



Briarcliff Property Owners Association, Inc.

22801 BRIARCLIFF DR., BRIARCLIFF, TEXAS 78669 • 512/264-1776 • FAX 512/264-9943

April 20, 2001

Dear Fellow Briarcliff Property Owner:

The Bylaws for the Briarcliff Property Owners Association, Inc. have not been updated since 1988. The Bylaws Committee and Board of Directors have worked hard over the past year to bring our Bylaws into the 21st Century. Also, ambiguity in the current Bylaws has led to several problems requiring assumptions and decisions regarding the original intent. This is a situation we wish to rectify.


The Bylaws Committee has done a superb job of making the changes evident. The attached package is organized with the new Bylaws in the right hand column in normal type face with the left side of the page (*italics*) explaining the change. If approved by the Membership, the final document will be organized to delete the left hand side *italics* section.

A few of the major changes in these new proposed Bylaws are as follows:

1. Although purely administrative, a table of contents has been added to enable quick reference to an individual item.
2. A "Definition" section has been added to provide the specific and legal definition of certain words used.
3. "Membership", "Voting Rights" and voting procedures have been clarified.

Your Board of Directors unanimously approved these new Bylaws, now it's your turn. You, the Voting Membership, must approve this revised Briarcliff Property Owners Association, Inc. Bylaws. Please do your part to keep our community vibrant and strong. Please promptly return your ballot, which is on the reverse side of this letter, in the self-addressed envelope.

Sincerely,


Allen L. Hostetler
President

BY-LAWS OF BRIARCLIFF PROPERTY OWNERS ASSOCIATION, INC.

"TITLE" (no major change), but adds the phrase that these By-laws supercede previous By-laws, etc. to avoid any conflict with previous recorded documents.

As revised November 20, 2000, these By-laws of the Briarcliff Property Owners Association, Inc., and all future amendments therein, shall supercede all previously recorded and declared Briarcliff Property Owners Association, Inc. By-laws and all other relative By-law amendments, revisions and/or supplements.

The existing BPOA By-laws do not contain a "TABLE OF CONTENTS". This Table of Contents follows the existing BPOA By-laws format, as allowed, but primarily provides a means of locating a particular article

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ARTICLE I

Name And Location

The name of the association is the BRIARCLIFF PROPERTY OWNERS ASSOCIATION, INC. (here in after referred to as the "Association"). The Association is a non-profit corporation organized under the Texas Non-Profit Corporation Act. The principal office of the Association and designated meeting place of the Members and Board of Directors is currently located at 22801 Briarcliff Drive, Briarcliff, Texas 78669 or unless otherwise decided and posted by the Board of Directors at such a location as designated within the Briarcliff Subdivision, Travis County, Texas.

The existing BPOA By-laws article lists, "Principal Office", noting only the general location of the Association, without defining the "Association" as the BPOA. The revised By-laws Article I, as do other By-laws reviewed, name the, "Name And Location" of the BPOA.

ARTICLE II

Definitions

Unless the context of these By-laws otherwise specifies, or further defines, the following words or phrases when used in these By-laws shall have the meanings hereinafter specified. Words in these By-laws that are used in the singular sense shall have the same meaning as the words used in the plural sense and words used in the plurality shall have the same meaning as the words used in the singular sense.

The revised By-laws have added Article II, "Definitions". Existing BPOA By-laws includes few definitions within the By-laws, but is without an actual definition section. This "Definition" section is necessary to provide specific and, especially, the legal meanings of certain words and their usage.

Section 2.01 Articles

"Articles" shall mean those Articles of Incorporation of Briarcliff Property Owners Association, Inc.

Section 2.02 Assessment

"Assessment", or "Assessments", shall mean and refer to that assessment(s), annual and/or special, levied by the Association under the terms and provisions of these By-laws and that which shall have the same meaning as "Maintenance And Membership Fee(s)" in other related Association documents and the Declaration. "Maintenance And Membership Fee", as used in other related Association documents and the Declaration, shall have the same meaning as the word "Assessment" as used within these revised By-laws.

State of Texas statutes and other Texas property owners association By-laws reviewed reference the word "Assessments", not "Maintenance Fee" as named in the existing BPOA By-laws (definition of maintenance: the upkeep of property or equipment). The BPOA Maintenance Fee, besides paying for as defined, also pays for various taxes, insurance, utilities, office payroll and supplies, etc.

Section 2.03 Association

"Association" shall mean and refer to the Briarcliff Property Owners Association, Inc. of the Briarcliff Subdivision located in Travis County, Texas.

Section 2.04 Association Property

"Association Property" shall mean and refer to all real or personal property now or hereafter owned by the Association, including without limitation, all easement estates, licenses, leasehold estates and other interests of any kind and to real or personal property which is now or hereafter owned or held by the Association.

ARTICLE II (continued)

Definitions (continued)

Section 2.05 Board

“Board” shall mean and refer to that collective group of elected members of the Association’s Board of Directors.

Section 2.06 By-laws

“By-laws” shall mean and refer to this Association By-law document which is adopted by the membership and shall supercede all previously recorded and declared Association By-laws and all other related amendments, revisions and/or supplements.

Section 2.07 Declaration

“Declaration” shall mean and refer to the following Association documents, and all related Association amendments and revisions, pertaining to the Briarcliff Subdivision located in Travis County, Texas and as recorded in the Public Records of Travis County, Texas: “Articles of Incorporation of Briarcliff Property Owners Association, Inc.”; the “Deed Restrictions” for the Briarcliff Subdivision; and any other rules and regulations, with respect to the Association, that from time to time may be declared by the Association.

Section 2.08 Designated Owner

“Designated Owner” (definition of “designate”: to indicate and set apart for a specific purpose) shall mean and herein referred to as one (1) of the officers of a corporation that holds ownership of a Lot or one (1) of the Owners of multiple Owners of a Lot who was collectively determined by a majority of the subject corporation or multiple Owners to be the only acknowledged representative, of the corporation or the multiple Owners, to the Association.

The Designated Owner shall be formally identified by written authorization to and acknowledged by the Association’s Board.

Section 2.09 Lot

“Lot”, or “Lots”, shall mean and refer to a measured parcel, or parcels, of land, including all improvements located thereon, located within in the Briarcliff Subdivision of Travis County, Texas.

Section 2.11 Member

“Member”, or “Members”, shall mean and refer to all persons within the immediate family of the Owner, a residential leaseholder or a Designated Owner of a Property, or Properties, that reside as a resident. In the case of the Property ownership by a corporation or of multiple Owners, the “Member”, or a Designated Owner, shall be defined as only one (1) officer of the corporation, and that officer’s immediate family or only one (1) of the Owners, of the multiple Owners, and that Owner’s immediate family.

ARTICLE II (continued)

Definitions (continued)

Section 2.12 Member, in-good-standing

"Member, in-good-standing," shall mean and refer to that Owner who is current with all Association Assessment(s) and is not in violation of any of the Association's Declaration and Membership Rules and Regulations, or these By-laws.

Section 2.13 Membership

"Membership" shall be defined as "the state, or status, of being a member" or as meaning and referred to in these By-laws, as a Member of the Association.

Section 2.14 Officer

"Officer", or "Officers", shall mean and refer to those Board members that hold the following offices: President, Vice President, Secretary or Treasurer.

Section 2.15 Owner

"Owner", or "Owners", shall mean and refer to that person(s), entity or entities, in who is vested ownership or title of Property, or Properties, but in the event of a Property foreclosure, shall not include the mortgagee (Lender) of any Property mortgage.

Section 2.16 Property

"Property", or "Properties", shall mean and refer to that tract or parcel of land located in the Briarcliff Subdivision of Travis County, Texas, that is more fully described in the Declaration.

Section 2.17 Voting Owner

"Voting Owner", or "Voting Owners", shall be a Member, in-good-standing, and shall mean and refer to that Owner, Designated Owner or one (1) of a spouse of a marital property or a community property relationship, which ever may be applicable.

ARTICLE III

Membership

Section 3.01 Membership. Each and every Owner, and associated persons as defined in Article II as "Members", shall automatically become a Member of the Association without the necessity of any further action on their part and shall be subject to the terms of the Association's Declaration, these By-laws and those Membership Rules and Regulations, that from time to time shall be declared by the Association.

Article II, "Membership", of the existing BPOA By-laws has been separated in these revised By-laws into two articles, Article III, as "Membership", and Article IV, as "Owner's Responsibilities and Voting Rights". This was necessary since reference in the existing BPOA By-laws was ambiguous and discussed both Members Rules and Regulations and Members (actually Owners) Voting Rights.

ARTICLE III (continued)

Membership

Section 3.02 Transfer, has been added to the revised By-laws to clarify the membership status and to avoid having double family membership when the residential improvements are leased.

Section 3.02 Transfer. Membership may not be severed from the Property, or Properties, nor may it be in any way transferred, pledged, mortgaged or any claim against the Property, except upon the sale or assignment (by lease or to let) of the Owner's interest in all or any part of the Properties and then only transferred to the purchaser as the new Owner, or to the new assigned occupant.

Section 3.03 Classes of Members. The Association shall have a Residential Membership and a Commercial Membership, defined as follows:

Clarifications only, were made to this existing BPOA By-laws section.

- (a.) Residential Membership: Shall consist of those Members, as defined in Article II, Section 2.11 Definitions, residing in a single family residence, including townhouses and condominiums, within the Briarcliff Subdivision in Travis County, Texas, and
- (b.) Commercial Membership: Shall consist of those Members who own commercial designated Property (currently, one parcel is operated as a golf course and the other parcel, a marina) within the Briarcliff Subdivision in Travis County, Texas.

Clarifications only, were made to this existing BPOA By-laws section.

Section 3.04 Membership Rules and Regulations. Each member shall be subject to the following rules and regulations:

Clarifications only, were made to this existing BPOA By-laws section.

- (a.) Written Permission:
 - (i) Guests of Members must be accompanied by the Members or have written permission of the Member before using Association facilities and that Member, or that Member who is head of that household, shall be held responsible for any misconduct or violation of these rules and regulations by such guest, or guests; and
 - (ii) Any person not a Member or accompanied by a Member on any Association Property and not having in their possession a written permission from a Member, shall be considered a trespasser under the Laws of the State of Texas.
- (b.) Members must comply with each and every condition of the Association's Declaration, and all related amendments and revisions, and the Laws of the State of Texas.

Clarifications only, were made to this existing BPOA By-laws section.

ARTICLE IV

Owner's Responsibilities And Voting Rights

Article IV, "Owner's Responsibilities and Voting Rights" was added to clarify and differentiate those privileges and responsibilities between the "Member, as defined in Article III, "Membership", and the property "Owner".

Section 4.01 Owner's General Responsibilities. It is every Owner's responsibility and liability for all actions counter to the Membership Rules and Regulations, Declaration and these By-laws by Members of his or her immediate family and their guests and, in the case of a leaseholder, that Owner shall also retain the same responsibilities and liabilities for Members of the leaseholder and their guests.

ARTICLE IV (continued)

Owner's Responsibilities And Voting Rights

Section 4.02 Owner's Voting Rights. An Owner or Designated Owner, who is a Member, in-good-standing, and acknowledged by the Association as a Voting Owner, shall have the vested right to one (1) vote, in voting for those Association defined By-law issues, regardless of the number of Lots that may be held by that Owner or Designated Owner.

New section added to these revised By-laws to allow for communication between the Association and the Owner for voting, newsletter, etc.

Section 4.03 Absentee Owner's Leasing Responsibilities and Voting Rights. An Owner desiring to lease, or permit for occupancy, their dwelling in the Owner's absence must notify the Board in writing within thirty (30) days of the leaseholder's occupancy. Furthermore, that Owner shall accept full responsibility and be liable for the action(s) of any occupant(s) of the Owner's dwelling that may be counter to the Declarations, these By-laws and the Membership Rules and Regulations.

The Owner, who is a Member, in-good-standing, shall continue to retain an Owner's voting rights, as defined above in Section 4.02, regardless that the Owner has leased the Owner's dwelling or has allowed occupancy in the Owner's absence.

New section added to these revised By-laws.

Section 4.04 Multiple Owner Votes. Only that Designated Owner, as acknowledged by the Association as a Voting Owner, may cast the vote, or execute a proxy, as further defined in Article VI, Section 6.06 Proxies.

This Designated Owner shall be considered to be the person to whom the Association shall direct all mailings and notices of events. Furthermore, the Association shall not be required to recognize the vote, proxy or written authorization of any such multiple Owners except the vote or proxy of the Designated Owner.

In the case of multiple Owners of a Lot, it is not intended by any provision of the Declaration or these By-laws that each of said Owners shall be entitled to cast a vote or fractional votes thereof, since an Owner is allowed only one (1) vote, as defined above in Section 4.02 Owner's Voting Rights

Section 4.05 Suspension of Owner Privileges and Voting Rights. The Association privileges and voting rights of any Owner shall be suspended for the following violations:

- (a.) the Owner is sixty (60) days delinquent in the payment of any Assessment; and/or
- (b.) a levied Special Assessment or a proven accusation against the Owner by the Board for an infraction of the Declaration or these By-laws.

New section added to these revised By-laws.

Release of this suspension of Owner's privileges and voting rights shall be granted upon the full payment of the Assessment, or Special Assessment, and all related expenses and the continuing compliance with the Declaration, related amendments, and these By-laws.

ARTICLE IV (continued)

Owner's Responsibilities And Voting Rights

New section added to these revised By-laws.

Section 4.06 Suspended Owner. An Owner with suspended voting rights shall not be considered as a Member, in-good-standing, and therefore, Members associated with that Owner shall lose those Association privileges as decided and defined by the Board.

ARTICLE V

Assessments

Where the existing BPOA By-laws reference "Maintenance Fees", other Texas Property Owners Association By-laws reviewed, as well as the State of Texas Statutes, use the word "Assessments". Although the phrase "Maintenance and Membership Fee" is used in other Association documents, Article II, section 2.02 "Assessment" of these revised By-laws provides clarification and definition.

Section 5.01 Assessments. Each Owner, Residential and Commercial, shall be subject to and obligated to pay an Assessment to the Association, which payment shall be secured by a continuing lien upon the Property against which the Assessment is made. All assessments, as defined within this Article V Assessments, shall be considered a Delinquent Assessment if not paid within sixty (60) days of the declared due date. A Delinquent Assessment shall be further assessed for penalties and all legal fees, for collection purposes, and shall bear an interest rate, pursuant to the Declaration, beginning from the declared due date.

No Owner shall waive or otherwise escape liability for any Assessments by non-use or abandonment of the Owner's Property.

Revised from the existing BPOA By-laws article, where the voting results is based on "a majority vote of those property owners in good standing, or their designated proxy". These revised By-laws base the voting results on those Voting Owners and valid designated proxies who actually voted.

Section 5.02 Annual Assessment and Annual Budget Determination. The Annual Assessment shall be determined as a part of the proposed Association budget formulation process. The Annual Budget and Annual Assessment, to service same, shall be recommended by the Finance Committee to the Board. The Board will review the proposed Annual Budget and Annual Assessment and make appropriate adjustments, if any, before submitting the formal Annual Budget and Annual Assessment to an Annual Budget Meeting of the Members. The Annual Budget and Annual Assessment for the next billing period, from December 1 through November 30, shall be determined at the Annual Budget Meeting by the majority number of votes cast from the Voting Owners, or their designated proxy, voted through a written ballot and/or as voted by the Voting Owners at the voting call of that Annual Budget Meeting. This written ballot shall be mailed to each of the subject Owners, posted not less than twenty (20) days nor more than fifty (50) days prior to the Annual Budget Meeting. Each mailing ballot package shall include the ballot, voting instructions and all pertinent information relative to the proposed budget.

"Funds", formerly under the Article VIII, Contracts, Checks, Deposits, and Funds of the existing BPOA By-laws, actually references the Associations budget, therefore the need to move to the proper article and section.

No expenditure or indebtedness, in excess of such expenses or indebtedness as adopted in the Annual Budget, shall exceed the total amount of the budget. The Board may elect, at its discretion, to revise those allocated budget numbers of certain categories as needed to support other categories, not-with-standing any increase to the total amount of the budget.

ARTICLE V (continued)

Assessments

Section 5.03 added, defining the responsible party for any damage to any Association Property.

Section 5.03 Individual Owner's Special Assessment. A Special Assessment may be levied by the Board against an Owner for being responsible for violations caused by the Owner, an Owner's residing Member, a residing Member's guest or any contractual party the Owner may employ. Those violations may include damages to Association Property and violations relative to the Declaration and violations to the Membership Rules and Regulations.

Although the Board shall initiate charging the violator, the ultimate liability remains with that Owner. This Special Assessment shall not exceed the limits of that Owner's liability insurance policy.

Section 5.04 added to the revised By-laws.

Section 5.04 Owner's Special Assessment. Each Owner, Residential and Commercial, shall be subject to and obligated to pay a Special Assessment for extraordinary Association expenses as declared and properly posted by the Board for passing at an Annual Meeting or Special Meeting of the Members. The passing of this Special Assessment shall be determined at that aforementioned designated meeting by the majority number of votes cast from the Voting Owners, or their designated proxy, voted through a written ballot and/or as voted by the Voting Owners at the voting call of that designated meeting but in no case shall the total vote cast be less than ten (10) per cent of the number of all the Voting Owners.

Section 5.05 Assessments for Commercial Owners. The Commercial Owner Assessment shall be payable in the amount as set by the Board.

Section 5.06 added, defining the use of Association employee services (i.e.: secretarial) and Properties (i.e.: Community Center)

Section 5.06 Special Assessment for non Association Members or Organizations. The Board shall decide and set a Special Assessment for services requested, uses of Association Property and/or facilities or equipment by any Members or non-Association Members or organizations.

ARTICLE VI

Meeting Of Members

These revised By-laws provide further clarification to the existing BPOA By-laws Article IV, Meeting of Members.

Section 6.01 Annual Meeting. The Annual Meeting shall be held in April, with the day, time and place to be determined and announced, through written notice and posting, by the Board, as described in Section 6.05 of this Article VI.

Section 6.02 Annual Budget Meeting. The Annual Budget Meeting shall be held in October, with the day, time and place to be determined and announced, through written notice and posting, by the Board, as described in Section 6.05 of this Article VI.

Revised from the existing BPOA By-law's article, where a Special Meeting may be called by "1/3 of the number of voting members", to "10% of the Voting Owners".

Section 6.03 Special Meetings. Special Meetings of the Members may be called at any time by the Board President, by the Board or upon petition of not less than ten (10) per cent of the number of those Voting Owners, with the day, time and place to be determined and announced, through written notice and posting, by the Board, as described in Section 6.05 of this Article VI.

ARTICLE VI (continued)

Meeting Of Members

Section 6.04 Location of Meetings. The location of any meetings shall be as defined in Article I, Name and Location.

Clarifications only, were made to this existing BPOA By-laws section.

Section 6.05 Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or officiating Board person authorized to call the meeting, by mailing a copy of such notice, not less than twenty (20) days nor more than fifty (50) days in advance of the meeting date to each Owner or Designated Owner, addressed to the last appearing address on the books of the Association, or provided by such Owner or Designated Owner to the Association for the purpose of receiving notice.

Such notice of the meeting shall specify the day, time and place, if not located at the Community Center of the Association and, in case of a Special Meeting, the purpose of the meeting.

Clarifications only, were made to this existing BPOA By-laws section.

Section 6.06 Proxies. At all meetings of the Members or at any time a vote of the Owners is required, a Voting Owner may vote by a valid proxy. A proxy shall be valid upon being executed in writing by the Owner or the Owner's duly authorized attorney-in-fact and for the specific purpose of the call for that meeting and shall be of a term not to exceed six (6) months from the date of the execution. A proxy shall be valid for one meeting only and must be in writing and filed with the Board Secretary or Assistant Secretary at least three (3) business days prior to the meeting to allow validation of the vote, at which time the proxies shall become the property of the Association.

No proxy shall be valid except those proxies that accompany the call for the meeting and for the specific purpose of the meeting called.

Clarifications only, were made to this existing BPOA By-laws section.

Section 6.07 Quorum. All Voting Owners who are present at the Annual Meeting or Special Meetings, shall constitute a quorum with decisions or voting performed to be valid and adopted by the Association.

ARTICLE VII

Board Of Directors

Clarifications only, were made to this existing BPOA By-laws section.

Section 7.01 General Powers, Number, Qualifications and Term. The affairs of the Association shall currently be managed by the Board consisting of nine (9) Directors, each with voting rights. A Director of the Board shall be an Owner, who shall be and continue to remain a Member, in-good-standing, throughout the term of office. An annual election shall be held for three (3) Directors. Each elected Director of the Board shall hold office for a period of three (3) years and may be re-elected until a successor has been elected and qualified to serve as a Director.

ARTICLE VII (continued)

Board Of Directors

Section 7.02 is a clarification to and relocation from the existing BPOA By-laws section that referenced the Nominating Committee for Board of Directors.

Section 7.02 Election of Directors to the Board. The election of Directors to the Board shall be by a written ballot conducted by mail to each Owner, posted not less than twenty (20) days nor more than fifty (50) days prior to the election date and time as set by the President. Each mailing ballot package shall include the ballot with the candidate's name and all pertinent information relative to the voting instructions, a separate page with the resume of each candidate and a return voting envelope addressed to the Association.

The results of this election shall be determined at the Annual Meeting by the majority number of votes cast from the Voting Owners, or their designated proxy, voted through a written ballot.

Section 7.03 was revised from the existing BPOA By-law's article, where the voting results is based on "2/3 vote of the membership (actually, Owners)" to the "majority number of votes cast from the Voting Owners ... but in no case shall the total vote cast be less than ten (10) per cent of the number of all the Voting Owners".

Section 7.03 Removal. Any Director of the Board, elected or appointed, may be removed from the Board at a Special Meeting of the Members by the majority number of votes cast from the Voting Owners, or their designated proxy, voted through a written ballot and/or as voted by the Voting Owners at the voting call of that Special Meeting of the Members, but in no case shall the total vote cast be less than ten (10) per cent of the number of all the Voting Owners.

Section 7.04 Vacancy. Any Director of the Board vacancy, or vacancies, occurring on the Board shall first be filled by an Owner who had received the next highest number of votes in the previous election or then by appointment, by the Board vote. This new Board member shall hold that vacated position until the expiration of the term of the vacated predecessor.

Section 7.05 Annual Meeting of the Board. A closed annual meeting of the current Directors of the Board shall be held, without other notice than provided for by this article, immediately after the Annual Meeting of the Members, for the purpose of electing Officers of the Board.

Section 7.06 Regular Meetings. The Board shall hold at least six (6) regular meetings during the year, with the day, time and location, within the Briarcliff Subdivision if not at the Association's Community Center, of the meeting to be determined by the Board. Notice of the meeting shall be posted at least five (5) days prior to the meeting date.

Section 7.07 Quorum. A majority of the Directors of the Board shall constitute a quorum for the transaction of business. Every act performed or decision made by a majority of the Board present at a duly held meeting at which a quorum is present shall be regarded as an act of the Board.

Section 7.08 Special Meetings. Special Meetings of the Board shall be called by or at the request of the President or any two (2) Directors of the Board. The person or persons authorized to call a Special Meeting of the Board may fix any place within the Briarcliff Subdivision as the place for holding any such Special Meeting of the Board as called by them.

ARTICLE VII (continued)

Board Of Directors

Section 7.08 Special Meetings. (continued)

Notice of any special meeting of the Board shall be given at least twenty-four (24) hours prior to the time of the Special Meeting, by oral or written notice delivered personally or sent by mail, to each Director of the Board at the address shown by the records of the Board. Notice of this meeting shall be posted at least twenty-four (24) hours prior to the meeting time and date.

Section 7.09 Compensation. Directors of the Board, as such, shall not receive compensation for any services rendered to the Association. However, any Director may be reimbursed for actual expenses incurred in the performance of the Board duties. Nothing, herein contained shall be construed to preclude any Director from serving the Association in any other capacity and receiving compensation therefore.

"Contracts", formerly under the Article VIII, Contracts, Checks, Deposits and Funds of the existing BPOA By-laws, references the Board's Powers, therefore moved to the proper article.

Section 7.10 Contracts. The Board may authorize any Officer or Officers, agent or agents of the Association, in addition to the Officers, so authorized by these By-laws, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Association, except contracts affecting real property rights.

"Real Property", formerly under the Article VIII, Contracts, Checks, Deposits and Funds of the existing BPOA By-laws, references the Board's Powers, therefore moved to the proper article.

Section 7.11 Real Property. Real property (identified as land within the Briarcliff Subdivision) rights, and improvements (if existing), transactions (meaning: to purchase, sell or lease) may be executed by the Board when approved by a majority number of votes cast from the Voting Owners, or their designated proxy, voted through a written ballot and/or as voted by the Voting Owners at the voting call of any Annual Meeting or Special Meeting of the Members. The written ballot procedure shall comply with that written ballot procedure as described in Article 5 Assessments, Section 5.02.

"Checks, Drafts, etc., formerly under the Article VIII, Contracts, Checks, Deposits and Funds of the existing BPOA By-laws, references the Board's Powers, therefore moved to the proper article.

Section 7.12 Checks, Drafts or Indebtedness. All Association checks, drafts or orders for payment of money, notes or other evidence of indebtedness issued in the name of the Association shall be initiated by the Treasurer and signed by such officiating Officer or Officers of the Board and agent or agents of the Association and in such manner as shall be determined by resolution of the Board. The Board shall accept any instrument of indebtedness.

"Gifts", formerly under the Article VIII, Contracts, Checks, Deposits and Funds of the existing BPOA By-laws, references the Board's Powers, therefore moved to the proper article.

Section 7.13 Gifts. The Board may accept on behalf of the Association any contributions, gift or real property bequest for the general or for any special purposes of the Association.

ARTICLE VIII

Officers of the Association

Section 8.01 Officers. The Officers of the Board shall be the President, Vice President, Secretary and Treasurer.

ARTICLE VIII (continued)

Officers of the Association

Section 8.02 Election Qualifications and Term of Office. The Officers of the Association shall be elected, at the Annual Meeting of the Board, from among the sitting Board members. If the election of Officers should not be held at such meeting, such election must be held within seven (7) days of the Annual Meeting of the Members. No Officer may hold more than one (1) office of the Board at the same time.

Section 8.03 President. The President shall be the principal executive officer of the Association and shall, in general, supervise all of the business and affairs of the Association. The President may sign, with the Secretary or any other authorized Officer of the Board authorized by the Board, any bonds, contracts or other instruments which the Board has authorized to be executed, except in the cases where the signing and execution thereof shall be expressly delegated by the Board or by these By-laws or State of Texas statute to some other Officer or agent of the Association. In general, the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

Section 8.04 Vice President. In the absence of the President or in the event of the President's inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform other duties as may be assigned by the President or the Board.

Section 8.05 Secretary. The Secretary shall keep the minutes of the meetings of the Members and of the Board in one or more books as provided for that purpose; see that all notices are duly given in accordance with the provisions of these By-laws or as required by law; be custodian of the corporate records and of the Seal of the Association; keep a register of the post office address of each Owner as furnished by the subject Owner; and, in general perform all duties incident to the office of Secretary and such other duties as may be assigned by the President or the Board.

Section 8.06 Treasurer. The Treasurer is required to be bonded at the Association's expense, to insure the honest discharge of duties. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association from any source whatsoever and deposit all such monies in the name of the Association in such banks, trust companies or other depositories as may be selected by the Board, and in general perform all duties as may be assigned by the President and the Board.

"Deposits", formerly under the Article VIII, Contractor Checks, Deposits and Funds of the existing BPOA By-laws, references Board of Director's Powers, therefore the need to move to the proper article.

Section 8.07 Assistant Treasurer and Assistant Secretary. The Board may appoint additional members for the Association Board, to serve as Assistant Treasurer and/or Assistant Secretary. These additional Members shall not be considered a Director of the Association or have any Board voting rights. The Assistant Treasurer or person hired to deposit and expend monies shall be bonded at the expense of the Association to insure the honest discharge of their duties. The Assistant Treasurer and Assistant Secretary, in general, shall perform such duties as shall be assigned by the Treasurer or the Secretary, or the President.

ARTICLE VIII (continued)

Officers of the Association

Section 8.08 Removal of an Officer. Any Officer elected or appointed by the Board may be removed from the office by a majority vote of the Board, when, in the Board's judgement, the best interest of the Association would be served.

Section 8.09 Vacancy. Any vacancy occurring in any Board office because of death, resignation, removal, disqualification or otherwise, may be filled by appointment by the Directors at the next regular Board meeting, except that the Vice President shall serve for the unexpired term of the President.

ARTICLE IX

Committees

Section 9.01 General Powers, Number, Qualifications and Term. The members of a Board appointed committee shall manage only those specific affairs of that appointed committee and shall not have nor exercise any authority of the Board in management of the Association, except as specifically authorized by the Board. A committee shall be fully responsible to the Board. The Board shall name the committee number of no less than three (3) members, including the chairperson, for each committee. All committee members shall be Voting Owners during their entire term on any committee. The Board shall elect to have a Board member, or members, to be a part of a committee. The term for all committee chairpersons and members shall continue until a new committee chairperson and members has been approved by the Board at the next regularly scheduled Board meeting following the Annual Meeting of the Members or as defined in this Article IX, Section 9.07 Committee Removal.

Section 9.02 Committee Selection and Members. Committees shall be determined by the following Board resolution:

- (a.) two (2) Board meetings prior to the Annual Meeting of the Members, the sitting Board shall propose and identify those standing committees for the coming year;
- (b.) one (1) Board meeting prior to the Annual Meeting of the Members, the sitting President shall identify candidates for the chairperson of each committee;
- (c.) at the Annual Meeting of the Members, the committee chairperson candidate shall present to the new Board a list of candidates for that respective committee, with committee number as determined by the Board;
- (d.) the Board, at the next regularly scheduled Board meeting, shall approve to the proposed nominated chair and members for each committee. Should the Board disagree with the proposed nominations, the Board shall identify an alternate slate at that meeting; and

The existing BPOA By-laws have the Architectural Control Committee, Finance Committee and the Nominating Committee outside of the Article on Committees. The revised By-laws Article on Committees now includes all committees under one (1) article and provides further clarification.

The Committee Selection and Members section has been added, as voted on and passed by the 1999 Board.

ARTICLE IX (continued)

Committees

Section 9.02 Committee Selection and Members. (continued)

(e.) all committee additions or reductions shall continue to follow all requirements of these By-laws and Declaration and those related amendments.

Section 9.03 Finance Committee. A Finance Committee shall consist of the Association Treasurer, as the Chairperson, and the Chairperson of each of any other Association committee and shall prepare an Annual Budget to be presented to the Board for review and approval and propose the Annual Assessment to fund the Annual Budget.

Section 9.04 Nominating Committee for Board Directors. The Board shall annually appoint a Nominating Committee of three (3) members at the January Board meeting. This Nominating Committee shall consist of a Chairperson and two (2) committee persons. The Nominating Committee shall solicit at least two (2) and not more than three (3) Voting Owners to become candidates for each of the vacancies on the Board. The Nominating Committee shall receive applications from qualified candidates no later than a date, seven (7) days prior to posting of the ballot. A person appointed to the Nominating Committee can not become a candidate for a place on the ballot during their term on the Nominating Committee.

In conjunction with the Nominating Committee and prior to such election, the President shall appoint two (2) Inspectors of Election, who are Voting Owners, whose duty it shall be, to the best of their skill and ability, to receive and canvass the votes cast and to otherwise conduct the election and to thereafter certify the results of said election to the Nominating Committee. Votes shall not be counted or opened by anyone other than the Inspectors of Election prior to notifying the Nominating Committee of the results. The Nominating Committee shall thereafter notify the President and each Director so elected, and requests such person to accept the position to which that person was elected. The Owners shall be notified, with the results, within 45 days of the Annual Meeting of the election results, election of Officers and committee appointments.

The following description of the Architectural Control Committee has been reduced from the existing BPOA By-laws to avoid repeating the same, or very similar, description and avoid the possible conflict in those existing BPOA Deed Restrictions and BPOA Architectural Control Committee's Architectural Control Construction Specifications.

Section 9.05 Architectural Control Committee. The Board shall annually appoint an Architectural Control Committee of not less than three (3) nor more than five (5) Members to serve until the next Annual Meeting.

The duties of the Architectural Control Committee shall be as defined in the Association's Deed Restrictions, and relative Amendments, and the Association's Architectural Control Committee's Architectural Control Construction Specifications of September 20, 1999, all of which may be amended from time to time.

All rules and guidelines of the Architectural Control Committee shall be approved by the Board prior to becoming effective.

ARTICLE IX (continued)

Committees

New section added to the revised By-laws.

Section 9.06 Other Committees. The Board may appoint other committees as deemed appropriate in carrying out those needs of the Association.

New section added to the revised By-laws.

Section 9.07 Committee Removal. Any committee chair, member or entire committee may be removed from a committee by a majority vote of the Board, when, in the Board's judgement, it is in the best interests of the Association.

Section 9.08 Committee Rules of Order. Each committee may adopt rules of order for governing its own committee and not be inconsistent with these By-laws or Declaration and related amendments.

Section 9.09 Committee Quorums. Unless otherwise provided in the resolution of the Board designating the committee, a majority of the committee present shall constitute a quorum for the transaction of business.

ARTICLE X

Indemnification Of The Board And Committees

For the purpose of Indemnification, "Indemnitee" shall mean and hereinafter refer to any present or former person of the Association's Board of Directors, Board appointed committee members and any other Members or employees who have served or are serving in any official capacity in behalf of the Association. This Indemnification shall be subject to the provisions of Article 1396-2.22A of the Texas Non-Profit Corporation Act.

Section 10.01 Indemnification. The Association shall indemnify every Indemnitee against all judgements, penalties, fines, amounts paid in settlement and reasonable expenses* actually incurred in connection with any proceeding in which the Indemnitee was, is or is threatened to be named a defendant or respondent, by reason, in whole or in part, of his or her serving or having served on the Association Board or Board appointed committee and that the Indemnitee has: (1.) conducted him or herself in good faith; (2.) reasonably believed that his or her conduct was in the Association's best interest; and (3.) in the case of any criminal proceedings, had the Indemnitee no reasonable cause to believe that his or her conduct was unlawful. The exception to this Indemnification would be where the Indemnitee is found liable to the Association or is found liable on the basis that the Indemnitee improperly received personal benefit.

*Reasonable expenses shall include, without limitation, all court costs and all fees and disbursements of attorneys fees for the defense of the Indemnitee.

This indemnification shall not be made in respect to any proceeding in which the Indemnitee shall be found liable for willful or intentional misconduct in the performance of his or her duty to the Association.

These revised By-laws adds this indemnification article, since the existing BPOA By-laws only covers liability ("No member or members of the Board of Directors or Officers of the Association shall be held liable by suit in Court of Law for actions taken in the best interest of the Association when such actions are approved by the majority of the Board.") and only in behalf of those mentioned. Indemnification (definition: to secure against hurt, loss or damage [or to secure against being liable]) is referenced by Texas property owners association By-laws, with no mention of liability.

ARTICLE X (continued)

Indemnification Of The Board And Committees

Section 10.01 Indemnification. (continued)

An Indemnitee shall be deemed to have been found liable in respect of any claim, issue or matter only after the Indemnitee shall have been so adjudged by a court of competent jurisdiction after exhaustion of all appeals therefrom.

ARTICLE XI

Books And Records

Section 11.01 Books and Records. The Association shall maintain correct and complete books, records and documents of the Association and shall also maintain minutes of the meetings of the Members and the Board and shall keep, at the principal office of the Association, a current record providing the names and addresses of the Members, as provided by the Member. An audit must be made at least once a year at the close of the Fiscal Year by an accredited CPA who is not a Member of the Association.

Section 11.02 Inspection by the Board. Every member of the current Board shall have the right at any reasonable time to inspect the Association books, records and documents of the Association and the physical property owned by the Association.

Section 11.03 Inspection By Members. All Association books, records and documents shall be made available for inspection and copies to any Member or a Member's representative, at any reasonable time and for a purpose related to that Member's interest and in accordance with applicable State of Texas statutes.

There shall be a service charge to the Member or the Member's representative by the Association for secretarial time expended associated with any research work or copying, since this service would be at the individual request

Section 11.04 Audit. An Audit must be performed at least once each year at the close of the Fiscal Year by an accredited Certified Public Accountant who is not an Owner or Member of the Association.

ARTICLE XII

Fiscal Year

Section 12.01 Fiscal Year. The fiscal year of the Association shall begin on the first day of March and end on the last day of February in each year.

Article XI, Books And Records, of these revised By-laws, provides clarification to the existing BPOA By-laws Article IX, Books and Records.

Paragraph added relative to a service charge for the secretarial services provided.

ARTICLE XIII

Seal

Clarifications were made to this existing BPOA By-laws article.

Section 13.01 Seal. The description of the Corporate Seal of the Association, is in the form of a circle and has inscribed thereon, the name "Briarcliff Property Owners Association, Inc." and the words "Corporate Seal – A Corporation Not for Profit, State of Texas".

ARTICLE XIV

Waiver Of Notice

The Waiver of Notice, as repeated from the existing BPOA By-laws, is for the benefit of an Owner who relinquishes the right to receive any communication from the Association.

Section 14.01 Waiver of Notice. Whenever any notice is required to be given under the provision of the Non-Profit Corporation Law of Texas or under the provisions of the Declaration or these By-laws, a waiver thereof in writing, executed by the Voting Owner entitled to such notice whether before or after the time stated herein, shall be deemed equivalent to the giving of such notice.

ARTICLE XV

Amendments To The By-laws

The existing BPOA Article XIII Amendments has been revised as follows: (1.) from "where the By-laws may be amended ...adopted bi-annually (def.: occurring twice a year)" to "at the Annual Meeting of the Members"; and (2.) from where the voting results is based on "a majority of the membership" (actually, Owners) to "a majority number of votes cast from the Voting Owners or their designated proxy".

Section 15.01 Amendments. These By-laws may be amended or repealed, with new By-laws adopted, at the Annual Meeting of the Members by the majority number of votes cast from the Voting Owners, or their designated proxy, voted through a written ballot and/or as voted by the Voting Owners at the voting call of that designated meeting. This written ballot shall be mailed to each of the subject Owners, posted not less than twenty (20) days nor more than fifty (50) days prior to the Annual Meeting. Each mailing ballot package shall include the ballot, voting instructions and all pertinent information relative to the proposed By-laws Amendment. Copies of the approved By-laws change shall be mailed to the Owners within forty-five (45) days of the enactment.

ARTICLE XVI

Rules Of Order

Section 16.01 Parliamentary Rules of Order of the Association. All meetings of the membership, Board of Directors and Committees of the Association shall be governed by Roberts Rules of Order where such rules do not conflict with the By-laws of the Association.

ARTICLE XVII

New article, relative to an "Interpretation" has been added to these revised By-laws, to define the priorities of the Declaration documents, these By-laws and the laws of the State of Texas.

Interpretation

Section 17.01 Interpretation and Control. In the case of any conflict between the Association's Declaration documents and these By-laws, the Declaration documents shall control; in the case of any conflict between the Association's Declaration documents and the laws of the State of Texas governing non-profit corporations, the laws of the State of Texas shall control; provided, however, to the extent reasonably practical, the Association's Declaration documents and these By-laws shall be construed and interpreted together as consistent and non-conflicting documents, such being the intent thereof.