video conferencing technology or the Internet, only if:
 - i. each Director entitled to participate in the meeting consents to the meeting being held by means of that system; and
 - ii. the system provides access to the meeting in a manner or using a method by which each Director participating in the meeting can communicate concurrently with each other participant.

Participation in a meeting by conference telephone or similar communication or video conferencing technology or the Internet shall constitute presence in person at such meeting except where a Director participates in the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened. Provided that, without prior notice to the Members, the Board may take action only on routine and administrative matters or a reasonably unforeseen emergency or urgent necessity that required immediate Board action. Any action taken without notice to the Members 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. Provided further that, the Board may not take action without prior notice to the Members on any matter prohibited by law to be taken without prior notice to the Members.

Section 9. Special Meeting. Special meetings of the Board of Directors shall be held when called by the President of the Association or by any two (2) Directors. The notice shall specify the date, 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 any one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by facsimile, or (d) if authorized by statute, by email. All such notices shall be given or sent to the Director's address, email, or facsimile number as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox, at least four (4) days before the time set for the meeting. Notices given by personal delivery, email, or facsimile shall be delivered or given at least four (4) days before the time set for the meeting. The provisions in Article III, Section 10, relating to notice to the Members shall be applicable to a special meeting of the Board of Directors.

Section 10. Notice of Board Meetings. After the end of the Developer Control Period, the Board of Directors shall give Members notice of Board meetings (regular and special), including the date, hour, place, and general subject of the Board meeting, including a general description of any matter to be brought up for deliberation in closed executive session. A notice of meeting shall be:

- a. mailed to all Members at least ten (10) days before the date of the meeting; or;
- b. provided at least 72 hours before meeting by:

- i. being posted in a conspicuous location, either in a Common Area, on the Association's website or (with the Owner's consent), on other conspicuously located privately owned property in the Subdivision; and
- ii. being emailed to all Members who have registered their email addresses with the Association.

It is a Member's duty to register and keep an updated email address with the Association.

Section 11. 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 (a) a quorum is present, and (b) 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 shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice thereof.

Section 12. 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 vote 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. A meeting at which a quorum is initially present may continue and business may be transacted, notwithstanding the withdrawal of Directors during the meeting, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, either in person or by proxy, the President may adjourn the meeting and reconvene at a time not less than five (5) days and not more than thirty (30) days from the time the original meeting was called. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to the Directors in the manner prescribed for the original meeting. At such reconvened meeting, whether or not a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice, provided that any action taken shall be approved, in writing, by at least a majority of the Directors required to constitute a quorum at the original meeting.

Section 13. Compensation. No Director shall receive any compensation from the Association for acting in such capacity. However, Directors may be reimbursed for out-of-pocket expenses incurred on Association business. Directors may receive compensation from the Association when taking action at the request of the Association other than in the capacity of Director.

Section 14. Conduct of Meetings. A chairperson shall preside over all meetings of the Board of Directors and the Secretary shall keep a minute book of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings.

Section 15. Open Meetings. After the Developer Control Period, 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 expressly so authorized by a majority of a quorum of the Board of Directors. Provided that, if a Member unreasonably disrupts a meeting of the Board of Directors or repeatedly interrupts the discussion between Directors, the Board of Directors shall have the authority, after an initial warning, to cause that Member to be removed from the meeting.

Section 16. Executive Session. The Board of Directors may adjourn a regular or special meeting and reconvene in a closed executive session to consider actions involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, confidential communications with the Association's attorney, matters involving the invasion of privacy of individual Members, and matters that are to remain confidential by request of the affected parties and agreement of the Board. Following an executive session, any decision made in executive session shall be summarized orally and placed in the minutes, in general terms, without breaching the privacy of individual Members, violating any privilege, or disclosing any 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 17. Action Without a Formal Meeting. After the Developer Control Period, any routine or administrative matter or matter involving a reasonably unforeseen emergency may be taken without a meeting if a written consent, stating the action to be taken, is signed by the number of Directors necessary to take that action at a meeting at which all of the Directors are present and voting. The consent must state the date of each Director's signature. Any such action must be summarized orally including an explanation of any known actual or estimated expenditures approved, and documented in the minutes of the next regular or special Board meeting. Prior to the end of the Developer Control Period written consents may be made in accordance with Article Twelve of the Association's Certificate of Formation.

Section 18. Powers. The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by the Declaration, Certificate of Formation of the Association, or these Bylaws directed to be done and exercised exclusively by the Members.

The President shall have the authority to act on behalf of the Board of Directors on all matters relating to the duties of any managing agent or manager, if any, which might arise between meetings of the Board of Directors.

In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to, and shall be responsible for, the following (by way of explanation, but not limitation):

- (a) Preparing and adopting an annual budget, in which there shall be established the contribution of each Member to the common expenses;
- (b) Levying assessments to defray the common expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments, if any, of the annual assessment. Unless otherwise determined by the Board of Directors, the annual assessment shall be collected annually in advance.
- (c) Providing for the operation, care, upkeep, and maintenance of all of any Common Areas.
- (d) Designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, and the Common Area and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material 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 administer the Association.
- (f) Making and amending rules and regulations for the Association, including fining.
- (g) Opening 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 Area 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 Declaration, these Bylaws, and the rules and regulations adopted by it, and bringing any proceedings, which may be instituted on behalf of or against the Members concerning the Association.
- (j) Obtaining and carrying insurance against casualties and liabilities, including directors' and officers' liability insurance, 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 directly chargeable to Members.
- (l) Keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred. All books and records shall be kept in accordance with generally accepted accounting practices, and shall be available as required by Texas law.
- (m) Providing, upon request, information to Members, mortgagees and prospective purchasers of Lots concerning, by way of example and not in limitation, the status of the Association, the status of payment of assessments and related charges on a Lot and the status of compliance with the provisions of the Declaration, and charging a reasonable fee sufficient to cover the expense associated with providing such information.
- (n) Charging a reasonable fee sufficient to cover the expense associated with changing the records of the Association upon the transfer of title to a Lot.
- (o) Adopting policies and procedures deemed necessary and appropriate for the administration of the Association and the conduct of the Directors and officers of the Association, the employees of the Association, if any, and persons serving on behalf of the Association in volunteer capacities.

Article IV

Officers

Section 1. Officers. The officers of the Association shall be the President, Vice-President, Secretary and Treasurer. The Board of Directors may select, appoint and/or remove such other officers, as it shall deem appropriate, such officers to have the authority and to perform the duties prescribed from time to time by the Board of Directors.

Section 2. Election Term of Office and Vacancies. The officers of the Association shall be elected annually from within and by the Board of Directors at the first meeting of the Board of Directors held after the annual meeting of the Members. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3. Removal. Any officer may be removed by a majority vote of the Board of Directors, at a duly called meeting of the Board, at which a quorum is present, whenever in its judgment the best interests of the Association will be served thereby.

Section 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 be specifically conferred or imposed by the Board of Directors. The Chief Executive Officer of the Association shall be the President. The Treasurer shall have primary responsibility for the preparation of the budget, as provided for in the Declaration, and, with the approval of the Board of Directors, may delegate all or part of the preparation and notification duties to a finance committee, or a management agent.

Section 5. Resignation. 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 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 6. Agreements, Contracts, Deeds, Leases, Etc. All agreements, contracts, deeds, leases, and other instruments of the Association shall be executed by at least one (1) officer or by such other person or persons as may be designated by resolution of the Board of Directors.

Section 7. Checks. All checks shall be signed by at least two (2) officers or Directors or by such other person or persons as to be designated by the Board of Directors.

Section 8. Compensation. No officer shall receive any compensation from the Association for acting in such capacity.

Article V

Committees

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. Such committees shall perform such duties and have such powers as may be provided in the resolution creating same. Each committee shall be composed and shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

Article VI

Miscellaneous

Section 1. Fiscal Year. The fiscal year of the Association shall be set by resolution of the Board of Directors.

Section 2. Conflicts. If there are conflicts or inconsistencies among the provisions of Texas law, the Declaration, the Certificate of Formation, these Bylaws, and/or any rules and regulations of the

Association, the provisions of Texas law, the Declaration, the Certificate of Formation, the Bylaws, and the rules and regulations of the Association (in that order) shall prevail.

Section 3. Books and Records. Books and records of the Association shall be retained by the Association in accordance with the Association's Document Retention Policy.

Section 4. Indemnification. The Association shall indemnify a director, officer or committee member who was, is or is threatened to be named as a defendant or respondent in a proceeding to the extent indemnification is consistent with the Texas Business Organizations Code, as it now exists or may hereafter be amended.

Section 5. Power of Directors to Amend Bylaws. Prior to the end of the Developer's Control Period, these Bylaws may only be amended, repealed or added to, or new Bylaws adopted, by the vote or written consent of a majority of the members of the Board of Directors.

Section 6. Power of Members to Amend Bylaws. After the end of the Developer's Control Period, these Bylaws of this Association may be amended, repealed or added to, or new Bylaws may be adopted by the Board of Directors or, by the vote of a majority of the members that are present, in person or by proxy, at a meeting duly called for that purpose at which a quorum is present.

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CERTIFICATE OF SECRETARY
of
TRAILS OF KATY OWNERS ASSOCIATION, INC.

STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

I, James B. Grover, Secretary of Trails of Katy Owners Association, Inc., a Texas non-profit corporation, ("the Association"), do hereby certify that the foregoing "Bylaws of Trails of Katy Owners Association, Inc." were adopted at a meeting of the Board of Directors of the Association on May 15, 2014.

TO CERTIFY WHICH WITNESS MY HAND on this 15 day of May, 2014.

TRAILS OF KATY OWNERS ASSOCIATION, INC.

By: 
James B. Grover, Secretary

STATE OF TEXAS §
 §
COUNTY OF Fort Bend §

This instrument was acknowledged before me on the 15 day of May, 2014 by James B. Grover, Secretary of Trails of Katy Owners Association, Inc., on behalf of said corporation.


Notary Public in and for the State of Texas

