AMENDED BYLAWS
Windcliff Harbor Home Owners Association, Inc.
Adopted 9-5, 2018

Table of Contents

Article I - Basic Information

Section 1. Property Owners Association. The Property Owners Association is Windcliff Harbor Home Owners Association, Inc. ("the Association"), established by the Certificate of Formation filed with the Texas Secretary of State on August 8, 2011, under File Number 0801463827.

Section 2. Principal Office. The Association's Principal Office shall be at 15680 Lakeside Dr., Bullard, Texas 75757. The Association may have other offices.

Section 3. Declaration. As of the date of adoption of these Amended Bylaws, the Association's declaration of restrictive covenants is recorded at Volume 1444 Pg 721 of the real property records of Smith County, Texas. As used herein, the term "Declaration" shall refer to those restrictive covenants, as they may be amended from time to time.

Section 4. Definitions. Capitalized terms used but not defined herein have the meaning set forth in the Declaration.

Article II - Members

Section 1. Membership. Every Owner of one or more Lots in the Windcliff Harbor Subdivision in Smith County, Texas is a Member of the Association. A person or entity holding a lien or interest in a Lot solely to secure performance of an obligation shall not be considered an Owner or Member. Membership is appurtenant to and may not be separated from ownership of a Lot. Each Member shall have the right to the use and enjoyment of the Common Areas, subject to the rules, regulations, policies, and procedures established by the Board, and subject to the power of the Board to temporarily suspend those rights for violation of the dedicatory instruments.

Section 2. Place of Meeting. Members meetings will be held at the Association's Principal Office or at another place designated by the Board.

Section 3. Annual Meetings. Regular annual Members meetings will be held at a time and place to be determined by the Board, in April of each year.

Section 4. Special Meetings. Special meetings of the Members shall be held when called by the President, three or more Directors, or by written request of sufficient Members who hold at least ten percent of the votes to be cast. The purpose of any special meeting of the Members shall be specified in the notice.

Section 5. Notice of Meetings and Elections. Written notice stating the place, day, and hour of each Members meeting, other than a reconvened meeting, must be given to each Member not less than ten nor more than sixty days before the meeting. For voting not at a meeting, notice must be given not later than the twentieth day before the latest day on which a ballot may be submitted to be counted. No business may be conducted at any Special Meeting of the Members except as stated in the notice. Notice to a Member must state the purpose of an association-wide election or vote and is deemed given when hand delivered or mailed. If mailed, notice is deemed given (whether actually received or not) when deposited with the United States Postal Service, postage prepaid. The Association may use electronic mail or any other method of communication to provide required notices to an owner, if the owner affirmatively opts to allow the Association to use such method, and the Association retains a copy of the document or other communication in its written or electronic records. Before giving notice for each meeting of the Members, the Secretary or a designee shall compile an alphabetical list of voting members and their addresses, also stating the number of votes each Member may cast at the meeting. Not later than the 2nd business day after notice is given for a meeting of the Members, and continuing through the meeting, the Secretary or a designee shall make the list available to all Members for inspection and/or copying at its principal office or another location in the municipality where the meeting will be held.

Section 6. Waiver of Notice. A Member may, in writing, waive notice of a meeting. Attendance at a meeting is a waiver of notice of the meeting, unless the Member objects to lack of notice when the meeting is called to order.

Section 7. Quorum. At any annual meeting of the Members, a quorum shall constitute those Members present. At any special meeting of the Members, a quorum shall constitute those Members holding at least twenty percent of the votes entitled to be cast at the meeting. Absentee or electronic ballots are considered to be members present and voting, but only for items which appear on the ballot and are not amended at the meeting to be different from the exact language on the ballot. Nominations from the floor are not considered to be amendments for that purpose, and therefore do not prevent absentee or electronic ballots from being counted. Absentee or electronic ballots shall be disregarded completely if an owner attends in person.

Section 8. Votes and Elections.

a. Voting Methods. Members may cast their votes in person or by written proxy if a meeting is held, by absentee ballot, by electronic ballot if authorized by the Board, or by any other method authorized by dedicatory instruments or the Board.

1) Each owner must be allowed to vote by absentee ballot or written proxy.

2) Before each election or other vote of the members, the Association shall send a solicitation for absentee ballots to each owner which includes the absentee ballot containing each proposed action and a method of voting for or against each proposed action, instructions for completing the absentee ballot and the location to deliver it, and the following exact language: "By casting your vote via absentee ballot you will forgo the opportunity to consider and vote on any action from the floor on these proposals, if a meeting is held. This means that if there are amendments to these proposals your votes will not be counted on the final vote on these measures. If you desire to retain this ability, please attend any meeting in person. You may submit an absentee ballot and later choose to attend any meeting in person, in which case any in-person vote will prevail."

3) The Board may authorize electronic voting (by email, facsimile, or posting on an Internet website) only if it sends notice to each owner with instructions to obtain access and submit the ballot, the identity of each member submitting the ballot can be confirmed, each member casting a vote receives a receipt of the electronic transmission and ballot.

b. Number of Votes. Each Member shall be entitled cast to one vote for each Lot owned by that Member in any election or vote of the Members, but no Member shall have more than four votes. If one lot has multiple owners, all shall be considered Members but only one vote shall be cast for that lot and its Owners must determine among themselves how their vote shall be cast. In the event of a disagreement, the first person listed as an owner in the online records of the Smith County Appraisal District shall decide how the vote for that Lot shall be cast.

c. Right to Vote. No member may be disqualified from voting in any election of board members or in a vote on any matter concerning the rights or responsibilities of the owner.

d. Majority Required. In any election for a position on the Board, the eligible candidate receiving the most votes shall be declared the winner, with no runoffs. In any other vote of the members, the measure shall be adopted if more than 50 percent of the votes entitled to be cast by members participating in the vote (including any abstentions) are cast in favor of the measure.

Section 9. Proxies. Voting Members may vote by written proxy. Unless otherwise provided by the proxy, a proxy is revocable and expires 11 months after the date of its execution. A proxy may not be irrevocable for longer than 11 months.

Section 10. Conduct of Members' Meetings. The president will preside over Members meetings. The secretary will keep minutes of the meetings and will record in a minutes book the votes of the members.

Section 11. Ballots. All ballots used for elections or for any vote of the Members (except for secret ballots or uncontested races) must be written and signed by the member. The Board may authorize use of electronic ballots for one or more elections and/or votes, and such ballots are considered to be in writing and signed by the member. The Board may adopt rules for secret ballots, if it takes measures to reasonably ensure that no member can cast more votes than he or she is eligible to cast, and that the Association counts every vote that is cast by a member eligible to cast that vote. Each candidate in an election for a position on the Board may designate one person to observe the counting of the ballots. Observers may not see the name of any person who cast any ballot. Disruptive observers may be removed. No candidate or other person subject to a vote, and no relative of such a person within the third degree of consanguinity or affinity, shall be allowed to tabulate or have any access to ballots cast in that election. No person who tabulates votes in an election or other vote of the Members, or in a recount, shall disclose to any other person how any individual voted. The Association shall retain all ballots for at least thirty days after each election or vote of the Members, then shall destroy all such ballots unless a recount has been properly requested or there is another specific reason to retain them.

Section 12. Recounts. If an owner properly requests a recount of an election or other vote of the members within fifteen days of the meeting or the announcement of the results of the election or vote, the Association shall conduct a recount in the manner specified by Texas Property Code § 209.0057.

Article III - Board of Directors

Section 1. Governing Body; Composition. The affairs of the Association are governed by the Board. Each director has one vote. Each director must be a Member or, in the case of an entity Member, a person designated in writing to the secretary.

Section 2. Number of Directors. The Board consists of five directors. No decrease in the number of directors may shorten the term of a director.

Section 3. Term of Office. Each director will have a term of one year, or until his or her successor takes office. Directors may serve consecutive terms. A director may serve a maximum of two consecutive terms, but may serve an unlimited number of non-consecutive terms.

Section 4. Notice Soliciting Candidates. At least ten days before sending absentee ballots to the members for any election of directors, the Association must send a notice to the members soliciting candidates interested in running for that position. The notice must contain instructions for eligible candidates to notify the Association of his or her request to be placed on the ballot, and the deadline to submit such a request, which shall be at least ten days after the notice is sent. The notice shall be sent by mail, by posting it in a conspicuous manner reasonably designed to provide notice to members on the common areas in the Subdivision or on conspicuously located private property in the subdivision, with the owner's permission, by posting it on any Internet website maintained by the association or other Internet media, or by sending the notice by email to each owner who has registered an e-mail address with the Association. The Association shall include on each absentee or other ballot for the election the name of each eligible candidate from whom it received a request to be placed on the ballot.

Section 5. Election. At each annual Members meeting, successors for all directors whose term is expiring will be elected. Cumulative voting is prohibited. One election shall be conducted for each of the following offices, in this order: President, Vice President, Secretary/Treasurer, Chair of the Architectural Control Committee, and Director at Large. The Board shall be comprised of the persons holding those five offices; in other words, each officer shall automatically be a director. The candidates receiving the most votes shall fill each vacancy until all are filled. The directors elected by the Voting Members will hold office until their respective successors have been elected.

Section 5. Eligibility. No member may be prevented from running for a position on the Board unless he or she has been deemed ineligible. The Board shall declare a member permanently ineligible as a candidate or director if it is presented with written, documented evidence from a database or other record maintained by a governmental law enforcement authority that a board member or candidate was convicted of a felony or crime involving moral turpitude not more than 20 years before the date the board is presented with the evidence. A member declared ineligible in that manner shall be immediately ineligible to serve on the Board, shall be automatically removed from the Board once such a finding is made, and shall be permanently prohibited from ever serving on the board.

Section 6. Removal of Directors and Vacancies

a. Removal by Members. Any director may be removed, with or without cause, by a majority of the Voting Members. Any director whose removal is sought will be given notice of the proposed removal.

b. Removal by Board. Any director may be removed at a Board meeting if the director-

i. failed to attend two consecutive Board meetings;
ii. failed to attend at least fifty percent of Board meetings within one year;
iii. is delinquent in the payment of any Assessment for more that one year; or
iv. is the subject of an enforcement by the Association for violation of the Dedicatory Instruments.

c. Vacancies. A director's position becomes vacant if the director dies, becomes incapacitated, resigns, is deemed ineligible, is removed, or is no longer a Member. The Board may appoint an eligible member to fill a vacancy for the remainder of the unexpired term.

d. Successors. If a director is removed or a vacancy exists, a successor will be elected by the remaining directors for the remainder of the term.

Section 7. Compensation. Directors and officers will not receive compensation for their duties as such. A director may be reimbursed for expenses approved by the Board.

Section 8. Powers and Duties. The Board has all powers necessary to administer the Association's affairs. This shall include the power to adopt rules and regulations governing the use and enjoyment of the Common area, and policies and procedures otherwise interpreting and applying the Restrictive Covenants, Bylaws, and Articles of Incorporation. The Board shall adopt policies for open records and copying, alternative payment schedules, and document retention, and shall cause those policies to be filed with the real property records of Smith County, Texas. Each Officer and Director shall have the following duties:

a. **Training.** Ensure that members are trained to serve on future Boards, especially for the person's position.

b. **Planning.** Help the Board in creating a plan of action with specific goals for the year, especially in the person's area of responsibility, with input from the Members.

c. **Communications.** Keep the Members and the Board informed about Association activities, especially in the person's area of responsibility, by making announcements at meetings and submitting information to the newsletter. Provide information to members regarding Association programs and affairs.

d. **Information.** Actively participate in the decision-making process of the Association. Gather information about all issues before the Board, share that information with the Board, and engage in constructive discussion and debate at meetings. Provide recommendations to the President and Board on courses of action, reflecting the best interests of the Association and its members.

e. **Governing Documents.** Gain a working knowledge of the Bylaws, Restrictive Covenants, Articles of Incorporation, Rules and Regulations, and Robert's Rules of Order as they apply to the Association, comply with them, and help ensure that other Directors, Officers, and committee members comply. Advise the President and/or Board of inappropriate activity or violations.

f. **Meetings.** Attend all meetings of the Members, Board, and any committees on which the Officer or Director serves whenever possible.

Section 9. Management. The Board may employ a managing agent. Declarant, or an affiliate of Declarant, may be the managing agent.

Section 10. Accounts and Reports. Accounting and controls must conform to good accounting practices. Accounts will not be commingled with accounts of other persons. The following financial reports will be prepared at least annually:

a. An income statement reflecting all income and expense activity for the preceding period.

b. A statement reflecting all cash receipts and disbursements for the preceding period.

c. A variance report reflecting the status of all accounts in an "actual" versus "approved" budget format.

d. A balance sheet as of the last day of the preceding period.

e. A delinquency report listing all Owners who are delinquent by more than 30 days in paying any Assessment and describing the status of any action to collect those delinquent Assessments.

Section 11. Borrowing. The Board may borrow money to maintain, repair, or restore the Common Area without the approval of the Members. If approved in advance by the Members in the same manner as approving a Special Assessment, the Board may borrow money for any other purpose.

Section 12. Contracts. With respect to the Common Area, and in accordance with the Declaration, the Association will have the right to contract with any person for the performance of various duties and functions. All such agreements require the approval of the Board. The Association may only enter into an enforceable contract with an insider (defined to include current Board members, relatives within the third degree of consanguinity or affinity, and companies in which a current Board member or such a relative is entitled to at least 51% of profits) if:

a. The insider submits a bid and the Association has received at least two other bids;

b. The director and insider do not have access to the other bids, and does not deliberate or vote on the contract;

c. The director and insider disclose all material facts regarding their relationship or interest, and the proposed transaction;

d. The Board, in good faith and exercising at least ordinary care, authorizes the contract by an affirmative vote of the majority of the board members who do not have an interest in the contract; and

e. The Board certifies by a resolution approved by an affirmative vote of the majority of the disinterested board members that the above requirements have been satisfied.

Section 13. Enforcement Procedures.

a. Notice and Right to Cure. Before the Board may (i) suspend an Owner's right to use a Common Area, (ii) file a suit against an Owner other than a suit to collect any Assessment, (iii) foreclose the Association's lien, (iv) charge an Owner for property damage, or (v) levy a fine for a violation of the Dedicatory Instruments, the Association or its agent must give written notice to the Owner as required or permitted by law. The notice must describe the violation or property damage that is the basis for the suspension action, charge, or fine and state any amount due the Association from the Owner. The notice must also (i) inform the Owner that if the violation is curable and does not pose a threat to public health or safety, the Owner is entitled to a reasonable period to cure the violation and avoid the fine or suspension unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six months; (ii) indicate that the Owner may request a hearing in accordance with Texas Property Code section 209.007 on or before the thirtieth day after the date the notice was mailed to the Owner, (iii) state that the Owner may have special rights if the Owner is serving on active military duty, and (iv) state the date by which the Owner must cure a curable violation that does not pose a threat to public health and safety.

b. Incurable or Dangerous Violations. The Association is not required to provide the notice described above, or to give the owner an opportunity to cure the violation before taking action to prevent or stop the violation, if:

i. The violation is incurable, or poses a threat to public health or safety;

ii. The Association temporarily suspends a person's right to use common areas as a result of a violation that occurred in a common area and involved a significant and immediate risk of harm to others in the subdivision;

iii. The Association files a lawsuit seeking a temporary restraining order and/or temporary injunction; or

iv. The Association files a lawsuit that includes foreclosure as a cause of action.

A violation is incurable if it has occurred but is not a continuous action or a condition capable of being remedied by affirmative action. A violation poses a threat to public health or safety if it could materially affect the health or safety of an ordinary resident. Examples of curable violations include but are not limited to a parking violation; a maintenance violation; the failure to construct improvements or modifications in accordance with approved plans and specifications; and an ongoing noise violation such as a barking dog. Examples of uncurable violations include but are not limited to shooting fireworks; an act constituting a threat to health or safety; a noise violation that is not ongoing; property damage, including the removal or alteration of landscape; and holding a garage sale or other event prohibited by a dedicatory instrument.

c. Hearing. If the Owner is entitled to an opportunity to cure the violation, the Owner has the right to submit a written request for a hearing to discuss and verify facts and resolve the matter in issue before a committee appointed by the Board or before the Board if the Board does not appoint a committee. If a hearing is to be held before a committee, the notice must state that the Owner has the right to appeal the committee's decision to the Board by written notice to the Board.

The Association must hold a hearing under this section not later than the thirtieth day after the date the Board receives the Owner's request for a hearing and must notify the Owner of the date, time, and place of the hearing not later than the tenth day before the date of the hearing. The Board or the Owner may request a postponement, and, if requested, a postponement will be granted for a period of not more than ten days. Additional postponements may be granted by agreement of the parties. The Owner or the Association may make an audio recording of the meeting.

The hearing will be held in executive session affording the alleged violator a reasonable opportunity to be heard. Before any sanction hereunder becomes effective, proof of proper notice will be placed in the minutes of the meeting. Such proof will be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered the notice. The notice requirement will be satisfied if the alleged violator appears at the meeting. The minutes of the meeting will contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board may, but will not be obligated to, suspend any proposed sanction if the violation is cured within a seven-day period. Such suspension will not constitute a waiver of the right to sanction violations of the same or other provisions and rules by any person.

d. Appeal. Following hearing before a committee, if any, the violator will have the right to appeal the decision to the Board. To perfect this right, a written notice of appeal must be received by the managing agent, if any, president, or secretary within seven days after the hearing date.

Section 14. Collection Procedures. The following procedures shall govern the Association's efforts to collect assessments and other charges:

a. Internal Collection Efforts. The Association, through the officers, directors, and employees, may use any lawful collection methods to collect assessments and other sums owed by Owners or other persons.

b. Application of Payments. The Association shall apply any payment received from an Owner who is not in default under an alternative payment plan to the following items, in this order:

(1) any delinquent assessment;
(2) any current assessment;
(3) any attorney's fees or third party collection costs incurred by the association associated solely with assessments or any other charge that could provide the basis for foreclosure;
(4) any attorney's fees incurred by the association that are not subject to Subdivision (3);
(5) any fines assessed by the association (which may never be prioritized over any of the above items regardless of the Owner's payment status); then
(6) any other amount owed to the association.

c. Alternative Payment Schedules. The Association shall adopt and file with the real property records of Smith County, Texas a policy with reasonable guidelines by which an owner may make partial payments for assessments or other amounts owed to the Association, without incurring additional monetary penalties.

d. Lien Affidavit. The Association may file an affidavit evidencing the nonpayment of assessments or other charges owed to the Association by the Owner(s) of one or more specific Lots, and asserting the Association's lien. Any such affidavit is considered to be a "legal instrument affecting title to real property" under Texas Property Code § 209.0094, and therefore must be prepared by an attorney.

e. Attorneys and/or Collection Agencies: The Board may hire attorneys and/or collection agencies to assist in collecting assessments and other sums owed by Owners or other persons. Any contract with an attorney or collection agency must require the Association to pay all fees charged by that person. The Association may not enter into a contract with an attorney or collection agency that makes the Association's obligation to pay that person contingent or dependent on amounts recovered from the Owner. The Association shall not sell, assign, or otherwise transfer any interest in its accounts receivable for any purpose other than as collateral for a loan. If the Association prosecutes a lawsuit, expedited foreclosure action, or other process against an Owner to collect delinquent assessments or other amounts owed to the Association, and if that process allows recovery of attorney's fees and/or costs, then the Association shall provide any notice required to authorize recovery of attorney's fees. Before filing suit to collect sums owed to the Association, the Association or its attorney shall notify the owner that of each delinquent amount and of the total amount required to make the account current, of the option of a payment plan, and that the owner has at least 30 days to cure the delinquency before further collection action is taken, as required by Texas Property Code § 209.0064. Before filing suit to enforce its restrictions, bylaws, or rules, the Association or its attorney shall notify the owner in writing that attorney's fees and costs shall be charged to the owner if the delinquency or violation continues after a date certain, as required by Texas Property Code § 209.008(a). An owner is not liable for attorney's fees incurred by the Association before the conclusion of the hearing, or if no hearing is requested, before the deadline for the owner to request a hearing. The Association should generally seek to recover fees and costs when permissible, except for good cause.

f. Expedited Foreclosure. At any meeting for which proper notice was given to the Members that this issue will be considered, the Board may elect to exercise the Association's right to foreclose its lien on any or all of the Lot(s) for which the assessments are not timely paid. The Association may not foreclose its lien if the debt consists solely of fines, attorney's fees incurred solely in collecting fines, charges for production and copying of records under Texas Property Code § 209.005(i), and the costs of a recount under §

209.0057(b)(4). The Board shall have the authority to prioritize claims and to delay or decline asserting a claim based on practical considerations, including but not limited to the amounts owed; the market value of the property; the presence or absence of improvements; and the amount of delinquent property taxes or other liens, if any, on a Lot. The Board shall have the authority to compromise or reduce amounts owed to it, for good cause. Before filing a foreclosure action, the Association or its attorneys shall send all notification to the Owner(s) and lienholder(s), as required by Texas Property Code § 209.0064, 209.0091, and other applicable law. If the Board elects to foreclose on one or more Lot(s), its attorney shall use the expedited foreclosure procedure as required by Texas Property Code § 209.0092(a) and (b) and Texas Rules of Civil Procedure, Rule 736, judicial foreclosure as authorized by Texas Property Code § 209.0092(d) and Texas Rules of Civil Procedure, Rules 309 and 646a, or another procedure authorized by law, unless the owner waives some or all of those procedures or conveys the Lot(s) to the Association using a deed in lieu of foreclosure. The Association may not authorize its attorney or collection agency to prevent the owner from contacting the Board or managing agent regarding the delinquency. After a foreclosure sale, the Association or its attorney shall send the notice required and shall prepare and file the affidavit required by Texas Property Code § 209.010.

g. Right of Redemption. Any owner or lienholder of one or more Lots sold at a foreclosure sale under authority of the Association's lien shall have the right to redeem the property not later than 180 days after the Association notifies the Owner and any lienholder of the sale under Texas Property Code § 209.010, if the Owner has not previously redeemed. The process shall be governed by § 209.011.

Article IV - Board Meetings

Section 1. Meetings. Except as permitted by law, all regular and special meetings of the Board must be open to the Owners. Except for a meeting held by electronic or telephonic means, a Board meeting must he 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. The annual meeting of the Directors shall be held immediately following the annual meeting of the Members.

Section 2. Notice. Owners and Board Members must be given notice of the date, hour, place, and general subject of a regular or special Board meeting, including a general description of any matter to be brought up for deliberation in executive session. Notice must be given as required by law. Notice sent by mail must be given not less than ten nor more than sixty days prior to the start of the meeting. Notice given by posting in a conspicuous manner reasonably designed to provide notice to the members, in the Subdivision on a common area or on private property with consent of the owner, or given by posting on any Internet website maintained by the association or other Internet media, or by electronic mail with each owner who has registered an e-mail address with the Association, must be given at least 72 hours before the start fo the meeting. Owners are responsible for ensuring that the Association has a current e-mail address.

Section 3. Waiver of Notice. The actions of the Board at any meeting are valid if (a) a quorum is present and (b) either proper notice of the meeting was given to each director or a written waiver of notice is given by any director who did not receive proper notice of the meeting. Proper notice of a meeting will be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of proper notice.

Section 4. Quorum of Board. At all meetings, a majority of the Board will constitute a quorum, and the votes of a majority of the directors present at a meeting at which a quorum is present constitutes the decision of the Board.

Section 5. Conduct of Board Meetings. The president will preside at Board meetings. The secretary will keep minutes of the meetings and will record in a minute book the votes of the directors. The Board meeting will be conducted as required by law.

Section 6. Electronic Meetings. A board meeting may be held by electronic or telephonic means, provided all Owners and Board Members have access to the communication at the meeting as required by law, except that the Board may only consider or vote on the following matters in an open meeting for which prior notice was given to the Owners:

(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;
(8) a suspension of a right of a particular owner before the owner has an opportunity to attend a board meeting to present the owner's position, including any defense, on the issue;
(9) lending or borrowing money;
(10) the adoption or amendment of a dedicatory instrument;
(11) the approval of an annual budget or the approval of an amendment of an annual budget that increases the budget by more than 10 percent;
(12) the sale or purchase of real property;
(13) the filling of a vacancy on the board;
(14) the construction of capital improvements other than the repair, replacement, or enhancement of existing capital improvements; or
(15) the election of an officer.

Section 7. Proxies. Directors may vote by written proxy.

Section 8. Executive Session. The Board may adjourn a board meeting and reconvene in closed executive session, if proper notice was given, to consider actions involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, confidential communications with the property owners' association's attorney, matters involving the invasion of privacy of individual owners, or matters that are to remain confidential by request of the affected parties and agreement of the board. Following an executive session, any decision made in 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.

Article V - Officers

Section 1. Officers. The officers of the Association are a president, vice president, secretary/treasurer, chair of the Architectural Control Committee, and Director at Large, to be elected from the Members. The Board may appoint other officers having the authority and duties prescribed by the Board, but such officers shall not be considered directors. Any two or more offices may be held by the same person, except the offices of president and secretary.

Section 2. Election, Term of Office, and Vacancies. Officers will be elected annually by the Board at the first meeting of the Board following each annual meeting of the Voting Members. A vacancy in any office may be filled by the Board for the unexpired portion of the term. Each Officer shall automatically be considered a director.

Section 3. Powers and Duties. Officers have such powers and duties as are generally associated with their respective offices and as may be specifically conferred by the Board. The president is the chief executive officer of the Association. The treasurer has primary responsibility for the preparation of the budget and financial reports and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

Section 4. Resignation. Any officer may resign at any time by giving written notice to the Board, the president, or the secretary. Resignation takes effect on the date of the receipt of the notice or at any later time specified in the notice.

Article VI - Committees

The Architectural Control Committee shall be a standing committee, with its members other than the Chair appointed by the Board. The Board may establish other committees by resolution and authorize the committees to perform the duties described in the resolution.

Article VII - Miscellaneous

Section 1. Fiscal Year. The Board may establish the Association's fiscal year by resolution. In the absence of a Board resolution determining otherwise, the Association's fiscal year is a calendar year.

Section 2. Rules for Meeting. The Board may adopt rules for the conduct of meetings of Members, Board, and committees. Except where inconsistent with these Bylaws, all meetings shall be governed by the most recently revised edition of Robert's Rules of Order.

Section 3. Conflict. The Declaration controls over these Bylaws, in the event of a conflict.

Section 4. Limited Liability. No Member, Director, or Officer shall be personally liable for debts contracted for or otherwise incurred by the Association or for a tort committed by another member, whether such other member was acting on behalf of the Association or otherwise.

Section 5. Association Property. The Association owns all real and personal property, including all improvements located on the property, acquired by the Association. A Member has no interest in specific property of the Association. Each member waives the right to require partition of all or part of the Association's property.

Section 6. Indemnification. The Association shall indemnify a current or former officer, director, or committee member who was, is, or is threatened to be made a respondent in a proceeding, for acts and omissions in the scope of their duties to the Corporation, and shall advance expenses, whenever such indemnification is permitted by law and whenever doing so will not prevent it from meeting its other financial obligations. The corporation may purchase and maintain insurance as deemed necessary or advisable by the Board.

Section 4. Inspection and Copying of Books and Records. The Association shall adopt and file with the real property records of Smith County, Texas a records production and copying policy governing access to books and records as required by Texas Property Code § 209.005.

a. Inspection by Member. Within ten days after receiving a written request to the Association requesting inspection or copying of its books and records, describing with sufficient detail the books and records requested, and stating whether the Member wishes to inspect them or have copies sent, the Association shall either allow the Member or agent to examine the any records reasonably relevant to the request, or shall forward copies of the records to the Member.. The Board may establish rules concerning the (i) written request; (ii) hours, days of the week, and place; and (iii) payment of costs related to a Member's inspection and copying of books and records. The Association is not required to allow a Member to examine or copy files and records in the possession of its attorney; information protected by the attorney-client privilege; records that identify the history of an Owner's history of alleged violations of the Dedicatory Instruments; any Owner's personal financial information; any Owner's records of payment or nonpayment of amounts due the Association; any Owner's contact information except for his or her address; any personnel files or other information related to the Association's employees; or any other books and records made confidential by law. The Association may release information in an aggregate or summary manner that would not identify an individual property owner. Information regarding an individual owner may be released with the express written approval of the Owner, or pursuant to a court order authorizing their release. The Association may require advanced payment of the costs, which shall not exceed costs that would be applicable for an item under 1 T.A.C. Section 70.3.

b. Inspection by Director. A director has the right, at any reasonable time, and at the Association's expense, to (i) examine and copy the Association's books and records at the Association's Principal Office and (ii) inspect the Association's properties.

Section 5. Document Retention Policy. The Association shall adopt and file with the real property records of Smith County, Texas a policy establishing the time periods for retaining various categories of documents, as required by Texas Property Code § 209.005(m).

Section 6. Filing and Posting of Dedicatory Instruments. The Secretary or a designee shall file all of the Association's Dedicatory Instruments with the real property records of Smith County, Texas as soon as practicable after their adoption. If the Association maintains a publicly accessible website, the Secretary or a designee shall post all of the Association's Dedicatory Instruments on the website so they are available for download by the Members, as soon as practicable after their adoption.

Section 7. Architectural Restrictions. The Association, whether acting through its Board or the Architectural Control Committee or otherwise, shall not restrict or prohibit a property owner from any of the following, if the restriction or prohibition would violate the applicable sections in Texas Property Code Chapter 202:

a. Installing or implementing solid-waste composting, rain barrels or rainwater harvesting systems, efficient irrigation systems, drought-resistant landscaping or water-conserving natural turf, solar energy devices, standby electric generators;

b. Installing shingles that are designed to be wind and hail resistant, heating or cooling efficient, or solar generation, if they resemble shingles authorized by the dedicatory instruments, are as durable or more durable than the authorized shingles, and match the aesthetics of the surrounding neighborhood;

c. Displaying religious items; displaying the flags of the United States, State of Texas, or branches of the armed forces; or displaying political signs between ten and ninety days preceding any local, state, or federal election.

Section 8. Resale Certificates. If properly requested by a person authorized by law to make such a request, the Secretary or a designee shall prepare and provide a Resale Certificate as required by Texas Property Code § 207.033, and the person requesting the Resale Certificate shall pay all costs authorized by that section.

Section 9. Management Certificate. The Secretary or a designee shall prepare and file a Management Certificate with the real property records of Smith County, Texas whenever same is required by Texas Property Code § 209.004.

Section 10. Prohibited Activities. The Association is organized as and intended to function at all times as a property owners' association under Section 528 of the Internal Revenue Code of 1954. The Board and officers shall at all times ensure that the Association complies with the lawful requirements to maintain such status, and the Association shall elect such status each year unless its accountant or attorney specifically advises otherwise. The Association is organized and operated to provide for the acquisition, construction, management, maintenance, and care of association property. No part of the net earnings of such organization inures (other than by acquiring, constructing, or providing management, maintenance, and care of association property, and other than by a rebate of excess membership dues, fees, or assessments) to the benefit of any private member, shareholder, or individual. This section shall not prevent the Association from paying reasonable compensation to a member, director, officer, or other private individual or entity for goods or services provided to the Association and related to or pertaining to one or more of its purposes, as long as such payment does not endanger the status of the Association.

Section 11. Changes in Law. If there are changes in the law that render one or more of the procedures in these Bylaws inapplicable, the Board shall prepare a proposed amendment to update them and present it to the Members as soon as practicable.

Section 12. Notices. Any notice required or permitted by the Dedicatory Instruments must be in writing. Notices regarding enforcement actions must be given as required or as permitted by law. All other notices may be given by regular mail. Notice by mail is deemed delivered (whether actually received or not) when properly deposited with the United States Postal Service, addressed to (a) a Member at the Member's last known address according to the Association's records; and (b) the Association, the Board, or a managing agent at the Association's Principal Office or another address designated in a notice to the Members. Unless otherwise required by law or the Dedicatory Instruments, actual notice, however delivered, is sufficient.

Section 13. Amendment. These Bylaws may be amended at any time by a unanimous vote of the Board. Written notice of the time and date of the meeting at which the amendment is to be considered, shall be provided to each member at the last known address. The exact wording of the proposed amendment shall be included with the notice.

Authentication

CARL JONES, the President of Windcliff Harbor Home Owners Association, Inc. (hereinafter "The Association"), appeared before me today and stated under oath:

"My name is CARL JONES. I am the President of Windcliff Harbor Home Owners Association, Inc. I am competent to make this affidavit. The facts stated in this affidavit are within my personal knowledge and are true and correct.

"On September 5, 2018, at a meeting that was properly called and for which notice was given to the Members and Directors, the Board of Directors of the Association amended the Association's Bylaws. Article Twelve of the Bylaws that were in effect at that time required a unanimous vote of the Board, to amend the Bylaws. A motion was made and seconded to amend the existing Bylaws by replacing them in their entirety with the Amended Bylaws set forth in the preceding document. The Directors voted unanimously in favor of the amendment.

"Further Affiant sayeth not."

Carl Jones

CARL JONES, President
Windcliff Harbor Home Owners Association, Inc.

On this, the 5th day of September, 2018, before me a notary public, the undersigned officer, personally appeared CARL JONES, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, acting in his capacity as President of Windcliff Harbor Home Owners Association, Inc., and acknowledged that he executed the same for the purposes therein contained.

In witness hereof, I hereunto set my hand and official seal.

Meredith Paige Jones

Notary Public, State of Texas

NOTARY PUBLIC STATE OF TEXAS
MEREDITH PAIGE JONES
Notary ID #131568454
My Commission Expires
May 15, 2022

Amendment to Restrictive Covenants
Windcliff Harbor Homeowners' Association, Inc.

On September 5, 2018 the Board of Directors of Windcliff Harbor Homeowners' Association, Inc. recommended that the Members adopt the following amendment to the "Amended and Restated Restrictive Covenants of Wind Cliff Harbor and the Metcalf Addition," which were filed at Volume 6833, Page 61 of the real property records of Smith County, Texas.

W. Assessments

a. **Authority.** The Association may levy Assessments to promote the recreation, health, safety, and welfare of the residents in the Subdivision, to fund operating expenses of the Association, and to improve and maintain the Common Areas.

b. **Personal Obligation.** An Assessment is a personal obligation of each Owner, beginning when the Assessment becomes due and payable to the Association. An Owner continues to be personally liable for all liens and other obligations to the Association, even after he or she ceases to be an Owner of any Lots in the Subdivision.

c. **Creation of Lien.** All assessments and other obligations owed by each Owner to the Association are secured by a continuing vendor's lien on each Lot, which lien is reserved by the Association. Each person who becomes an Owner grants the lien, together with the power of sale, to the Association to secure all Assessments and other obligations owed by each Owner to the Association. The lot continues to be subject to the lien even if it is conveyed to another Owner. The lien against each Lot also secures payment of all other obligations owed to the Association by its Owner(s).

d. **Commencement.** Once this amendment is adopted authorizing mandatory assessments, each Lot becomes subject to Assessments on the conveyance of the Lot to the Owner. All Lots which have already been conveyed from the Developer are subject to Assessments.

e. **Regular Assessments.** By adopting this amendment to the Restrictive Covenants governing the Subdivision, the Members levy Regular Assessments on each Lot in the Subdivision, to fund the anticipated operating and maintenance expenses of the Association. The initial Regular Assessment is $30.00 per year for each Lot owned in the Subdivision, with the first such Regular Assessment being due and payable on December 31, 2018, and on December 31 of each year thereafter. The Members may change the amount of Regular Assessments by a majority vote of the Members who cast a vote in such an election. Written notice of the Regular Assessment will be sent to every Owner at least thirty days before it is due and payable.

f. **Special Assessments.** In addition to the Regular Assessments, the Members may levy Special Assessments for the purpose of funding the cost of any construction, reconstruction, repair, or replacement of any capital improvement on the Common Area or for any other purpose benefitting the Subdivision but requiring funds exceeding those available from the Regular Assessments. The resolution approving any Special Assessment shall state the amount assessed against each Lot; the due date(s) of the payment(s) (which can be a single payment or a series of periodic payments), and the general purpose of the Special Assessment. Special Assessments must be approved by a majority of the Owners casting a vote in such election. Written notice of the terms of the Special Assessment will be sent to every Owner at least thirty days before it is due and payable.

g. **Subordination of Lien.** The lien granted and reserved to the Association is subordinate to any valid purchase money lien, refinance of a purchase money lien, or home equity lien.

h. **Delinquent Assessments.** Any Regular Assessment or Special Assessment which is not paid within thirty days after it is due and payable, shall be considered delinquent.

ACKNOWLEDGMENT

I hereby certify that on September 5, 2018 the Board of Directors of the Windcliff Harbor Homeowners' Association, Inc. recommended that the Members adopt the foregoing "Amendment to Restrictive Covenants."

Carl Jones

CARL JONES, President

STATE OF TEXAS §
§
COUNTY OF SMITH §

This instrument was acknowledged before me on September 5th, 2018 by CARL JONES.

Linda Stephenson
Notary Public, State of Texas
Commission # 130505247
Expires: 01/21/2020

Linda Stephenson

Notary Public, State of Texas

Carl Jones

President, Windcliff Harbor
Homeowners' Association, Inc.