

**2014 AMENDED BYLAWS FOR
EMERALD BAY PROPERTY OWNERS ASSOCIATION, INC.**

ARTICLE ONE

Name, Location, Purpose¹

1. The name of the corporation is EMERALD BAY PROPERTY OWNERS ASSOCIATION, INC., hereinafter referred to as the “Association.” The principal office of the corporation shall be located at P.O. Box 1093, Onalaska, Texas 77360, but meetings by members and directors may be held at such places within the State of Texas may be designated by the Board of Directors.

2. Purpose of Association. In addition to the purposes set forth in the Articles of Incorporation and/or Certificate of Formation for the Association, the purposes for which the Association is organized, subject to any Texas law providing otherwise, are:
 - (a) To be a property owners association as defined by the Texas Property Code, and shall discharge the duties and obligations of a property owners association in interpreting and enforcing the Restrictions applicable to the Subdivision, according to the plats of said subdivision recorded in the Map Records of the County Clerk; and the entire income and principal of the endowment and assets of this corporation shall be held and distributed solely for such purposes, except for the modest amount needed for the expenses of administration of this corporation in order to effectuate the said purposes; and the making of distributions to organizations having the same purpose qualifying as exempt organizations under Section 501 (c) (3) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue law);
 - (b) To promote the safety, welfare and enjoyment of the residents of and owners of property within the Subdivision;
 - (c) To the extent authorized by the Restrictions, to compute, assess, collect and enforce the payment of all charges to which the property within the Subdivision is subjected or may be subjected hereby and/or under or by virtue of any reservations, restrictions and covenants applicable to the Subdivision on file in the Official Records of the County Clerk;
 - (d) To operate, maintain, supervise and protect all areas and facilities owned by or conveyed to the corporation from time to time for the common use of its members, and to install or construct improvements upon such areas and facilities;

¹ The current bylaws are shown in black ink; the suggested changes are shown in blue, underline; deletions from the current bylaws are shown by ~~red strikethrough~~. I have deleted “Section” in all of these and goes to simply numbers.

- (e) To the extent authorized by the Restrictions, to approve or disapprove plans, specifications and elevations for any building, structure or improvement and for any structural alterations or additions, or other alterations or additions affecting exterior appearance, in or to any building, fence, structure or other improvement within the Subdivision, and to establish design and construction criteria and requirements in connection therewith;
 - (f) To exercise and perform any and all other rights, powers, duties and remedies granted to or imposed upon the corporation by the Restrictions, by any easement granted to the corporation, or by any other instrument granted to or for the benefit of the corporation; and
 - (g) To do or cause to be done all things and acts permitted by the laws of the State of Texas incident to, necessary, or proper to carry out the purposes for which non-profit corporations may be formed and to have all the powers enumerated in the Texas Property Code for property owners associations and in the Texas Business Organizations Code for non-profit corporations, including but not limited to for any lawful purpose or purposes not expressly prohibited under chapters 2 or 22 of the Texas Business Organizations Code, including any purpose described by section 2.002 of the Code.
3. Texas Tax Code Statement. Pursuant to Texas Tax Code Section 171.082, and in extension of and not limitation of the purposes set forth in the Certificate of Formation for the Corporation, (1) the corporation is organized and operated primarily to obtain, manage, construct, and maintain the property in or of a residential condominium or residential real estate development; and (2) the owners of individual lots, residences, or residential units control at least 51 percent of the votes of the corporation and that voting control, however acquired, is not held by: (A) a single individual or family; or (B) one or more developers, declarants, banks, investors, or other similar parties.
4. Limitations on Distributions and Activities. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its members, Directors, Officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in the furtherance of the purposes set forth in Article Four hereof. No substantial part of the activities of the corporation shall be the carrying on of propaganda or otherwise attempting to influence Legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provisions of these Articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by an organization exempt from Federal Income Tax under Section 501 (c) (3) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue law) or (b) by an organization, contributions to which are deductible under Section 170 of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue law).

ARTICLE TWO

Definitions

1. Association. “Association” shall mean and refer to EMERALD BAY PROPERTY OWNER’S ASSOCIATION, INC., a Texas non-profit corporation, it’s successor and assigns.²
2. Board of Directors. “Board of Directors” shall refer to the board of directors elected by the members of the Association.
3. Common Facilities. “Common Facilities” shall mean the roads, street lights, parks, and entrance features of the Subdivision, and landscaped areas established by the Developer for use as Common Facilities.
4. County Clerk. “County Clerk” shall mean the County Clerk of Polk County, Texas.
5. Declarant. “Declarant” shall mean and refer to EMERALD BAY PROPERTY OWNER’S ASSOCIATION, INC., its successor and assigns.³
6. Declarations and/or Restrictions. “Declarations and/or Restrictions” shall mean and refer to the Declarations of Covenants and Conditions applicable to the Properties recorded in the Deed Records of Polk County, Texas.⁴
7. Dedicator Instrument. “Dedicator Instrument” shall mean each instrument governing the establishment, maintenance, and operation of the Association, and includes a declaration or similar instrument subjecting real property to restrictive covenants, certificate of formation, bylaws, or similar instruments governing the administration or operation of a property owners association, to properly adopted rules and regulations of the property owners' association, or to all lawful amendments to the covenants, bylaws, instruments, rules, or regulations, including but not limited to those identified above under “Declaration”. Dedicator Instrument further shall mean the Articles of Incorporation (now known as Certificate of Formation), Bylaws, and other rules, regulations, and resolutions filed of record with the County Clerk.
8. Directors. “Directors” shall mean and refer to any duly elected or appointed member of the Board of Directors.

² Formerly Article Two, Section 1.

³ Formerly Article Two, Section 4.

⁴ Formerly Article Two, Section 5.

9. Electronic ballot. “Electronic ballot” means a ballot: (a) given by: (1) e-mail; (2) facsimile; or (3) posting on an Internet website; (b) for which the identity of the property owner submitting the ballot can be confirmed; and (c) for which the property owner may receive a receipt of the electronic transmission and receipt of the owner’s ballot. (Source: Section 209.00592 (d), Texas Property Code).
10. Lot. “Lot” shall mean any residential lot in the Subdivision, and identified in the documents filed of record, identified herein, and on record with the County Clerk.
11. Maintenance Charge. “Maintenance Charge” shall mean the periodic charge collected by the Association, (also known as maintenance fee) for each Lot in the Subdivision for the purpose of maintaining and improving the Subdivision.
12. Maintenance Fund. “Maintenance Fund” shall mean the amounts collected from time to time by the Association, upon payment of Maintenance Charges by the Owners.
13. Member. “Member” or “Members” shall mean and refer to all those Owners who are members of the Association as provided for in the Restrictions and/or in these Bylaws.
14. Properties. “Properties” shall mean and refer that certain real property described in the recorded plat of EMERALD BAY, a subdivision in Polk County, Texas, and such additions thereto as may hereafter be brought within the jurisdiction of the Association. ⁵
15. Owner. “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to the surface estate in any lot, parcel, or tract of land which is part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. ⁶
16. Member. “Member” shall mean and refer to an Owner as defined above. ⁷
17. Plats. “Plats” shall mean the plat of the subdivision recorded in the County Clerk’s office.
18. Record Date. “Record Date” shall be the business date preceding the date on which notice of the meeting is mailed. the date that the notice of any annual or special meeting is mailed.
19. Regular Assessment. “Regular Assessment” and/or “Annual Charge” shall mean the annual

⁵ Formerly Article Two, Section 2.

⁶ Formerly Article Two, Section 3.

⁷ Formerly Article Two, Section 6.

amount that each owner of property within a residential subdivision is required to pay to the Association, which is designated for use by the Association for the benefit of the property owners of the Subdivision, as provided by the Restrictions, and include maintenance charges and maintenance fees.

20. Special Assessment. “Special Assessment” shall mean any fee and/or due, other than a regular assessment, that each Member is required to pay to the Association, as established by the Members at an annual or special meeting of the members of the Association at which a quorum is present and at which at least thirty (30) days notice is given of the intent to establish a Special Assessment and which action of the Members authorizes the Association to charge for:
- (a) Defraying, in whole or in part, the cost, whether incurred before or after the assessment, of any construction or reconstruction, repair, or replacement of a capital improvement in the Common Areas owned by the Association, including the necessary fixtures and personal property related to such Common Areas, to the extent such expense is not sufficiently provided for with Regular Assessment funds;
 - (b) Maintenance and improvement of Common Areas owned by the Association; and/or
 - (c) Such other purposes of the property owners’ association as stated in the Association’s Certificate of Formation or the dedicatory instrument for the Subdivision.
21. Subdivision. “Subdivision” shall mean the Emerald Bay Subdivision, Polk County, Texas, as shown on the respective Plats on file with the County Clerk’s office.
22. Voting Rights. “Voting Rights.” Each lot owner shall be entitled to one (1) vote on all matter regardless of the number of lots owned.⁸

ARTICLE THREE

Meeting of Members

1. Annual Meetings. The ~~first~~ annual meeting of the members shall be held on the first Saturday in October ~~of, 1986, and each subsequent regular annual meeting of the members shall be held on the first Saturday of October~~ of each year thereafter at the hour of 4 o’clock P.M. The Board of Directors shall select the site and notify the members prior to the meeting. ~~Any delinquent member may prior to the start of this or any meeting correct any delinquencies and be entitled to vote.~~⁹ Failure to hold the annual meeting at the designated time shall not work a dissolution of the Association.

⁸ Formerly Article Two, Section 7.

⁹ Formerly Article Three, Section 1.

2. Special Meetings. Special meetings of the members for any purpose may be called at any time by the President or by the Board of Directors, or upon written request of one-fourth (1/4) of the members who are entitled to vote.¹⁰ Upon receipt of the written request of the Members who have a right to vote one-fourth (1/4th) of all of the votes of the entire membership requesting a special meeting, the Secretary shall sent out Notice as required by these Bylaws.

3. Notice of Meeting. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of each notice, postage prepaid at least ~~ten (10) fifteen (15)~~ but not more than ~~sixty (60) forty-five (45)~~ days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

4. Quorum. The presence of the meeting of one-fourth (1/4) of the members entitled to vote, or of proxies entitled to vote, shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or by these By-laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting from time to time without notice other than an announcement at the meeting until a quorum as aforesaid shall be present or by represented.¹²

5. "Proxies." At all meetings of the members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and automatically cease upon conveyance by the member of his vote.¹³

6. Failure to Hold Annual Meeting. The following Bylaw is intended to comply with Section 209.014, Texas Property Code.
 1. In the event the Board of Directors does not call an annual meeting of the association members, an owner may demand that a meeting of the association members be called not later than the 30th day after the date of the owner's demand.
 2. The owner's demand must be made in writing and sent by certified mail, return receipt requested, to the registered agent of the property owners' association and to

¹⁰ Formerly Article Three, Section 2.

¹¹ Formerly Article Three, Section 3.

¹² Formerly Article Three, Section 4.

¹³ Formerly Article Three, Section 5.

- the association at the address for the association according to the most recently filed management certificate. A copy of the notice must be sent to each property owner who is a member of the association.
3. If the board does not call a meeting of the members of the property owners' association on or before the 30th day after the date of a demand under Subsection (b), three or more owners may form an election committee. The election committee shall file written notice of the committee's formation with the county clerk of each county in which the subdivision is located.
4. A notice filed by an election committee must contain:
- (1) A statement that an election committee has been formed to call a meeting of owners who are members of the property owners' association for the sole purpose of electing board members;
- (2) the name and residential address of each committee member; and
- (3) the name of the subdivision over which the property owners' association has jurisdiction under a dedicatory instrument.
- (e) Each committee member must sign and acknowledge the notice before a notary or other official authorized to take acknowledgments.
- (f) The county clerk shall enter on the notice the date the notice is filed and record the notice in the county's real property records.
- (g) Only one committee in a subdivision may operate under this section at one time. If more than one committee in a subdivision files a notice, the first committee that files a notice, after having complied with all other requirements of this section, is the committee with the power to act under this section. A committee that does not hold or conduct a successful election within four months after the date the notice is filed with the county clerk is dissolved by operation of law. An election held or conducted by a dissolved committee is ineffective for any purpose under this section.
- (i) The election committee may call meetings of the owners who are members of the property owners' association for the sole purpose of electing board members. Notice, quorum, and voting provisions contained in the bylaws of the property owners' association apply to any meeting called by the election committee. (Source: Section 209.014, Texas Property Code).
7. Member Contact Information. Each member shall register his address with the secretary, and notices of meetings, regular or special, shall be mailed to him at such address. It is the responsibility of the Member to provide the Association with current mailing and email addresses, and the Association assumes no responsibility should any notices not be received by the Member provided that the Association forwards such notice to the address provided the Association by the Member.
8. Notice by e-mail. Any Member may request that notice be transmitted electronically by providing the Association's Secretary a valid e-mail address. Upon providing such e-mail address the Association may transmit any and all notices to such member at such e-mail address. Members are encouraged to provide an e-mail address to help reduce the

operational cost of postage and mail-out required by these Bylaws and Texas Law.

9. Waiver of Notice. Notice may be waived in writing signed by the person or persons entitled to such notice. Such waiver may be executed at any time before or after the holding of such meeting. Attendance at a meeting shall constitute a waiver of notice, except where the person attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.
10. Location of Meetings. Meetings of members shall be held at the office of the Association, if one is established in the Subdivision, or at such other place, within or without the State of Texas, as may be stated in the notice of the meeting or in a duly executed waiver of notice thereof.
11. Action Required. At a meeting at which a quorum is present, the vote of the majority of the members in person or represented by proxy shall decide any question brought before the meeting, unless the question is one upon which the vote of a greater number is required by law, the Articles of Incorporation, or these Bylaws. The members present or represented at a meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

ARTICLE FOUR

Board of Directors: Selection: Term of Office:

1. Management of Association. The business and affairs of the Association shall be managed by its Board of Directors which may exercise all such powers of the Association and do all such lawful acts and things as are allowed by statute, the Articles of Incorporation, these Bylaws or the Restrictions directed or required to be exercised or done by the Members.
2. Powers of the Board of Directors. Notwithstanding anything seemingly to the contrary contained in any provision of these Bylaws, the Association shall act through its Board of Directors, which shall manage the affairs of the Association. By way of illustration, but not in limitation, the Board of Directors shall have the power, subject to any Texas law providing otherwise, to:
 - a. Adopt and publish rules and regulations governing use of the common area and facilities, including but not limited to solar panels, roofing, architectural control matters, and the personal conduct of the members and their guests thereon, and to establish penalties for infraction thereof;
 - b. Suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association, as hereinbefore stated. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

- c. Exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws or the Articles of Incorporation, or the Restrictions;
 - d. Declare the office of a member of the Board of Directors to be vacant in the event each such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
 - e. Employ a manager, secretary, attorneys, independent contractors, and/or such other employees as they deem necessary, and to prescribe and oversee their duties.
3. Number of Directors. The affairs of this Association shall be managed by a Board of Five (5) Directors, who must be members of the Association as provided in the Articles of Incorporation. The number of Directors may be changed by amendment of the By-Laws of the Association. ~~Until the election of Directors at the first annual meeting of the members, the initial Board of Directors as named in the Articles of Incorporation shall so serve.~~¹⁴
 4. Term of Office. At the first annual meeting the members shall elect two (2) Directors for a term of one (1) year and three (3) Directors for a term of two (2) years. At the expiration of the terms of office of each of the original Directors who had been elected as herein above provided, successive Directors shall be elected to a term of two (2) years.¹⁵
 5. Current Directors and Length of Terms. The current Directors are as follows:
 Place One: Sharon Jeans (term ends 2015)
 Place Two: Ted Ankney (term ends 2014)
 Place Three: Todd Swaney (term ends 2015)
 Place Four: Martha Freeman (term ends 2014)
 Place Five: John Vassar (term ends 2015)
 6. Schedule for Election of Directors. The following Schedule is established for the annual election of directors, starting with the annual meeting of the members in 2015:
 - a. At the 2014 annual meeting of the members of the Association, the members shall elect a director for Places Two and Four, who shall each serve for two (2) years until those directors' successor are elected at the annual meeting in 2017.
 - b. At the 2016 annual meeting of the members of the Association, the members shall elect a director for Places One, Three and Five, who shall each serve for two (2) years until those directors' successors are elected at the annual meeting in 2018.
 7. Removal of Director.
 - c. Except as hereinafter provided in Section 4, any Directors may be removed either for

¹⁴Formerly Article Four, Section 1.

¹⁵Formerly Article Four, Section 2.

or without cause, at any special meeting of the Members of the Association by the affirmative vote of a majority in number of votes present in person or by proxy at such meeting and entitled to vote for the election of Directors, if notice of the intention to act upon such matter shall have been given in the notice calling such meeting.

- d. If the Board of Directors is presented with written, documented evidence from a database or other record maintained by a governmental law enforcement authority that a board member has been convicted of a felony or crime involving moral turpitude, the board member is immediately ineligible to serve on the board of the Association, automatically considered removed from the board, and prohibited from future service on the board. (Source: Section 209.00591, Texas Property Code). ~~“Removal.” Any Director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.~~¹⁶

8. Compensation. No Director shall receive compensation for services as a Director. He may, however, by vote of the Board of Directors, be compensated for any other service he may render to the Association. Further, any director may be reimbursed for his actual expenses incurred in the performance of his duties.¹⁷
9. Action Taken Without a Meeting. Subject to the provisions of Section 209.0051, of the Texas Property Code, and as provided for by Article Six, Section 6(h) of these Bylaws, the Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval, or any other approved method of communication, of all the Directors.¹⁸

ARTICLE FIVE

Nomination and Election of Directors

1. Election. Any board member whose term has expired must be elected by owners who are members of the property owners’ association. Election of the Board of Directors shall be held at the Annual Members Meeting. The Board of Directors shall submit to the members a slate of candidates along with the notification of the annual meeting. Additional nominations will be accepted provided they are submitted and received in writing at least twenty (20) days prior to the annual meeting. Each member may cast one vote for each of

¹⁶Formerly Article Four, Section 3.

¹⁷Formerly Article Four, Section 4.

¹⁸Formerly Article Four, Section 5.

the vacancies. The nominees receiving the greatest number of votes shall be elected.¹⁹

2. The Ballot. When ballots and/or proxy ballots are used, the ballot shall be printed, and shall clearly describe the office, position, or vacancies for which the candidates are running, and the names of the candidates to be voted upon. No ballot and/or proxy ballot will be considered which is not received at the office of the Association prior to the start of the meeting. Ballots and/or proxy ballots received by said time, either by mail or in person, shall be counted, subject to voter and candidate eligibility; all other ballots shall be declared void. Election to the Board of Directors shall be written ballot; the ballots shall show the name of the member voting and the number of lots owned by the member (with the member being entitled to one vote, regardless of the number of lots owned). At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to cast under the provisions of these Bylaws. The person receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted. If any director position is uncontested, a ballot and/or proxy/ballot is not required and the director is automatically elected to the position in question.
3. Vacancies on Board of Directors.
 - (a) Notwithstanding any provision in a dedicatory instrument, any board member whose term has expired must be elected by owners who are members of the association.
 - (b) Any Directorship to be filled by reason of any increase in the number of Directors shall be filled by election at an annual meeting of Members or at a special meeting called for that purpose.
 - (c) Except as provided by subsections (a) and (b), the Board of Directors may fill any vacancy on the Board.
 - (d) A board member appointed to fill a vacant position shall serve the unexpired term of the predecessor board member. (Source: Section 209.00593 (a), Texas Property Code, as amended 2013).

ARTICLE SIX

Meeting of Directors

1. Regular Meetings. Regular meetings of the Board of Directors shall be held as needed and with at least ~~two (2) weeks~~ seventy-two (72) hours notice, as required by Section 209.051, Texas Property Code and Section 6 of this Article Six, by a sign to be posted at the entrance in the subdivision, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then at meeting shall be held

¹⁹Formerly Article Five, Section 1.

at the same time on the next dayk which is not a legal holiday. ²⁰

2. Special Meetings. Special meetings of the Board of Directors shall be held when called by ~~the~~²¹ the President of the Association, or by any three (3) Directors, after notice to each Director.
3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded sa the act of the Board, except as may be otherwise specifically provided by statute, the Restrictions, Articles of Incorporation (and/or Certificate of Formation) or these Bylaws. If a quorum shall not be present at any meeting of the Board of Directors, the Directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. ²²
4. Annual Meeting of Directors. The first meeting of each newly constituted Board of Directors shall be held without further notice immediately following the annual meeting of Members of the Association, and at the same place, unless by unanimous consent of the Directors then elected and serving such time or place shall be changed. No action at such annual meeting, other than the election of officers, shall take place unless notice of such additional action is given as required by Section 209.0051, Texas Property Code.
5. Notice to Directors. The notice to each Director shall be either personally or by mail, electronic message (i.e. e-mail), or by telegram. All notices shall comply with the provisions of Section 209.051, Texas Property Code and Section 6 of this Article Six,
6. Place of Meeting. The Directors of the Association shall hold their meetings, both regular and special, within Polk County, Texas.
7. Open Board Meetings.
 - (a) “Board Meeting” (1) means a deliberation between a quorum of the voting board of the Association, or between a quorum of the voting Board of Directors and another person, during which the Association’s business is considered and the Board of Directors takes formal action; and (2) does not include the gathering of a quorum of the Board of Directors at a social function unrelated to the business of the Association or attendance by a quorum of the Board of Directors at a regional, state, or national convention, ceremonial event, or press conference, if formal action is not

²⁰Formerly Article Six, Section 1.

²¹Formerly Article Six, Section 2.

²²Formerly Article Six, Section 3.

- taken and any discussion of association business is incidental to the social function, convention, ceremonial event, or press conference.
- (b) Regular and special meetings of the Board of Directors must be open to owners, subject to the right of the Board of Directors to adjourn a Board of Directors meeting and reconvene in closed executive session to consider actions involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, confidential communications with the property owners' association's attorney, matters that are to remain confidential by request of the affected parties and agreement of the Board of Directors. Following an executive session, any decision made in the executive session must be summarized orally and placed in the minutes, in general terms, without breaching the privacy of individual owners, violating any privilege, or disclosing information that was to remain confidential at the request of the affected parties. The oral summary must include a general explanation of expenditures approved in executive session.
- (c) Except for a meeting held by electronic or telephonic means under Subsection (h), a Board of Directors meeting must be held in a county in which all or part of the property in the subdivision is located or in a county adjacent to that county.
- (d) The Board of Directors shall keep a record of each regular or special Board of Directors meeting in the form of written minutes of the meeting. The Board of Directors shall make meeting records, including approved minutes, available to a member for inspection and copying on the member's written request to the property owners' association's managing agent at the address appearing on the most recently filed management certificate or, if there is not a managing agent, to the Board of Directors.
- (e) Members shall be given notice of the date, hour, place, and general subject of a regular or special Board of Directors meeting, including a general description of any matter to be brought up for deliberation in executive session. The notice shall be:
- (1) mailed to each property owner not later than the 10th day or earlier than the 60th day before the date of the meeting; or
- (2) provided at least 72 hours before the start of the meeting by:
- (A) posting the notice in a conspicuous manner reasonably designed to provide notice to property owners' association members:
- (i) in a place located on the association's common property or, with the property owner's consent, on other conspicuously located privately owned property within the subdivision; or
- (ii) on any Internet website maintained by the association or other Internet media; and
- (B) sending the notice by e-mail to each owner who has registered an e-mail address with the association.
- (f) It is an owner's duty to keep an updated e-mail address registered with the property owners' association under Subsection (e) (2) (B).
- (g) If the Board of Directors recesses a regular or special Board of Directors meeting to continue the following regular business day, the Board of Directors is not required

to post notice of the continued meeting if the recess is taken in good faith and not to circumvent this section. If a regular or special Board of Directors meeting is continued to the following regular business day, and on that following day the Board of Directors continues the meeting to another day, the Board of Directors shall give notice of the continuation in at least one manner prescribed by Subsection (e) (2) (A) within two hours after adjourning the meeting being continued.

(h) A Board of Directors may meet by any method of communication, including electronic and telephonic, without prior notice to owners under Subsection (e), if each director may hear and be heard by every other director, or the Board of Directors may take action by unanimous written consent to consider routine and administrative matters or a reasonably unforeseen emergency or urgent necessity that requires immediate Board of Directors action. Any action taken without notice to owners under Subsection (e) must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting, and documented in the minutes of the next regular or special Board of Directors meeting. The Board of Directors may not, without prior notice to owners under Subsection (e), consider or vote on:

- (1) fines;
- (2) damage assessments;
- (3) initiation of foreclosure actions;
- (4) initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety;
- (5) increases in assessments;
- (6) levying of special assessments;
- (7) appeals from a denial of architectural control approval; or
- (8) a suspension of a right of a particular owner before the owner has an opportunity to attend a Board of Directors meeting to present the owner's position, including any defense, on the issue.

(Source: Section 209.0051, Texas Property Code).

ARTICLE SEVEN

Powers and Duties of the Board of Directors

1. “Powers.” The Board of Directors shall have the power to:
 - (a) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration; and
 - (b) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from four (4) consecutive regular meetings of the Board of Directors.²³

²³Formerly Article Seven, Section 1.

2. “Duties.” It shall be the duty of the Board of Directors to:
- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting if such statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote;
 - (b) supervise all officers, agents and employees of this Association and to see that tier duties are properly performed;
 - (c) administer compliance with the deed restrictions applicable to property situated in Emerald Bay Subdivision and in case of a violation pursue to satisfactory resolution;
 - (d) as more fully provided in the Declarations, bill for, collect and administer the Maintenance Fund and all Property owned by the Association;
 - (e) issue, or cause an appropriate officer to issue upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board of Directors for issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
 - (f) procure and maintain adequate liability and hazard insurance on property owned by the Association as may be deemed appropriate;
 - (g) cause all officers or employees having fiscal responsibilities to be bonded, as it may be deemed appropriate;
 - (h) cause the Common Areas, the roadways and the roadsides in the Property to be maintained; and
 - (i) to see that authorizations for expenditures from the Maintenance Fund are limited to projects that maintain or enhance the property values of Emerald Bay. This specifically excludes expenditures from this fund for projects solely of a social or recreational nature.²⁴

²⁴Formerly Article Seven, Section 2.

ARTICLE EIGHT

Officers and Their Duties

1. Enumeration of Officers. The officers of this Association shall be a President and Vice-president, who shall at all times be members of the Board of Directors, a Secretary and a Treasurer, and such other officers that the Board may from time to time y resolution create. The Board of Directors may also choose one or more Vice Presidents. Any two or more offices may be held by the same person except that the offices of President and Secretary shall not be held by the same person.²⁵
2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.²⁶
3. Term. The officers of this Association shall be elected annually by the Board and each shall hold the office for one (1) year until his successor is chosen and qualified in his stead, unless they shall resign, be removed, or otherwise become disqualified to serve.²⁷
4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.²⁸
5. Resignation and Removal. Any officer may resign at any time by giving notice in writing to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.²⁹
6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

²⁵Formerly Article Eight, Section 1.

²⁶Formerly Article Eight, Section 2.

²⁷Formerly Article Eight, Section 3.

²⁸Formerly Article Eight, Section 4.

²⁹Formerly Article Eight, Section 5.

7. ~~“Duties.” The duties of the officers are as follows:~~ President. The President shall be the Chief Executive Officer of the Association, and shall in general, supervise and control all of the business and affairs of the Association. The President shall preside at the annual meetings of the corporation and at all meetings of the Board of Directors; shall see that orders and resolutions are carried out; shall sign all written instructions as may be approved by the Board of Directors, and shall perform such other duties as the Board of Directors shall from time to time prescribe. He may sign, with the Secretary, or any other proper officer of the Association authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, checks drawn against the Association, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors, or by these Bylaws, or by statute to some other officer or agent of the Association.³¹
8. Vice-President. The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board of Directors.³²
9. Secretary. The Secretary shall attend all sessions of the Board of Directors and all meetings of the Members and record the votes and keep the minutes of all the meetings and proceedings of the Board of Directors and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board. Each Assistant Secretary shall have such powers and perform such duties as the Board of Directors may from time to time prescribe or as the President may from time to time delegate to him.³³
10. Treasurer. ~~The Treasurer shall receive and deposit in appropriate bank accounts all moneys of the Association and shall disburse such funds as directed by resolution of the Board of Directors; and shall keep proper books of account.~~ The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accounts of receipts and disbursements and shall deposit all moneys and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. He shall disburse the funds of the Association as may be ordered by the Board

³⁰Formerly Article Eight, Section 6.

³¹Formerly Article Eight, Section 7(a).

³²Formerly Article Eight, Section 7(b).

³³Formerly Article Eight, Section 7(c).

of Directors , taking proper vouchers for such disbursement, and shall render to the President and Directors, at the regular meetings of the Board of Directors , or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Association, and shall perform such other duties as the Board of Directors may prescribe. If required by the Board of Directors, he shall give the Association a bond in such form, in such sum, and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Association, in case of his death, resignation, retirement or removal from office, of all books, paper, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Association. Each Assistant Treasurer shall have such powers and perform such duties as the Board of Directors may from time to time prescribe.³⁴

11. Compensation of Officers and Agents. The salaries (if any) of all officers and agents of the Association shall be fixed by the Board of Directors.
12. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed from office at any time by the affirmative vote of a majority of the entire Board of Directors whenever in their judgment the best interests of the Association would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

ARTICLE NINE

Books and Records

~~The books, records and papers of the Association shall at all times, during reasonable business hours, and with reasonable notification, be subject to inspection by any member. The Declarations, the Articles of Incorporation and the By-Laws of the Association shall likewise be available for inspection by any member.~~³⁵

1. The Association adopts this Article XIV of these Bylaws to comply with Section 209.005, Texas Property Code. In the event of a conflict between this Article XIV and Section 209.005, Section 209.005 shall control.
2. The Association shall make the books and records of the Association, including financial records, open to and reasonably available for examination by an owner, or a person designated in writing signed by the owner or the owner's agent, attorney, or certified public accountant, in accordance with this section. An owner is entitled to obtain from the

³⁴Formerly Article Eight, Section 7(d).

³⁵Formerly Article Nine, un-numbered paragraph - replaced in its entirety.

Association copies of information contained in the books and records, except as provided herein.

3. An attorney's files and records relating to the Property Owner's Association, excluding invoices requested by an owner under Section 209.008 (d) of the Texas Property Code, are not records of the Association and are not subject to inspection by the owner; or production in a legal proceeding. If a document in an attorney's files and records relating to the Association would be responsive to a legally authorized request to inspect or copy Association documents, the document shall be produced by using the copy from the attorney's files and records if the Association has not maintained a separate copy of the document. This Bylaw does not require production of a document that constitutes attorney work product or that is privileged as an attorney-client communication.
4. An owner or the owner's authorized representative described by Section 2 of this Bylaw must submit a written request for access or information under Section 2 by certified mail, with sufficient detail describing the property owners' Association's books and records requested, to the mailing address of the Association or authorized representative as reflected on the most current management certificate filed with the County Clerk. The request must contain an election either to inspect the books and records before obtaining copies or have the property owners' Association forward copies of the requested books and records. If an inspection is requested, the Association, on or before the 10th business day after the date the Association receives the request, shall send written notice of dates during normal business hours that the owner may inspect the requested books and records to the extent those books and records are in the possession, custody, or control of the Association. If copies of identified books and record are requested, the Association shall, to the extent those books and records are in the possession, custody, or control of the Association, produce the requested books and records for the requesting party on or before the 10th business day after the date the association receives the request, except as otherwise provided by Section 209.005 of the Texas Property Code.
5. If the Association is unable to produce the books or records requested under Article XIV, Section 4 on or before the 10th business day after the date the Association receives the request, the Association will provide to the requestor written notice that:

 1. informs the requestor that the Association is unable to produce the information on or before the 10th business day after the date the Association received the request; and
 - (b) states a date by which the information will be sent or made available for inspection to the requesting party that is not later than the 15th business day after the date notice under this subsection is given.
6. If an inspection is requested or required, the inspection shall take place at a mutually agreed on time during normal business hours, and the requesting party shall identify the books and records for the Property Owners' Association to copy and forward to the requesting party.

7. The Association may produce books and records requested under this section in hard copy, electronic, or other format reasonably available to the Association.
8. The Board of Directors shall adopt a records production and copying policy that prescribes the costs the Association will charge for the compilation, production, and reproduction of information requested under this section. The prescribed charges may include all reasonable costs of materials, labor, and overhead but may not exceed costs that would be applicable for an item under 1 T.A.C. Section 70.3. The policy required by this subsection shall be recorded as a dedicatory instrument in accordance with Section 202.006, Texas Property Code. The Association may not charge an owner for the compilation, production, or reproduction of information requested under this section unless the policy prescribing those costs has been recorded as required by the Association's Records Policy filed with the County Clerk. An owner is responsible for costs related to the compilation, production, and reproduction of the requested information in the amounts prescribed by the policy adopted under this Bylaw. The Association may require advance payment of the estimated costs of compilation, production, and reproduction of the requested information. If the estimated costs are lesser or greater than the actual costs, the Association shall submit a final invoice to the owner on or before the 30th business day after the date the information is delivered. If the final invoice includes additional amounts due from the owner, the additional amounts, if not reimbursed to the Association before the 30th business day after the date the invoice is sent to the owner, may be added to the owner's account as an assessment. If the estimated costs exceeded the final invoice amount, the owner is entitled to a refund, and the refund shall be issued to the owner not later than the 30th business day after the date the invoice is sent to the owner.
9. A Property Owners' Association must estimate costs under this section using amounts prescribed by the policy adopted under Section 8 of this Article XIV.
10. Except as provided by this Article XIV, and to the extent the information is provided in the meeting minutes, the Association is not required to release or allow inspection of any books or records that identify the dedicatory instrument violation history of an individual owner of an association, an owner's personal financial information, including records of payment or nonpayment of amounts due to the Association, an owner's contact information, other than the owner's address, or information related to an employee of the Association, including personnel files. Information may be released in an aggregate or summary manner that would not identify an individual property owner.
11. The books and records described by Section 10 of this Article XIV shall be released or made available for inspection if:

 - (a) the express written approval of the owner whose records are the subject of the request for inspection is provided to the property owners' Association; or
 - (b) a court orders the release of the books and records or orders that the books and records be made available for inspection.

12. The Board shall adopt and comply with a document retention policy that includes, at a minimum, the following requirements:
 1. certificates of formation, bylaws, restrictive covenants, and all amendments to the certificates of formation, bylaws, and covenants shall be retained permanently;
 2. financial books and records shall be retained for seven years;
 3. account records of current owners shall be retained for five years;
 4. contracts with a term of one year or more shall be retained for four years after the expiration of the contract term;
 5. minutes of meetings of the owners and the board shall be retained for seven years; and
 6. tax returns and audit records shall be retained for seven years.

13. A member of the Association who is denied access to or copies of Association books or records to which the member is entitled under this Article XIV of these Bylaws may file a petition with the justice of the peace of a justice precinct in which all or part of the property that is governed by the Association is located requesting relief in accordance with Article XIV of these Bylaws. If the justice of the peace finds that the member is entitled to access to or copies of the records, the justice of the peace may grant one or more of the following remedies:
 - (a) a judgment ordering the Property Owners' Association to release or allow access to the books or records;
 - (b) a judgment against the Property Owners' Association for court costs and attorney's fees incurred in connection with seeking a remedy under this section; or
 - (c) a judgment authorizing the owner or the owner's assignee to deduct the amounts awarded under Subdivision (2) from any future regular or special assessments payable to the Property Owners' Association.

14. If the Property Owners' Association prevails in an action under Section 13 of this Article XIV of the Bylaws, the Association is entitled to a judgment for court costs and attorney's fees incurred by the Association in connection with the action.

15. On or before the 10th business day before the date a person brings an action against the Association under this section, the person must send written notice to the Association of the person's intent to bring the action. The notice must:
 - (a) be sent certified mail, return receipt requested, or delivered by the United States Postal Service with signature confirmation service to the mailing address of the Association or authorized representative as reflected on the most current management certificate filed under Section 209.004; and
 - (b) describe with sufficient detail the books and records being requested.

16. For the purposes of this Article XIV of these Bylaws, "business day" means a day other than Saturday, Sunday, or a state or federal holiday. (Source: Section 209.005, Texas Property Code).

ARTICLE TEN

Amendments

1. These By-Laws may be amended by a vote of a majority of the members. Such alteration, amendment or repeal may be accomplished at any annual or special meeting of the Members of the Association at which a quorum is present by the affirmative vote of the majority of the votes present in person or by proxy at such meeting, provided that notice of the intention to act upon such matter shall have been given in the notice calling such meeting and provided any such amendments are not in conflict with the terms and provisions of the Restrictions or the Articles of Incorporation.

ARTICLE ELEVEN

Miscellaneous; Fiscal Matters

1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end of the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.³⁶
2. ~~Any actions 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.~~³⁷
3. Charges. The Board of Directors shall compute, assess, collect and enforce the payment of all charges to which the Subdivision is subjected or may be subjected under or by virtue of the Restrictions and Bylaws.
4. Dividends. No dividends shall be paid and no part of the income of the Association shall be disbursed to its Members, Directors, or Officers. The Association may pay compensation in a reasonable amount to its Members or Officers for services rendered, but only as permitted by the applicable statutes.
5. Checks. All checks or demands for money and notes of the Association shall be signed by

³⁶Formerly Article Eleven, Section 1.

³⁷Formerly Article Eleven, Section 2; this replaced with Article 4, Section 9, and is controlled by the provisions of Section 209.0051, of the Texas Property Code, and as provided for by Article Six, Section 6(h) of these Bylaws.

such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

6. Seal. The corporate seal, if any, shall be in such form as may be determined by the Board of Directors . Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.
7. Indemnification. Except as may otherwise be provided by Article 1396-2.22A, Texas Non-Profit Corporations Act, and/or Section 8.051, Texas Business Organizations Code, or as may be ordered by a court pursuant to Section 8.052, Texas Business Organizations Code, or by Article 1396-2.22A, Texas Non-Profit Corporations Act, the Association shall indemnify any Director, Officer, or employee of the Association, against expenses actually and necessarily incurred by him and any amount paid in satisfaction of judgements in connection with any action, suit or proceedings, whether civil or criminal in nature, in which he is made a party by reason of being or having been such a Director, Officer, or employee (whether or not a Director, Officer, or employee at the time such costs or expenses are incurred by or imposed upon him) except in relation to matters as to which he shall be judged in such action, suit, or proceedings to be liable for gross negligence or willful misconduct in the performance of duty. The Association may also reimburse to any Director, Officer or employee the reasonable costs of settlement of any such action, suit or proceedings, if it shall be found by a majority of a committee of the Directors not involved in the matter in controversy, whether or not a quorum, that it was in the interest of the Association that such settlement be made and that such Director, Officer or employee was not guilty of gross negligence or willful misconduct. Such rights of indemnification and reimbursement shall not be deemed exclusive of any other rights to which such Director, Officer, or employee may be entitled by law or under any Bylaw, agreement, vote of Members or otherwise. Nothing in this Section shall prevent permissive indemnification as authorized by Section 8.01 through 8.152, Texas Business Organizations Code, or by Article 1396-2.22A, Texas Non-Profit Corporations Act.
8. Online Subdivision Information. The Association shall make dedicatory instruments relating to the association or subdivision and filed with the County Clerk records available on a website if the association has, or a management company on behalf of the association maintains, a publicly accessible website. (Source: Section 207.006, Texas Property Code).
9. Texas Property Code Controls. To the extent that any of these Bylaws conflict with the provisions of the Texas Property Code and/or the Texas Non-Profit Corporations Act and/or the Texas Business Organizations Code, as may be amended from time to time by the Texas Legislature, the Texas Property Code and/or the Texas Non-Profit Corporations Act and/or the Texas Business Organizations Code shall control.

ARTICLE TWELVE

Contracts ³⁸

1. Qualified Party. “Qualified party” means (1) a board member; (2) a person related within the 3rd degree by consanguinity or affinity to the board member; (3) a company in which a person related to a current board member has a financial interest in at least 51% of profits; or (3) a company in which a person related to a current board member within the 3rd degree by consanguinity or affinity has a financial interest of at least 51% of profits.
2. The Association may enter into an enforce contract with a “qualified party” only under the following conditions:
 - (a) one of the parties bids on the contract, and the Association has received at least 2 other bids from persons not associated with one of the qualified parties (if reasonably available in the community;
 - (b) the board member is not (1) given access to the other bids; (2) does not participate in any board discussions regarding the contract; and (3) does not vote on the award of the contract;
 - (c) the material facts regarding the relationship or interest are disclosed to or known by the board and the board, in good faith with ordinary care, authorizes the contract by an affirmative vote of a majority of the board members who do not have an interest governed by this Bylaw, and
 - (d) the board certified that the other requirements of this Bylaw have been satisfied by a resolution approved by the affirmative vote of a majority of the board members who do not have an interest governed by this Bylaw.
3. The following is a summary of where in regards to the degrees of consanguinity (blood) and affinity (marriage):
 - (a) First Degree by consanguinity: parents; children;
 - (b) First Degree by affinity: Spouses of relatives listed above; spouse; spouse's parents; spouse's children; stepparents; stepchildren;
 - (c) Second Degree by consanguinity: Grandparents; grandchildren; brothers & sisters;
 - (d) Second Degree by affinity: Spouses of relatives listed above; spouse's grandparents; spouse's grandchildren; spouse's brothers & sisters;
 - (e) Third Degree by consanguinity: Great grandparents; great grandchildren; nieces & nephews; aunts & uncles; and
 - (f) Third Degree by affinity: Spouses of relatives listed above; spouse's great grandparents; spouse's great grandchildren; spouse's nieces & nephews; spouse's aunts & uncles.

³⁸Source: HB 503 - Sections 209.002(4-a) and 209.0052, Texas Property Code, effective 9/1/2013

ARTICLE THIRTEEN

Notices

1. Type of Notice. Whenever under the provisions of the laws of the State of Texas, the Articles of Incorporation, these Bylaws or the Restrictions, notice is required to be given to any Directors or Member and no provision is made as to how such notice shall be given, it shall not be construed to mean personal notice, but any such notice may be given in writing, electronic message (i.e. e-mail), by mail, postage prepaid, addressed to such Directors or Member at such address as appears on the records of the Association. Any notice required or permitted to be given by mail shall be deemed to be given at the time the same is deposited in the United States mail as aforesaid.
2. Waiver of Notice. Whenever any notice is required to be given to any Member or Directors of the Association under the provisions of any applicable statute, the Articles of Incorporation, these Bylaws of the Restrictions, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated in such notice, shall be deemed equivalent to the giving of such notice.

ARTICLE FOURTEEN

Committees and Managing Agents

1. Appointment of Committees Consisting of Directors. The Board of Directors may, by resolution passed by a majority of the entire board, designate one or more committees, to consist of two or more of the Directors of the Association. Any such committee, to the extent provided in said resolution, shall have and may exercise all of the authority of the Board of Directors in the management of the business and affairs of the Association, except where action of the full Board of Directors is required by Texas law, the Restrictions or by the Articles of Incorporation.
2. Appointment of Committees Not Limited to Directors or Members. Other committees not having and exercising the authority of the Board of Directors in the management of the affairs of the Association may be designated and appointed by a resolution adopted by a majority of the Directors at a meeting at which a quorum is present, or by like resolution of the Board of Directors. Membership on such committee, may, but need not be, limited to Directors or members of the Association.
3. Minutes of Committee Proceeding All committees shall keep regular minutes of

their proceedings and shall report the same to the Board of Directors when required.

- 4. Employment of Management Agent. The Board of Directors may employ for the Association a management agent at a compensation established by the Board of Directors and such management agents shall perform such duties and services as the Board of Directors shall authorize. The Board of Directors may employ as management agent the Developer, its subsidiaries or affiliates, provided that the compensation to the Developer, its subsidiaries or affiliates shall not exceed the fair market rate for such services.

THESE 2014 AMENDED BYLAWS have been voted on and adopted by a majority vote at which a quorum was had by the [Board of Directors] [Members] of the Association at [the annual] [a special] meeting of the Association held on October _____, 2014.

President

ATTEST:

Secretary

STATE OF TEXAS *

COUNTY OF _____ *

This instrument was acknowledged before me on the _____ day of _____, 201____,
by _____, _____, _____ ASSOCIATION,
INC., a Texas non-profit corporation on behalf of said corporation.

NOTARY PUBLIC, STATE OF TEXAS

After filing return to:

Travis E. Kitchens, Jr.
Lawyer
P. O. Box 1629
Onalaska, Texas 77360