

Bylaws of The Hills of Shady Grove Property Owners Association

(Adopted August 28, 2008)

ARTICLE I. NAME & LOCATION

The name of the corporation is The Hills of Shady Grove Property Owners Association, Inc. (the "POA"). The POA will maintain a registered office and a register agent in Texas. The Board may change the registered office and the registered agent as permitted in the Texas Business Organizations Code.

The POA is governed by the Restrictive Covenants recorded in the real property records of Burnet County, Texas and from time to time amended and filed with the property records of Burnet County, Texas.

The POA's principal office shall be located at such place in Texas as the POA's board of directors may determine. The POA may have other offices.

ARTICLE II: PURPOSE

- 2.1. To encourage the growth of community spirit.
- 2.2. To sponsor and participate in the development of projects and programs for the improvement of the community.
- 2.3. To encourage the preservation and ecological beauty of the community.
- 2.4. To develop a community-wide fraternal fellowship.
- 2.5. To govern, maintain and enforce the Restrictive Covenants filed for The Hills of Shady Grove Subdivision.
- 2.6. To maintain the Common Areas of the POA.

ARTICLE III: DEFINITIONS.

- 3.1 "ACC" means the Architectural Control Committee.
- 3.2 "Common Areas" means all property within the Subdivision not designated as a Lot on the plat of the subdivision and that has not been accepted for maintenance by the applicable governmental body, including the entrance to the subdivision, the landscaped areas at the corner of Shady Grove Parkway and Natalie, the water quality pond along Shady Grove Road and any other areas later deeded to the POA by agreement between the Developer and the POA Board.
- 3.2 "Declaratory Instruments" means each governing instrument governing the POA, to include deed restrictions, articles of incorporation, bylaws, rules and regulations and all lawful amendments to any deed restrictions, articles of Incorporation, bylaws, rules or regulations.
- 3.3 "Deed Restrictions" and "Declaration" shall mean The Hills of Shady Grove

Subdivision Deed Restrictions recorded at 070648 on May 14, 2007, in the real property records of the Burnet County Clerk's office, Burnet, Texas and from time to time amended by the Members and filed in the real property records of the Burnet County Clerk's office, Burnet, Texas.

- 3.4 **"Developer"** shall mean Stehling Ways & Mean, Inc. and any assigns or successors in interest.
- 3.5 **"Definitions"** include those capitalized terms that are used but not defined herein and shall have the meaning set forth in the Declaration.
- 3.6 **"POA"** shall mean The Hills of Shady Grove Property Owners Association, Inc., a non-profit corporation organized under the laws of the State of Texas.
- 3.7 **"Regular Assessment"** shall mean an assessment, charge, fee, or dues that each Member of the POA is required to pay to the property owners' association on a regular basis and that are to be used by the POA for the benefit of the subdivision in accordance with the original, extended, added, or modified restrictions and/or to carry out the POA's purpose.
- 3.8 **"Special Assessment"** shall mean an assessment, charge, fee, or dues that each Member of the POA is required to pay to the POA, after a vote of the membership, for the purpose of paying for any costs that are incurred or will be incurred by the POA during the fiscal year that do not need to be made a part of a Regular Assessment. The Developer shall not be liable for any Special Assessments assessed by the POA.

ARTICLE IV. MEMBERS

- 4.1 **Membership.** Every Owner, including the Developer, is a Member of the POA. Membership is appurtenant to and may not be separated from ownership of a Lot. Each Member, including the Developer, shall have one vote per Lot. When more than one person is an Owner, each is a Member but only one vote may be cast for a Lot. Fractional votes and cumulative voting shall not be allowed. Each member is entitled to vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the POA. Proxies not received by the stated deadline will be void. A Member must have paid all assessments and/or fines to be eligible to vote at any annual, regular or special meeting of the POA, or to serve on the Board.
- 4.2 **Place of Meeting.** Members meetings will be held at any place designated by the Board and such place may change at the Board's discretion.
- 4.3 **Annual Meetings.** The annual meeting of the POA shall be held at least annually on a date and at a place to be established by the Board ("Annual Meeting"). Written notice of the time and place of the meeting will be given to the Members not less than 10 nor more than 60 days before the meeting.
- 4.4 **Special Meetings.** Special meetings may be called by the Board of Directors who shall notify the membership of the date, time and purpose of the meetings providing at least 14 days written notice to the Members.
- 4.5 **Membership Quorum.** A quorum shall consist of one third (33%) of the votes entitled to be cast by person or by proxy. If a Members meeting cannot be held because a quorum is not present, a majority of the voting Members who are present may adjourn the meeting. At a reconvened meeting, one fourth (25%) of the votes entitled to be cast is a quorum. Written notice of the place, date and hour of each reconvened meeting must be

- given to each Member not more than 30 nor less than 10 days before the reconvened meeting.
- 4.6 **Majority Vote.** A majority of votes cast by the Members entitled to vote who are present in person or by proxy shall be required to adopt a motion of the membership.
- 4.7 **Action without a Meeting.** Any action that may be taken at a Members or Board of Directors meeting may be taken without a meeting by written consent setting forth the action taken signed by a sufficient number of Members as would be necessary to take that action at a meeting.
- 4.8 **Newly Added Sections.** When the Developer files a plat for a new section of The Hills of Shady Grove subdivision with the county records of Burnet County, the owners of the Lots (including the Developer) in that new section become eligible Members, with one vote per Lot owned.

ARTICLE V: OFFICERS

- 5.1. All members of the Board must be in good standing and all fees paid to date.
- 5.2 **Until May 2009, the Board shall be appointed by the Developer.**
- 5.2.1 The Officers appointed by the Developer include a President, Vice President, Secretary and Treasurer. The Developer shall appoint three additional at large board members. The Developer shall fill any vacancies.
- 5.2.2 The term of the appointments shall be one-year. There is no limit on the number of terms to which a board member may be appointed.
- 5.3. **At the May 2009 annual meeting, the Board shall be elected by the POA Membership by a Majority Vote.**
- 5.3.1 The Elective Officers of the POA shall be President, Vice President, Secretary and Treasurer.
- 5.3.2 The term of office shall be for two years beginning at the close of the annual business meeting. There is no limit on the number of terms to which a board member may be elected.
- 5.3.3. There shall be three (3) at large directors elected at the same time and in the same manner as the Elective Officers. The Board may change the number of directors by increasing or decreasing the number of at large directors. Any decrease may shorten the term of a director.
- 5.3.4 **Vacancies:**
- 5.3.4.1 In the event the office of President becomes vacant the Vice President shall assume the office for the unexpired portion of the term.
- 5.3.4.2. Except for the office of the President, should a vacancy occur in the Board of Directors, the Board of Directors shall choose a Member to fill the vacancy for the unexpired portion of the term.
- 5.3.4.3. Should an elected board member fail to perform the duties of the office by failing to attend Board meetings, being delinquent in the payment of any Assessment by more than 90 days or by being the subject of enforcement action by the POA for violation of the Declaratory Instruments, the Board of Directors may by two-thirds (2/3) vote declare the office vacant and appoint a Member to fulfill the unexpired portion of the term.
- 5.3.4.4. Any director may be removed, with or without cause, by a Majority

Vote of the Members at any Annual or Special Meeting called by the Board.

- 5.3.4.5. A letter must be sent to the board member being removed stating the reason for his removal and must be signed by the President of the Board (or signed by the Vice President, if the President is being removed).
- 5.3.4.6. Any director may resign at any time by giving written notice to the Board, the president or the secretary. Resignation takes effect on the date of the receipt of the notice or at any later time specified in the notice.

5.4. Duties:

- 5.4.1. The President shall:
 - 5.4.1.1. Preside at all meetings of the POA and at the meetings of the Board of Directors.
 - 5.4.1.2 Perform as ex-officio member of all committees, except the Nominating Committee.
 - 5.4.1.3. Appoint all standing committee chairmen as required.
- 5.4.2. The Vice President shall:
 - 5.4.2.1. Assist the President as requested.
 - 5.4.2.2. Preside at any meeting in the absence of the President.
 - 5.4.2.3. Succeed to the office of President should a vacancy occur.
- 5.4.3 The Secretary shall:
 - 5.4.3.1. Keep minutes of the business meetings of the membership and Board of Directors and shall file them for a permanent record.
 - 5.4.3.2. Maintain a list of names and addresses of all Members.
 - 5.4.3.3. Prepare and distribute ballots to the membership for voting in the annual election of Officers and Directors as specified in Article VII: Nominations and Elections.
- 5.4.4. Beginning January 1, 2009, the Treasurer shall:
 - 5.4.4.1. Collect, record and deposit in the bank all monies received.
 - 5.4.4.2. Pay authorized bills and conduct the financial affairs of the POA in accordance with Article X Finances.
 - 5.4.4.3. Prepare and submit a financial report at all business meetings.
 - 5.4.4.4. Send fee statements to the Members sixty (60) days prior to due date.
- 5.4.5. The At Large Directors shall:
 - 5.4.5.1. Shall serve as member of the Board of Directors.
 - 5.4.5.2. Shall act as an advisory group to the Executive Committee.
- 5.4.6. Directors will not receive compensation. A director may be reimbursed for expenses approved by the Board.
- 5.4.7 Directors shall retain their seats until the new Board is elected at the annual meeting or a reconvened meeting, if necessary.

ARTICLE VI: BOARD OF DIRECTORS

- 6.1. **Composition:** The Board of Directors shall consist of the President, Vice President, Secretary, Treasurer and the At Large Directors.

- 6.2. **Term of Office:** The Directors shall take office at the close of the annual business meeting and shall serve as specified in their particular office.
- 6.3. **Duties:** The duties of the Board shall be:
- 6.3.1 To manage the affairs of the POA, subject only to Declaratory Documents of the POA including these Bylaws, civil laws, and the mandates of the membership as expressed at regular or special business meeting.
 - 6.3.2 To call special meetings of the membership as it deems necessary, with notification to all Members of time, date, place, and items to be discussed or voted upon.
 - 6.3.3. To establish Rules and Regulations as allowed by the Declaration.
 - 6.3.4. To interpret and oversee Deed Restrictions.
 - 6.3.5. To insure that all owners keep their lots, landscaping, residence and other structures in a neat, well-maintained and attractive condition and that such residences, structures and landscaping are aesthetically compatible with the subdivision.
 - 6.3.6. To hold hearings and make final decisions from appeals of the ACC.
 - 6.3.7. To consider Amendments to the Articles of Incorporation and/or Bylaws prior to presentment to the membership for vote.
 - 6.3.8. To maintain the Common Areas.
 - 6.3.9. To contract with third parties as necessary to perform the duties of the Board.
- 6.4. **Meetings:** The Board of Directors shall hold meetings at least semi-annually. The dates of the meetings shall be set by the President of the POA. Board meetings shall be called by the President or upon the request of three (3) members of the Board of Directors. The Secretary shall give not more than 21 days nor less than three days notice of a Board meeting.
- 6.5. **Quorum and Voting:** Two-thirds (2/3) of the Board of Directors present shall constitute a quorum and decisions shall be reached by a Majority Vote present in person or by proxy. If a Board of Directors meeting cannot be held because a quorum is not present, a majority of the Board of Directors who are present may adjourn the meeting. At a reconvened meeting, a majority of the Board members is a quorum. Written notice of the place, date and hour of each reconvened meeting must be given to each Board member not more than 21 days nor less than 48 hours before the reconvened meeting.

ARTICLE VII: NOMINATIONS AND ELECTIONS

- 7.1. **Once the Board of Directors is elected by the Membership pursuant to Section 5.3 above,** the Board of Directors will appoint a Nominating Committee, consisting of three (3) Members, at least sixty (60) days prior to the annual meeting of the year in which elections will be held.
- 7.2. **Duties of the Nominating Committee:**
- 7.2.1. To receive and consider suggestions of possible candidates from the names of the membership.
 - 7.2.2 To obtain consent of the nominee to serve before the nomination is made.
 - 7.2.3 To present the slate of nominees to the Secretary by at least 30 days prior to the date of the annual meeting of the year in which elections will be held.
 - 7.2.4 To submit the slate of nominees to the membership at the annual business

meeting of the year in which elections will be held, at which time nominations from the floor shall be in order.

7.3. Elections:

- 7.3.1. In the year in which elections will be held, the Secretary shall distribute printed ballots including the slate of nominees to all voting Members when providing notice to the Members of the Annual Meeting.
- 7.3.2. Marked ballots from those unable to attend the meeting must be received by the Secretary no later than three days prior to the annual meeting in order to be counted in the election.
- 7.3.3. Election of all of the Board members shall be by a Majority Vote as set forth in Section 4.6.

ARTICLE VIII: COMMITTEES

- 8.1 Committees shall be appointed by the Board of Directors as necessary for the functioning of the POA.
- 8.2 The ACC is established as a standing committee of the POA Board to assist the POA in assuring that all Residences and Structures within the subdivision are aesthetically compatible and conform to the Declaratory Instruments. The ACC shall include 3 Members appointed by the Board. The Board may remove or replace an ACC member at any time.
 - 8.2.1. No residence or structure may be erected on any Lot, or the exterior altered, unless plans, specifications and any other documents requested by the ACC have been submitted to and approved by the ACC. The plans and specifications must show exterior design, height, building materials, color scheme, location of the residence and structures depicted horizontally and vertically and the general plan of landscaping, all in the form and detail the ACC may require.
 - 8.2.2. The ACC shall have 14 days from the date of submission of plans and specifications to issue response. A response may be an approval, an objection, a denial or a request for more information. If any changes to plans affecting the exterior of a structure are to be made after the plans have been approved, new plans showing the changes must be submitted prior to construction.
 - 8.2.3. Any addition to a present structure must be designed to compliment and/or give the appearance that this addition was a part of the original structure and must be submitted to the ACC for review and approval, prior to construction.
 - 8.2.4. The ACC shall oversee and approve the construction and setbacks of fences or other construction issues as set forth in the Declaration.
 - 8.2.5. Subject to Board approval, the ACC may establish procedures and/or adopt standards and guidelines to carry out its purpose. On request, the Members will be provided a copy of any procedures, standards or guidelines.
 - 8.2.6 A Member may appeal any action of the ACC to the Board. The appealing Member must give written notice of the appeal to the Board. The Board shall determine the appeal within 14 days after timely notice of appeal is given. The determination by the Board is final.

- 8.2.7 The POA, the Board, the ACC and the Members shall not be liable to any person submitting requests for approval, or to any Member by reason of any action, failure to act, approval, disapproval or failure to approve or disapprove any request.

ARTICLE IX: COMMON AREAS

- 9.1 The Developer will pay for maintenance of the Common Areas of Sections 1-5 of The Hills of Shady Grove subdivision until January 2009. The Developer will convey the title to the Common Areas in Sections 1-5, to the POA in January 2009, except for the area surrounding the water quality pond along Shady Grove Road. In January 2009, the POA will become responsible for maintenance of such Common Areas, including mowing the lawn of the area surrounding the water quality pond along Shady Grove Road (owned by the Developer) and the area surrounding the entrance to the subdivision along Shady Grove Road (owned by the City of Burnet and Burnet County). The Developer shall convey title to the POA of the area surrounding and including the water quality pond along Shady Grove Road at such time that such area is completed in accordance with approval of the City of Burnet. The Developer shall remain liable for completing such area in accordance with the requirements of the City of Burnet.
- 9.2 When new sections of the Hills of Shady Grove are added to the subdivision, the Developer shall pay for maintenance of any newly platted Common Areas until the next property assessment is levied, at which time the Developer shall pay regular assessments against the unsold lots and the POA shall take over maintenance of such Common Areas.

ARTICLE X: FINANCES

- 10.1. The fiscal year of the POA shall be the calendar year.
- 10.2 **Financial procedures:**
- 10.2.1. The Board of Directors shall not make or authorize any expenditure in excess of \$10,000 for capital improvements or contract any long term indebtedness for the POA without authorization by a Majority Vote as set forth in section 4.6. This limitation will increase at the rate of 5% per annum to account for inflation. This limitation does not apply to expenditures necessary for the costs of maintenance or enforcement of the Deed Restrictions.
- 10.2.2. All checks for withdrawal from the bank account of the POA shall have two (2) authorized signatures.
- 10.2.3 The Board of Directors shall recommend to the Members at the annual meeting the amount of the Regular Assessments. The Members must approve any change to the Regular Assessments which shall remain the same from year to year until the Members vote by a Majority Vote to increase or decrease the Regular Assessments.
- 10.2.4 The Board may recommend to the POA any Special Assessments, which must be approved by the Members by a Majority Vote prior to incurring any costs.
- 10.2.5 All assessments shall be based upon the number of lots owned in the POA, excluding the lots that Developer is exempt from paying against, and shall be secured by a lien on each lot respectively, and shall be payable to the POA within sixty (60) days

after receipt of the assessment by the Member.

- 10.3 **Reports.** The Treasurer will create the following reports:
- 9.3.1. An income statement reflecting all income and expense activity for the preceding year;
 - 9.3.2. A statement reflecting all cash receipts and disbursements for the preceding year;
 - 9.3.3. A delinquency report listing all Members who are delinquent by more than 60 days in paying any Assessment and describing the status of any action to collect those delinquent Assessments.
- 10.4 **Audits.** An annual audit of the POA's finances shall be made by a committee of three (3) Members appointed by the President with the approval of the Board of Directors. The committee shall submit a report to the membership at the annual meeting.
- 10.5 **Borrowing.** The Board may borrow money up to \$25,000, to maintain, repair or restore the Common Areas without approval of the Members. If approved in advance by two thirds (2/3) of the votes cast by the Member entitled to vote who are present in person or by proxy, the Board may borrow money up to \$25,000, for any other purpose. The Board may borrow more than \$25,000 for any purpose if two-thirds (2/3) of all Members eligible to vote approve such expenditure at an annual or specially called meeting of the Members.

ARTICLE XI: ENFORCEMENT

- 11.1 **Enforcement Procedures.**
- 11.1.1 **Notice.** Before the Board may (1) suspend a Member's right to use a Common Area; (2) file suit against a Member other than a suit to collect any Assessment; (3) foreclose the POA's lien; (4) charge a Member for property damage; or (5) levy a fine for a violation of the Declaratory Instruments, the POA or its agent must give written notice to the Member by certified mail, return receipt requested. The notice must describe the violation or property damage that is the basis for the suspension action, charge or fine and state any amount due the POA from the Member. The notice also must inform the Member that the Member (1) is entitled to a reasonable period to cure the violation and avoid the fine or suspension, unless the Member was given notice and a reasonable opportunity to cure a similar violation within the preceding six months and (2) may request a hearing on or before the 30th day after the date the Member receives the notice.
- 11.1.2 **Hearing.** If the Member is entitled to an opportunity to cure the violation, the Member has the right to submit a written request for a hearing to discuss and verify facts and resolve the matter in issue before a committee appointed by the Board or before the Board if the Board does not appoint a committee. If a hearing is to be held before a committee, the notice must state that the Member has a right to appeal the committee's decision to the Board by written notice to the Board.
- 11.1.3 The POA must hold a hearing under this section not later than the 30th day after the date the Board receives the Member's request for a hearing and must notify the Member of the date, time and place of the hearing not later than the tenth day before the date of the hearing. The Board or the Member may request postponement, and, if requested, a postponement will be granted for a period of not more than ten days. Additional postponements may be granted by agreement of the parties. The Member or the Board of the POA may make an audio recording of the meeting.

11.1.4 If the alleged violator requests that the hearing be closed to anyone other than members of the Board Members, the Board shall honor such request. The hearing will afford the alleged violator a reasonable opportunity to be heard. Before any sanction hereunder becomes effective, proof of proper notice will be placed in the minutes of the meeting. Such proof will be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered the notice to the Board and to the alleged violator. The notice requirement will be satisfied as to the alleged violator if the alleged violator appears at the meeting. The minutes of the meeting will contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board may, but will not be obligated to, suspend any proposed sanction if the violation is cured within 14 days. Such suspension will not constitute a waiver of the right to sanction violations of the same or other provisions and rules by any person.

11.1.5 Appeal. Following a hearing before a committee, if the hearing was before a committee rather than the Board, the Member will have the right to appeal the decision to the Board. To obtain this right, a written notice of appeal must be received by the managing agent, if any, president or secretary within ten days after the date of the hearing.

11.1.6 Changes in Law. The Board may change the enforcement procedures set forth in this section to comply with changes in the law.

ARTICLE XII: AMENDMENTS

- 12.1. The Bylaws may be amended by two thirds (2/3) of the votes cast by the Members entitled to vote who are present in person or by proxy at a regular or special business meeting provided the proposed amendments have been presented in writing to all Members at least thirty (30) days prior to the meeting upon which they are to be voted. This provision will not be construed as limiting the Board's power to amend the Bylaws to comply with changes in the law.
- 12.2. Amendments must be approved by the Board of Directors prior to being presented to the membership for approval.

XIII: MISCELLANEOUS

- 13.1. **Rules and Regulations.** The Board may adopt any rules and regulations relating to the Deed Restrictions as may be authorized by the Declaration.
- 13.2. **Conflicts.** The Declaration controls over these Bylaws.
- 13.3. **Inspection of Books and Records.**
 - 12.3.1. **Inspection by Member.** After a written request to the POA, a Member may examine a copy, in person or by agent, any POA books and records relevant to that purpose except for attorney-client records. The Board may establish rules concerning the (1) written request; (2) the hours, days of the week and place; and (3) payment of costs related to a Members inspection and copying of books and records.

- 13.3.2. **Inspection by Director.** A director has the right, at any reasonable time and at the POA's expense, to (1) examine and copy the POA's books and records and (2) inspect the POA's properties.
- 13.4. **Notice.** Except for enforcement actions, all notices may be given by regular mail addressed to the Member at the Member's last known address according to the POA's records and deposited with the United States Postal Service. Actual notice, however delivered, is sufficient.
- 13.5. **Legal Construction.** These Bylaws shall be construed under Texas law. Any questions as to the application or interpretation of any provision of these Bylaws shall be resolved by the Board. If any Bylaw provision is held invalid, illegal or unenforceable in any respect, the invalidity, illegality or unenforceability will not affect any other provision and these Bylaws will be construed as if they had not included the invalid, illegal or unenforceable provision.

Exhibit B
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Form 302
Secretary of State
P.O. Box 13697
Austin, TX 78711-3697
FAX: 512/463-5709
Filing Fee: \$25



Certificate of Formation
Nonprofit Corporation

Filed in the Office of the
Secretary of State of Texas
Filing #: 801001135 07/08/2008
Document #: 221449470002
Image Generated Electronically
for Web Filing

Article 1 - Corporate Name

The filing entity formed is a nonprofit corporation. The name of the entity is :

The Hills of Shady Grove Property Owners Association

The name must not be the same as, deceptively similar to that of an existing corporate, limited liability company, or limited partnership name on file with the secretary of state. A preliminary check for the "name availability" is recommended.

Article 2 - Registered Agent and Registered Office

A. The initial registered agent is an organization (cannot be corporation named above) by the name of:

OR

B. The initial registered agent is an individual resident of the state whose name is set forth below:

Name:
David Vaughn

C. The business address of the registered agent and the registered office address is:

Street Address:
1001 Buchanan Drive Burnet TX 78611

Article 3 - Management (Complete items A or B)

A. Management of the affairs of the corporation is to be vested solely in the members of the corporation.

OR

B. Management of the affairs of the corporation is to be vested in its board of directors. The number of directors, which must be a minimum of three, that constitutes the initial board of directors and the names and addresses of the persons who are to serve as directors until the first annual meeting or until their successors are elected and qualified are set forth below.

Director 1: Herb Stehling	Title: Director
Address: #19 Beaver Island Drive Granite Shoals TX, USA 78654	
Director 2: David Vaughn	Title: Director
Address: 1001 Buchanan Drive Burnet TX, USA 78611	
Director 3: Suzanne Wideman	Title: Director
Address: 300 Alexander Drive Burnet TX, USA 78611	
Director 4: Pat Foreman	Title: Director
Address: 202 Alexander Drive Burnet TX, USA 78611	
Director 5: Byran Stehling	Title: Director
Address: #19 Beaver Island Drive Granite Shoals TX, USA 78654	
Director 6: Judy Stehling	Title: Director
Address: #19 Beaver Island Drive Granite Shoals TX, USA 78654	
Director 7: Chad Nelson	Title: Director
Address: 305 Shady Grove Parkway Burnet TX, USA 78611	

Article 4 - Organization Structure
(You must select either A or B below)

- A. The corporation will have members.
- B. The corporation will not have members.

Article 5 - Purpose

The corporation is organized for the following purpose or purposes:

The purpose for which the filing entity is formed is to be the property association under the Declaration of Restrictive Covenants of The Hills of Shady Grove Subdivision.

Supplemental Provisions / Information

The period of duration of the filing entity is perpetual.

Any action that may be taken at a Members or board of directors meeting may be taken without a meeting by written consent setting forth the action taken signed by a sufficient number of Members or of the board of directors as would be necessary to take that action at a meeting.

Any meetings may be held via a telephone conference or similar communications equipment to the full extent allowed by the Texas Business Organizations Code.

The corporation may not pay dividends or other corporate income to its Members, directors, or officers, or otherwise accrue distributable profits or permit realization of private gain. The corporation may not take any act prohibited by the Texas Business Organizations Code relating to NonProfit Corporations.

[The attached addendum, if any, is incorporated herein by reference.]

Effectiveness of Filing

A. This document becomes effective when the document is filed by the secretary of state.

OR

B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of its signing. The delayed effective date is:

Organizer

The name and address of the organizer are set forth below.

Margaret Uhlig Pemberton 512 CR 119a, Burnet, TX 78611

Execution

The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument.

Margaret Uhlig Pemberton

Signature of organizer.

FILING OFFICE COPY

FILED AND RECORDED



OFFICIAL PUBLIC RECORDS

Janet Parker

200809340

September 04, 2008 02:37:45 PM

FEE: \$64.00

Janet Parker, County Clerk

Burnet County, Texas



CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of The Hills of Shady Grove Property Owners' Association, Inc., a Texas Non-Profit corporation that governs and enforces the Restrictive and Protective Covenants that were recorded at 0706048 of the real property records of Burnet County, Texas for the Hills of Shady Grove subdivision, a plat recorded at Cabinet 3 of the real property records of Burnet County, Texas; Slide No. 103D

see exhibit A and B attached dw

That the foregoing Certificate of Formation was duly adopted by written consent by the members of the Hills of Shady Grove Property Owners' Association on July 8, 2008; and

That the foregoing Bylaws were duly adopted by the Board on August 28, 2008.

Suzanne Wideman
Suzanne Wideman, Secretary

STATE OF TEXAS §
 §
COUNTY OF BURNET §

BEFORE ME, on this day personally appeared Suzanne Wideman, the Secretary of The Hills of Shady Grove Property Owners' Association, Inc. known by me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed and in the capacity therein and herein stated, and as the act and deed of said corporation.

Given under my hand and seal of office, this 4th day of September, 2008.

Nancy Richter
Notary Public for the State of Texas

After Recording Return to:
Suzanne Wideman
300 Alexander Avenue
Burnet, TX 78611

