

BYLAWS

The name of the organization shall be **STUDIO ESTATES PROPERTY OWNERS ASSOCIATION, INC.**

ARTICLE I OBJECT

1. The purpose for which this non-profit corporation has been formed is to administer and govern the affairs of the residential community described as comprising the "Property" as that term is defined in the Declaration (which said residential community is also referred to herein as the "Property").

2. All present or future owners, occupants and tenants, and any other person or persons using the facilities of the Property in any manner, shall be subject to the regulations set forth in these Bylaws. The mere acquisition, occupancy or rental of any of the lots which are a part of the Property ("Lot" or "Lots") will signify that these Bylaws are accepted and ratified and that the owner, tenant or occupant thereof shall strictly comply with the terms and provisions hereof.

Unless otherwise expressly provided herein, all terms used in these Bylaws shall have the same meanings as set forth in the Studio Estates Subdivision Declaration of Covenants, Conditions and Restrictions (the "Declaration") as recorded in Document No. 2013-13020396, Official Public Records of Hays County, Texas, as the same is amended from time to time.

ARTICLE II MEMBERSHIP, VOTING, MAJORITY OF OWNERS, QUORUM, PREFIXES

1. **Membership.** Each record owner, whether one or more persons or entities, of fee simple title to any portion of the Property ("Owner") shall automatically become a member of the Association and be subject to the Bylaws; provided, that the holder of a security interest in and to any portion of the Property shall not be considered an Owner hereunder. Membership in the Association shall terminate without any formal Association action whenever such person or entity ceases to own such portion of the Property but such termination shall not relieve or release any such former Owner from any liability or obligation incurred under or in any way connected with the Association during the period of such ownership and membership, or impair any rights or remedies which the Board of Directors of the Association or others may have against such former Owner and member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto. No certificates of stock shall be issued by the Association, but the Board of Directors may, if it so elects, issue one (1) membership card to the Owner(s) of any portion of the Property. Such membership card shall be surrendered to the Secretary of the Association upon the termination of ownership of such portion of the Property designated thereon.

2. **Voting.** The Owner of each Lot shall be entitled to a vote as specified in the Declaration. If a Lot is owned jointly or in common by more than one person or entity, the

owners thereof shall designate, in writing, the individual person who shall be entitled to cast the vote appurtenant to such Lot and no other person shall be authorized to vote on behalf of such owners. Cumulative voting is prohibited.

3. **Majority of Owners.** As used in these Bylaws, the term "Majority of Owners" shall mean those Owners with fifty percent (50%) of the votes entitled to be cast.

4. **Quorum.** Except as otherwise provided in these Bylaws, the presence, in person or by proxy, of fifty percent (50%) of Majority Owners, as defined in paragraph 3 of this Article, shall constitute a quorum.

5. **Proxies.** Votes may be cast either in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Association at or before the appointed time of each meeting.

ARTICLE III ADMINISTRATION

1. **Association Responsibilities.** The Owners shall have the responsibility of administering the Property through the Board of Directors of the Association.

2. **Place of Meeting.** All annual and special meetings of the Association shall be held at such suitable and convenient place as may be permitted by law and determined by the Board of Directors from time to time, and as may be designated in the notices of such meetings.

3. **Annual Meeting.** The first annual meeting of the Association shall be called by the initial Board of Directors named in the Certificate of Formation of the Association on not less than ten (10) days and not more than fifty (50) days notice to the Owners at any time. Thereafter, annual meetings of the Association shall be held on the first Saturday or Sunday next in February of each succeeding year. At each annual meeting there shall be elected, by ballot of the Owners, a Board of Directors in accordance with the requirements of paragraph 4 of Article IV of these Bylaws. The Owners may also transact such other business of the Association as may properly come before them at such meeting.

4. **Special Meetings.** Special meetings of the Association may be called by the President, the Secretary, the Board of Directors, or by the Owners having not less than one-tenth (1/10) of the votes entitled to be cast at such meeting. The notice of any special meeting shall state the 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, unless by consent of the Owners representing at least two-thirds (2/3) of the total value of all of the ownership interests present at such meeting, either in person or by proxy.

5. **Notice of Meetings.** It shall be the duty of the Secretary of the Association to mail notices of each annual or special meeting, stating the time and place of such meeting and, in

the case of a special meeting, the purpose thereof, to each Owner of record, directed to the last known mailing address of such Owner as shown on the records of the Association. Such notice shall be mailed at least ten (10) but not more than fifty (50) days prior to the date of such meeting. In lieu of mailing such notice as herein provided, notice may be delivered in person or left at the residence of an Owner in such Owner's absence. The mailing or delivery of a notice in the manner provided in this paragraph shall be considered notice served. Upon request, any mortgagee of record or its designee may receive a copy of such notice.

6. **Adjourned Meeting.** If any meeting of the Owners cannot be organized because a quorum has not attended, the Owners who are present, either in person or by proxy, may adjourn the meeting and call another meeting with notice to the Association that another meeting must be called because of the lack of a quorum. The required quorum at the second meeting shall be twenty-five percent (25%) of the Majority of Owners. At the third meeting and at successive meetings the requirement shall be ten percent (10%) of the Majority of Owners.

7. **Order of Business.** The order of business at all meetings of the Owners shall be as follows:

- (a) Roll call and certifying proxies;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading of minutes of preceding meeting;
- (d) Reports of officers;
- (e) Reports of committees;
- (f) Election of Directors;
- (g) Unfinished business; and
- (h) New business.

ARTICLE IV BOARD OF DIRECTORS

1. **Number and Qualification.** The affairs of the Association shall be governed by a Board of Directors composed of three (3) persons. The following persons shall act in such capacity and shall manage the affairs of the Association until the first annual meeting of the Association, or until they resign and their successors are elected, whichever occurs first, to wit: David Cuddy, Michael Wilson and Mike Hinz.

2. **Duties.** The Board of Directors shall have the following duties:

(a) To keep in good order, condition and repair all lands, improvements and personal property owned by or leased to the Association.

(b) To insure and keep insured all of the property owned by the Association. Further, to obtain and maintain comprehensive liability insurance in accordance with the terms of the Declaration, and to insure and keep insured all of the fixtures, equipment and personal property acquired by the Association for the benefit of the Association and the

Owners of a portion of the Property and their Mortgagees. The limits and coverage shall be reviewed at intervals of not less than three (3) years and adjusted, if necessary, to provide such coverage and protection as the Association may deem prudent.

(c) To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements of the Association and to permit examination thereof at any reasonable time by any Owner or any mortgagee of a Lot.

(d) To annually prepare and upon request deliver to each Owner a statement summarizing all receipts, expenses or disbursements since the last such statement. Such statements shall be made available, upon request, to any mortgagee of a Lot within ninety (90) days following the fiscal year end of the Association.

(e) To accept, own, operate and maintain all areas of the Property which may be conveyed or leased to it by Declarant, together with all improvements of whatever kind and for whatever purpose which may be located in said areas; and to accept, own, operate and maintain all other property, real and personal, conveyed or leased, to the Association by Declarant as defined in the Declaration and to maintain in good repair and condition all lands, improvements, and other property owned by or leased to the Association.

(f) To pay all real and personal property taxes, and other taxes and assessments levied upon or with respect to any property owned by or leased to the Association, to the extent that such taxes and assessments are not levied directly upon the members of the Association. The Association shall have all rights granted by law to contest the legality and the amount of such taxes and assessments.

(g) To execute mortgages, both construction and permanent, both construction and permanent, for the construction of facilities, including improvements on property owned by or leased to the Association, and to accept lands within the Property, whether or not improved, from Declarant, as defined in the Declaration, subject to such mortgages or by assuming such mortgages. Financing may be affected through conventional mortgages or deeds of trust, the issuance and sale of development or other bonds, or in any other form or manner as may be deemed appropriate by the borrower, whether Declarant, as defined in the Declaration, or the Association. The mortgage or other security interest given to secure repayment of any debt may consist of a first, second or other junior lien as shall be deemed appropriate by borrower, whether Declarant, as defined in the Declaration, or the Association, on the improvement or other facility to be constructed, together with such underlying and surrounding lands as the borrower deems appropriate. The debt secured by such mortgage or other security instrument may be retired from and secured by the revenues generated by dues, use fees, assessment of the members of the Association, or otherwise, or any combination thereof, as may be deemed appropriate by Declarant or the Association, as the case may be, but subject to the limitations imposed by this Declaration.

(h) To meet at least once a year.

3. **Powers.** The Board of Directors shall have the powers necessary for the administration of the affairs of the Association and for the operation and maintenance of the Property. The Board of Directors may do all such acts and things as are not, by these Bylaws, the Certificate of Formation of the Association, or the Declaration directed to be exercised and done by the Owners. In addition to the express powers of the Board of Directors granted in these Bylaws, the Certificate of Formation and the Declaration, the Board of Directors shall, unless expressly prohibited by these Bylaws, Certificate of Formation or the Declaration, have all authority granted to the boards of directors of non-profit corporations organized as owners' associations under the laws of the State of Texas. The powers of the Board of Directors shall include the following:

(a) To administer and enforce the covenants, conditions, restrictions, uses, limitations, obligations, and all other provisions as set forth in the Declaration, by suit or otherwise.

(b) To establish, make and enforce compliance with such rules as may be necessary for the operation, use and occupancy of the Property, together with the right to amend same from time to time. A copy of such rules and regulations shall be delivered or mailed to each member of the Association promptly upon the adoption thereof.

(c) To prepare a budget for the Association and to fix, determine, levy and collect the regular Assessments to be paid by each of the Owners.

(d) To fix, determine, levy and collect in accordance with the Declaration any special Assessments to be paid by each of the Owners in order to meet increased operating or maintenance expenses and/or costs, and additional capital expenses.

(e) To amend any regular Assessments or special Assessments determined, levied and collected by the Board after the establishment of the budget only for emergency expenditures unforeseen by the Board at the time of the adoption of the regular Assessments or special Assessments.

(f) To collect delinquent Assessments by suit or otherwise and to enjoin or seek damages from an Owner, as provided in the Declaration and these Bylaws.

(g) To protect and defend the entire Property from loss and damage by suit or otherwise.

(h) To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the recorded Declaration, the Certificate of Formation and these Bylaws; to pledge or otherwise grant a security interest in the Association's Assessments or funds to secure such indebtedness; and to execute all such instruments evidencing such indebtedness as the Board of Directors may deem necessary or appropriate. Such indebtedness shall be the several obligations of the Owners in the same proportion as their voting interests.

(i) To purchase or lease one or more of the Lots for use by the Association and to execute on behalf of the Association any contracts, leases, mortgages or other appropriate instruments for the same.

(j) To enter into contracts within the scope of their duties and power, including, but not limited to, management agreements as set forth in Article VI of these Bylaws.

(k) To establish one or more bank accounts, savings accounts or other investment accounts for the common treasury and for all separate funds as may be deemed advisable by the Board of Directors.

(l) To designate and employ the personnel necessary for the maintenance and operation of the Association Property and of the business of the Association.

(m) In general, to carry on the administration of the Association and to do all of those things, necessary and reasonable in connection therewith.

4. **Election and Term of Office.** At the first annual meeting of the Association, the Owners shall elect two (2) members of the Board of Directors each of whom shall serve for a term of two (2) years and one (1) member of the Board of Directors who shall serve for a term of one (1) year. At each annual meeting thereafter, the Owners shall elect members of the Board of Directors for two (2) year terms, as vacancies occur by expiration of any Director's term of office. The three (3) persons acting as the original Directors shall hold office until their successors have been elected and hold their first meeting pursuant to the terms and provisions of these Bylaws and the Declaration.

5. **Vacancies.** Vacancies on the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though the number of remaining Directors may constitute less than quorum; and each person so elected shall serve as a Director until the next annual meeting of the Association, at which meeting the Association may ratify his or her appointment or may elect a successor to serve the remaining term of his or her predecessor.

6. **Removal of Directors.** At any regular or special meeting of the Association duly called, any one (1) or more of the Directors may be removed with or without cause by a majority of the quorum of the Owners present, and a successor Director may then and there be elected to fill the vacancy thus created or may be filled at any regular or special meeting called for the purpose, but in any event, such vacancy shall be filled at the next annual meeting of the Association. Provided, however, that in no event may any member of the initial Board of Directors be removed by vote of the Association prior to the first annual meeting of the Association, nor may the number of Directors be changed prior to the first annual meeting of the Association. Any Director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting.

7. **Organizational Meeting.** The first meeting of a newly elected Board of Directors shall be held within ten (10) days of its election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Board of Directors in order legally to constitute such meeting; provided, however, that a majority of the Board shall be present.

8. **Nomination.** Nomination for election to the Board of Directors shall be made by a nominating committee which shall consist of a chairman who shall be a member of the Board, and "two" or more "Owners", who shall have been appointed by the Board of Directors prior to each annual meeting until the close of the next annual meeting, and who shall not be current members of the Board, and such appointment shall be announced at each annual meeting. Should a vacancy on the nominating committee occur during any year, the Board may fill such vacancy without further notice to the members of the Association. The nominating committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies to be filled. Nominations may also be made from the floor at the annual meeting.

9. **Regular Meetings.** Regular meetings of the Board of Directors 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 one (1) meeting of the Board shall be held during each fiscal year. The annual meeting of the Board shall be considered a regular meeting. Written notice of regular meetings of the Board of Directors (other than the organizational meeting) shall be given to each Director, either personally or by mail, facsimile or telegraph, at least three (3) days prior to the day named for such meeting.

10. **Special Meetings.** Special meetings of the Board of Directors may be called by the President or Secretary of the Board on three (3) days written notice to each Director, given personally, or by mail, facsimile or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice upon the written request of at least two (2) Directors.

11. **Waiver of Notice.** Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall constitute a waiver of notice by such Director of the time and place thereof. If all of the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

12. **Board of Directors' Quorum.** At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and acts of the majority of the Directors present at a meeting at which a quorum is present shall constitute acts of the Board of Directors. If, at any meeting of the Board of Directors, less than a quorum of Directors is present, the majority of those present may adjourn the meeting from time to time, without notice other than announcement at the meeting until the a quorum is obtained. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

13. **Fidelity Bonds.** The Board of Directors shall require that all officers and employees of the Association handling or responsible for funds of the Association furnish “fidelity bonds” in such amounts as may be determined by the Board. The premiums on such bonds shall be paid by the Association.

14. **Compensation.** No member of the Board of Directors shall receive any compensation for acting as such.

15. **Actions Without a Meeting.** Notwithstanding any other provision of these Bylaws, any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the members of the Board of Directors. Such consent shall have the same force and effect as a unanimous vote at a meeting.

ARTICLE V OFFICERS

1. **Designation.** The officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by the Board of Directors. Any Director may hold a position as officer of the Association, and any person may hold two (2) or more offices, except that the President and any Vice President shall not also hold the office of Secretary or Assistant Secretary.

2. **Election of Officers.** The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

3. **Removal of Officers.** Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors or at any special meeting of the Board called for such purpose.

4. **President.** The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association. The President shall have all of the general powers and duties which are usually vested in the office of president of an association including, but not limited to, the power to appoint committees from among the Owners to assist in the conduct of the affairs of the Association. The President shall sign, with the Secretary or an Assistant Secretary, certificates of membership, any deeds, mortgages, bonds, contracts, leases or other instruments which the Board of Directors has authorized, except in cases where the signing and execution thereof has been expressly delegated by the Board of Directors to some other officer or agent of the Association, or is required by law to be otherwise signed or executed. The President shall not have the power to bind the Association to any employment agreement on behalf of the Association unless such employment agreement has been expressly approved and authorized in advance by resolution of the Board of Directors. In the event any such employment

agreement (whether or not these Bylaws be amended incident thereto) limits or qualifies the authority of any such officer duties not provided for under these Bylaws, then the provisions of such employment agreement limiting or qualifying such authority and imposing such duties shall be valid and effective notwithstanding any inconsistency between the provisions of the employment agreement and the provisions of these Bylaws.

5. **Vice President.** The Vice President shall have all of the powers and the authority to perform all the functions and duties of the President in the absence of the President or his inability, for any reason, to exercise such powers and functions or to perform such duties, and shall also perform any duties as may be required, from time to time, by the President or the Board of Directors.

6. **Secretary.** The Secretary shall: (i) keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association in books which shall be provided for that purpose; (ii) see that all notices are duly given in accordance with the provisions of these Bylaws and as required by law; (iii) be custodian of the records and books of the Board and the Association and of the seal of the Association; (iv) see to it that the seal of the Association is affixed to all certificates of membership prior to the issuance thereof and to all documents which are duly authorized to be executed on behalf of the Association under its seal in accordance with these Bylaws; (v) keep a register of the last known post office address of each Owner; (vi) keep a register of and send notices to Mortgagees, as required by these Bylaws and the Declaration; (vii) together with the President, sign all certificates of membership, the issuance of which shall be approved by the Board of Directors; and (viii) in general, perform all the duties incident to the office of Secretary and as may be assigned, from time to time, by the President or by the Board of Directors.

The Secretary shall compile, keep up to date and maintain at the principal office of the Association a complete list of members of the Association and of their last known addresses, as shown on the records of the Association. Such list shall also show, opposite each member's name, the address of the portion of the Property owned by such member. Such list shall be open to inspect the same at reasonable times during regular business hours. The address of each member shown in such list shall be the address to which all notices shall be sent.

7. **Treasurer.** The Treasurer shall receive and deposit in appropriate bank accounts, as designated by the Board of Directors, all funds of the Association and shall disburse such funds as directed by resolution of the Board of Directors; provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board of Directors and in an amount not to exceed the sum of two hundred dollars (\$200.00), in addition, the Treasurer shall have authority to: sign all checks and promissory notes of the Association; keep full and accurate accounts of all receipts and disbursements in proper books of account; cause the preparation of an annual statement of the Association's books at the completion of each fiscal year; prepare an annual budget and a statement of income and expenditures to be presented to the membership of the Association at its regular annual meeting, and deliver copies thereof to the members; and perform all other duties incident to the office of Treasurer or assigned by the Board of Directors.

8. **Additional Officers.** Officers in addition to the President, Vice President, Secretary and Treasurer may be appointed by the Board of Directors, to hold office for such terms and to have such authority, exercise such powers, perform such duties as may be determined from time to time by the Board by resolution not inconsistent with these Bylaws. Such Assistant Secretaries as may be appointed by the Board of Directors shall be authorized to be issued by a resolution of the Board of Directors. Such Assistant Treasurers shall, if required by the President or Board of Directors shall, if required by the President or Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the President or Board of Directors may determine. Assistant Treasurers and Assistant Secretaries shall, in general, perform such duties as may be assigned to them by the Treasurer or the Secretary, respectively, or by the President or by the Board of Directors.

9. **Vacancies.** A vacancy in any office because of the death, resignation, or removal, disqualification or otherwise of the officer previously filling such office, may be filled by the Board of Directors for the unexpired portion of the term.

ARTICLE VI MANAGEMENT AGREEMENT

Anything contained in these Bylaws to the contrary notwithstanding, the Board of Directors shall have the power and authority to enter into a management agreement with a management company of its choice, at a rate of compensation based upon the policies and functions performed by said management company, and on such terms and conditions acceptable to the Board of Directors. The Board may delegate any of its powers, duties and functions to the managing agent named therein provided, however, that the terms of the management agreement shall be in compliance with the provisions of the Declaration. The members of the Board shall not be liable for any act of omission of the managing agent or any improper exercise of any duty, power or function delegated by the Board by written instrument executed by a majority of the Board of Directors.

ARTICLE VII AMENDMENTS TO BYLAWS

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by a sixty percent (60%) majority of the Owners. Owners may delegate authority to alter, amend, and/or repeal the Bylaws to the Board of Directors. In no event shall the Bylaws be amended to conflict with the Declaration. In the event of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE VIII MORTGAGES

1. **Notice to Association.** An Owner who mortgages his portion of the Property

shall notify the Association through the Managing Agent, if any, or the President, giving the name and address of the Mortgagee. The Secretary of the Association shall maintain such information in a book entitled "Mortgagees of the Property".

2. **Notice of Unpaid Assessments.** The Association shall, at the request of a Mortgagee of a portion of the Property, report any unpaid Assessments due from the Owner of such portion of the Property.

ARTICLE IX NON-PROFIT ASSOCIATION

The Association is not organized for profit. No Owner, member of the Board of Directors or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or be distributed to, or inure to the benefit of any member of the Board of Directors; provided, however, (1) that reasonable compensation may be paid to any member acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association; and (2) that any member of the Board of Directors may, from time to time, be reimbursed for actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

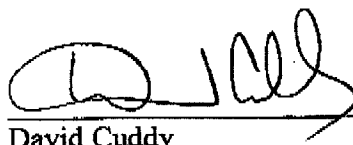
ARTICLE X REGISTERED OFFICE

The principal office of the Association shall be located at 6880 Goforth Road, Kyle, Texas 78641, but may be relocated to such other suitable and convenient place as may be permitted by law and designated by the Board of Directors.

ARTICLE XI TRANSACTIONS WITH MEMBERS, DIRECTORS AND OFFICERS

The Association may enter into contracts or transact business with one or more of its Directors, officers, or members, or with any firm of which one or more of its Directors, officers or members are members, or with any corporation, association, company, organization or entity in which one or more of its Directors, officers or members are directors, officers, trustees, shareholders, beneficiaries or are otherwise interested, and, in the absence of fraud, such contract or transaction shall not be invalidated or otherwise affected by the fact that the votes of such Directors, officers or members having such adverse interest may have been necessary to obligate the Association upon such contract or transaction.

SIGNED THIS 11th day of July, 2013.



David Cuddy

Michael Wilson

Mike Hinz