

2013 AMENDED BYLAWS
OF
WATERWOOD IMPROVEMENT ASSOCIATION, INC.

ARTICLE I – DEFINITIONS

1. Association. “Association” and “WIA” shall mean and refer to the Waterwood Improvement Association, Inc., a non-profit corporation organized and existing under the laws of the State of Texas.1
2. The Properties. The “Properties” shall mean and refer to those properties as set forth and particularly described in Article Four of the Articles of Incorporation of Waterwood Improvement Association, Inc., and such other additions thereto as may hereafter be brought within the jurisdiction of the Association as provided in said Article Four.
3. WIA Land. “WIA Land” shall mean and refer to such part of the properties as may at anytime hereafter be owned by the Association for so long as the Association may be the owner thereof.
4. Board of Directors. “Board of Directors” shall refer to the board of directors elected by the members of the Association.
5. 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.
6. County Clerk. “County Clerk” shall mean the County Clerk of San Jacinto County, Texas.
7. Declarations and/or Restrictions. “Declarations” and/or “Restrictions” shall mean the declarations of covenants and deed restrictions filed of record with the County Clerk for the Subdivision.
8. Dedictory Instrument. “Dedictory Instrument” shall mean each instrument governing the establishment, maintenance, and operation of the WATERWOOD IMPROVEMENT 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 “Declarations”. Dedictory 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.

9. Directors. "Directors" shall mean and refer to any duly elected or appointed member of the Board of Directors.
10. 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).
11. Lot. "Lot" shall mean any residential or commercial lot in the Subdivision, and identified in the documents filed of record, identified herein, and on record with the County Clerk.
12. 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.
13. Maintenance Fund. "Maintenance Fund" shall mean the amounts collected from time to time by the Association, upon payment of Maintenance Charges by the Owners.
14. 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.
15. Owner. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.
16. Plats. "Plats" shall mean the plat of the subdivision recorded in the County Clerk's office.
17. Record Date. "Record Date" shall mean the date that the notice of any annual or special meeting is mailed.
18. Regular Assessment. "Regular Assessment" (sometimes referred to as "Annual Charges") shall mean the annual 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.

ARTICLE II – LOCATION

1. The principal office of the Association shall be located at 24518 Pecan Tree Lane, Huntsville, Texas 77320 or such other location as established by the Board of Directors.

2. The mailing address of the Association is 62 Waterwood, Huntsville, Texas 77320, or such other address the Board of Directors shall determine.

ARTICLE III – MEMBERSHIP

1. Every person or entity who is the owner of a fee title in a lot or living unit shall be a member of the Association and every person or entity who is purchasing a lot or living unit under a contract for deed or other instrument and who is subject to assessment, either present or future, by the Association, pursuant to the provisions of any recorded instrument relating to such assessment, shall be a member of the Association. For the purpose of determining membership, such ownership will be deemed to have vested upon delivery of a duly executed deed or contract to the grantee or vendee. The legal title retained by a vendor selling under a contract shall not qualify such vendor for membership. Foreclosure of a contract or repossession for any reason of a lot or unit sold under contract shall terminate the vendee's membership, whereupon all rights to such membership shall vest in the new owner of such lot or unit.
2. Subject to any provisions of the Texas Property Code providing otherwise, including but not limited to Section 209.0059, the rights of membership are subject to the payment of the annual charges levied by the Association, the obligation of which annual charges is imposed against each owner of and becomes a lien upon the property against which such annual charges are made as provided in Article IV of the Declaration of Covenants to which the properties are subject and recorded in the Office of the county clerk of San Jacinto County, Texas, and which are fully set forth and governed by the provisions of Article V, Section 5.1 through 5.4 of the Declaration of Covenants.
3. Subject to any provisions of the Texas Property Code providing otherwise, including but not limited to Section 209.0059, the membership rights of any person whose interest in the properties is subject to the annual charge under Section 1 of this Article, whether or not he be personally obligated to pay such annual charge, may be suspended by action of the Directors during the period when the annual charges remain unpaid; but, upon payment of such annual charge or charges and any interest or penalties thereon, his rights and privileges shall be automatically restored. If the Directors have adopted and published rules and regulations governing the use of any of the WIA land, common properties or facilities, and the personal conduct of any person thereof, as provided in Article III, Sections 3.01 through 3.03 of the Declaration of Covenants covering the property, they may, in their discretion, suspend the rights of any person for violation of such rules and regulations for a period not to exceed thirty (30) days for any such violation.

ARTICLE IV – VOTING RIGHTS

1. Members shall be entitled to one (1) vote for each lot or living unit in which they hold the interest required for membership by Article III. Section 1, as shown by the records of the Association as of the sixtieth day prior to the date of the next membership meeting, providing the annual charges levied on the lot or living unit through the previous year have been paid. Subject to any provisions of the Texas Property Code providing otherwise, including but not limited to Section 209.0059 When more than one person holds such interest or interests in any lot or living unit, all such persons shall be members and the vote for such lot or living unit shall be exercised as they may among themselves determine, but in no event shall more than one vote be cast with respect to any such lot or living unit. Provided, however, that regardless of the number of lots any member may own, such member shall not after the date payments on assessments are to commence, be eligible to cast a number of votes in excess of ten (10) votes.
2. For the purpose of determining the votes allowed under this section, when living units are counted, the lot or lots upon which such living units are situated shall not be counted.
3. Lot or living unit for purposes of voting shall have the meaning set forth in Article I of the Declaration of Covenants.
4. Voting by in Person or by Proxy. Subject to the provisions of Section 209.00592, Texas Property Code, the voting rights of a member may be cast or given:
 - (a) in person or by proxy at a meeting of the property owners' association;
 - (b) by absentee ballot in accordance with these Bylaws;
 - (c) by electronic ballot in accordance with these Bylaws; or
 - (d) by any method of representative or delegated voting provided by a dedicatory instrument. (Source: Section 209.00592 (a), Texas Property Code).
5. Absentee or electronic ballot. An absentee or electronic ballot:
 - (a) may be counted as an owner present and voting for the purpose of establishing a quorum only for items appearing on the ballot;
 - (b) may not be counted, even if properly delivered, if the owner attends any meeting to vote in person, so that any vote cast at a meeting by a property owner supersedes any vote submitted by absentee or electronic ballot previously submitted for that proposal; and

- (c) may not be counted on the final vote of a proposal if the motion was amended at the meeting to be different from the exact language on the absentee or electronic ballot. (Source: Section 209.00592 (b), Texas Property Code).
6. Solicitation for votes by absentee ballot. A solicitation for votes by absentee ballot must include:
- (a) an absentee ballot that contains each proposed action and provides an opportunity to vote for or against each proposed action;
- (b) instructions for delivery of the completed absentee ballot, including the delivery location; and
- (c) the following 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, you must 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.” (Source: Section 209.00592 (c), Texas Property Code).
7. If an electronic ballot is posted on an official Internet website of the Association, a notice of the posting shall be sent to each owner that contains instructions on obtaining access to the posting on the website. (Source: Section 209.00592 (e), Texas Property Code).
8. Voting by Facsimile Transmission. If authorized by resolution of the Board of Directors for any specific matter that can be voted on, a member vote on any matter may be conducted by facsimile transmission.
9. Notice of Election of Association Vote. Not later than the 10 day or earlier than the 60 day before the date of an election or vote, a property owners’ association shall give written notice of the election or vote to:
- (a) each owner of property in the property owners’ association, for purposes of an association-wide election or vote; or
- (b) each owner of property in the property owners’ association entitled under the dedicatory instruments to vote in a particular representative election, for purposes of a vote in a particular representative election, for purposes of a vote that involves election of representatives of the association who are vested under the dedicatory instruments of the property owners’ association with the authority to elect or appoint board members of the property owners’ association. (Source: Section 209.0056, Texas Property Code).

ARTICLE V – PROPERTY RIGHTS AND RIGHTS OF
ENJOYMENT OF WIA LAND AND COMMUNITY FACILITIES

1. Subject to such rules, regulations, fees and charges as may be established by the Board of Directors, each member shall be entitled to the use and enjoyment of the WIA Land and community facilities as provided in Article III of the Declaration of Covenants applicable to the Properties.
2. Any member may delegate his rights of enjoyment in the WIA Land and community facilities to the members of his family who reside upon the Properties or to any of his tenants who reside there under a leasehold interest for a term of one (1) year or more. Such member shall notify the Secretary in writing of the name of any such person and of the relationship of the member to such member. The rights and privileges of such person are subject to suspension under Article III, Section 3.2 of the Declaration of Covenants to the same extent as those of any member.

ARTICLE VI – ASSOCIATION PURPOSES AND POWER

1. The Association has been organized for the purposes set forth in its Articles of Incorporation and shall have the powers granted by the Texas Business Organizations Code.
2. In addition to the purposes set forth in the Articles of Incorporation for the Association, the purposes for which the Association is organized 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 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;

(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).

5. Mortgage of Association Properties. The Association shall have power to mortgage its properties with the assent of two-thirds of the votes of the Members who are voting in person or by proxy at a meeting called for such purpose, written notice of which shall be mailed to all Members as least thirty (30) days in advance and shall set forth the purpose of the meeting.

ARTICLE VII – BOARD OF DIRECTORS

1. The property and affairs of the Association shall be managed and controlled by the Board of Directors. Subject to the restrictions imposed by law, by the Articles of Incorporation or by these Bylaws, the Board of Directors shall exercise all of the 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. The number of Directors shall be nine (9). The number of Directors may be increased or decreased from time to time by amendment to these Bylaws. However, the number of Directors shall not be less than five (5).
3. Removal of Director.
 - (a) Except as hereinafter provided in Section 4, any Directors may be removed for cause, at any special meeting of the Members of the Association by the affirmative vote of a majority in number of votes by written ballot only 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.
 - (b) 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).
4. Vacancies on Board of Directors.
 - (a) Any board member whose term has expired must be elected by owners who are members of the property owners' association.
 - (b) A board member may be appointed by the board only to fill a vacancy caused by a resignation, death, or disability.

(c) A board member appointed to fill a vacant position shall serve the unexpired term of the predecessor board member. (Source: Section 209.0053, Texas Property Code).

(d) If any vacancy occurs in the Board of Directors, caused by resignation, death, or disqualification from office of any Directors or otherwise, a majority of the Directors then in office, though less than a quorum, may choose a successor or successors, or a successor or successors may be chosen at a special meeting called for that purpose, and each successor Director so chosen shall be elected for the unexpired term of his/her predecessor in office.

(e) 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.

5. The term of Director shall be two (2) years. A person may serve no more than two consecutive terms.

ARTICLE VIII – ELECTION OF DIRECTORS:
NOMINATING COMMITTEE; BALLOTING PROCEDURES; ELECTION COMMITTEE

1. The election of the Board of Directors shall be by written ballot as hereinafter provided. For such election the members may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of Article III and Article IV. The name(s) receiving the largest number of votes shall be elected.
2. Nominations for election to the Board of Directors shall be made by a Nominating Committee that shall be one of the standing committees of the Association, or by a voting member of the Association provided the nominee submits a written letter to the Nominating Committee requesting that his or her name be placed on the ballot for election to a vacancy on the Board of Directors.
3. The Nominating Committee shall consist of the Chairman, who shall be a member of the Board of Directors, and one or more Association members not of the Directors. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each such annual meeting.
4. The Nominating Committee shall submit as many nominations for election to the Board of Directors as it shall solicit/receive, but not less than the number of vacancies that are to be filled. Such nominations shall be made from among members. Nominations shall be placed on a written ballot as provided in Section 5 and shall be made in advance of the time fixed in Section 5 for the mailing of such ballots to the members.

5. All elections of Directors shall be by written ballot. Such ballots shall be provided by the Association and shall (a) describe the vacancies to be filled; (b) set forth the names of those nominated for such vacancies; (c) contain a space for write-in vote by the members for each vacancy; (d) advise the number of votes which the ballot represents; and (e) include such other items as the Board of Directors may order. Such ballot shall be prepared and mailed by the Secretary to the members entitled to vote as provided in Article III and Article IV. The ballots, voting instructions and any other information that the Board the Directors may determine appropriate for the members to receive, shall be postmarked to the members at least fourteen (14) days in advance of the date set forth therein for return of the ballots. Such return date shall be a date not later than the day before the annual meeting, or special meeting, at which the results of the balloting are announced.
6. Ballots.
 - (a) Any vote cast in an election or vote by a member of a property owners' association must be in writing and signed by the member or by the member's proxy.
 - (b) Electronic votes cast as provided by these Bylaws (required under Section 209.00593, Texas Property Code), constitute written and signed ballots.
 - (c) In an association-wide election, written and signed ballots are not required for uncontested races. (Source: Section 209.0058, Texas Property Code).
7. The completed ballot(s) shall be returned by the member to the W.I.A. office in a sealed envelope, in such a manner that a member's identification and signature to determine entitlement to cast the number of votes allowed is not indicated directly on the ballot. The intended purpose is that each member eligible to vote be allowed to vote a secret ballot. The ballot may be mailed or delivered in person to such address as shall be clearly designated by the Secretary.
8. Upon the receipt of each returned ballot, the Secretary shall immediately place it in a safe place. Not more than twenty-one (21) days prior to the day set for the meeting at which the election becomes effective, the envelopes shall be turned over, unopened, to the Election Committee which consists of three (3) persons appointed by the Board of Directors. All returns thereafter received by the Secretary on or before the date set forth for the ballot's return shall accordingly be turned over to the Election Committee.
9. The Election Committee shall adopt a procedure which shall establish that (a) the member is entitled to cast the number of votes indicated on the ballot; (b) the ballot is signed by the member; (c) the ballot is dated; and (d) the ballot has been marked in accordance with the voting instructions provided.

10. After the procedure has been completed relative to a ballot, the count of all valid votes shall be taken. All ballots and any continuing tally of the votes shall be kept confidential and safe by the Election Committee Chairman. Following the election, the Chairman of the Election Committee shall deliver the official tally report to the Board of Directors special meeting prior to the Annual Meeting for the purpose of the canvassing of the election results. The locked ballot box containing the voted ballots, the tally forms recording those votes and all other pertinent election records shall be placed in the custody of the Secretary of the Board of Directors as shall the key to the ballot box. The ballot box shall be unlocked by the Secretary only if a challenge to election procedures or the results are received by the President within ninety (90) days following the election. If no challenge is made by the expiration of that period, the Secretary shall purge the ballot box and destroy the voted ballots.
11. The Chairman of the Election Committee shall report the results of the balloting to the membership at the annual meeting or special meeting (whichever body is in session) by the candidate's name and number of votes received. At the conclusion of the election report, the Chairman of the meeting shall declare the person(s) receiving the highest number of votes per position available as duly elected and stating the term of office(s) to the assembly.
12. Tabulation of and Access to Ballots.
 - (a) A person who is a candidate in a property owners' association election or who is otherwise the subject of an association vote, or a person related to that person within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code, may not tabulate or otherwise be given access to the ballots cast in that election or vote except as provided by this section;
 - (b) A person other than a person described by Subsection (a) may tabulate votes in an association election or vote but may not disclose to any other person how an individual voted.
 - (c) Notwithstanding any other provision of this chapter or any other law, a person other than a person who tabulates votes under Subsection (b), including a person described by Subsection (a), may be given access to the ballots case in the election or vote only as part of a recount process authorized by law. (Source: Section 209.00594, Texas Property Code).
13. Recount of Votes.
 - (a) Any owner may, not later than the 15th day after the date of the meeting at which the election was held, require a recount of the votes. A demand for a recount must be submitted in writing either:

- (1) by certified mail, return receipt requested, or by delivery by the United States Postal Service with signature confirmation to the property owners' association's mailing address as reflected on the latest management certificate filed under Section 209.004, Texas Property Code; or
- (2) in person to the property owners' association's managing agent as reflected on the latest management certificate filed under Section 209.0041, Texas Property Code, or to the address to which absentee and proxy ballots are mailed.

(b) The property owners' association shall, at the expense of the owner requesting the recount, retain for the purpose of performing the recount, the services of a person qualified to tabulate votes under this Subsection. The association shall enter into a contract for the services of a person who:

- (1) is not a member of the association or related to a member of the association board within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code; and
- (2) is:
 - (A) a current or former:
 - (I) county judge;
 - (II) county elections administrator;
 - (III) justice of the peace; or
 - (IV) county voter registrar; or
 - (B) a person agreed on by the association and the persons requesting the recount.

(c) Any recount under this Bylaw must be performed on or before the 30th day after the date of receipt of a request and payment for a recount in accordance with this Bylaw. If the recount changes the results of the election, the property owners' association shall reimburse the requesting owner for the cost of the recount. The property owners' association shall provide the results of the recount to each owner who requested the recount. Any action taken by the board in the period between the initial election vote tally and the completion of the recount is not affected by any recount. (Source: Section 209.0057, Texas Property Code)

14. The newly elected Director(s) shall begin serving the term elected to upon the adjournment of the meeting declaring the election.

ARTICLE IX – POWERS AND DUTIES OF THE BOARD OF DIRECTORS

1. 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:
 - (a) to contract for and on behalf of the Association for such duration as it, in its sole discretion, deem necessary or advisable;
 - (b) to call special meetings of the members whenever it deems it necessary and it shall call a meeting at any time upon written request of one-fourth (1/4) of the voting membership, as provided in Article XIII, Section 2;
 - (c) to appoint and remove at its pleasure all officers and agents and employees of the Association, prescribe their duties, fix their compensation and require of them security or fidelity bonds as it may deem expedient. Nothing contained in these Bylaws shall be construed to prohibit the employment of any member, officer or director of the Association in any capacity whatsoever.
 - (d) to establish, levy and assess and collect the annual charges and all other charges to referred to in the Declaration of Covenants covering the Property.
 - (e) to adopt and publish rules and regulations governing the use of the WIA land or community 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;
 - (f) to exercise for the Association all powers, duties and authority vested in or delegated to this Association, except those reserved to the members in the covenants;
 - (g) in the event any member of the Board of Directors of this Association shall be absent on three (3) consecutive regular meetings of the Board of Directors, the Board may by action taken at the meeting in which such third absence occurs declare the office of said absent Director to be vacant.
 - (h) to suspend the voting rights, (subject to the provisions of the Texas Property Code, Section 209.0059), 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;

- (i) to 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;
 - (j) to employ a manager, secretary, attorneys, independent contractors, and/or such other employees as they deem necessary, and to prescribe and oversee their duties.
2. It shall be the duty of the Board of Directors:
- (a) to 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 when such is required in writing by one-fourth (1/4) of the voting membership as defined in Article III;
 - (b) to supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
 - (c) as more fully provided in Article IV of the Declaration of Covenants applicable of the Properties:
 - [i] to fix the amount of the annual charge against each lot or living unit for each annual period at least thirty (30) days in advance of such day or period, and at the same time
 - [ii] to prepare a roster of the Properties and annual charges applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any member, and at the same time
 - [iii] to send written notice of each assessment to every owner subject thereto;
 - (d) to issue or to cause an appropriate officer to issue, upon demand by any person a certificate setting forth whether any annual charge has been paid; such certificate shall be conclusive evidence of any charge therein stated to have been paid.
3. If any Director will, may, or could receive any type of financial benefit beyond that which all members of WIA would receive from a contract or agreement on which the Board of Directors will vote, that Director shall make full disclosure as to any financial interest in the business being voted on, and shall abstain from voting on the matter.

ARTICLE X – DIRECTOR’S MEETINGS

1. A regular meeting of the Board of Directors shall be held each month at a time, day, date, and location designated in the notice of meeting, at the discretion of the Board of

Directors. Whenever possible, the time, day, and location should be consistent from month to month.

2. The agenda for each Board of Directors meeting shall be posted on the bulletin board of the WIA Office not less than three days prior to the meeting.
3. Special meetings of the Board of Directors shall be held when called by any officer of the Association or by any two (2) Directors after not less than three (3) days notice to each Director.
4. The transaction of any business at any meeting of the Board of Directors, however called or wherever held, shall be as valid as though made at a meeting duly held after regular notice, if a quorum is present and, if there before or after the meeting, each Director not present signs a written Waiver of Notice or a consent to the holding of such meeting or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and made a part of the minutes of the meeting.
5. The majority of the Board of Directors shall constitute a quorum thereof.
6. Open Board Meetings. While input is solicited from members on matters of importance to the community, the President may set reasonable time limits on oral presentations to the Board of Directors by persons who are not Directors so as to cause the duration of Board meetings to be reasonable. Written communications from members is also encouraged, and the President will inform the Board of Directors of all non-board written communications received by any member of the Board of Directors since the previous Board meeting.
 - (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 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 or 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 XI – OFFICERS

1. The officers shall be a President, Executive Vice President, one or more Vice Presidents, Secretary, one or more Assistant Secretaries and a Treasurer. The President and one of the Vice Presidents shall be members of the Board of Directors.
2. The officers shall be chosen by a majority vote of the Directors present at any meeting at which quorum is present. Vacancies shall be filled by the Board at any regular or special meeting thereof.
3. All officers shall be elected for a term of one (1) year.
4. The President shall preside at all meetings of the Board of Directors, shall see that orders and regulations of the Board of Directors are carried out and, unless otherwise provided by the Board, sign all contracts, notes, leases, mortgages, deeds and all other written instruments which may have been approved by the Board or pursuant to authority granted by the Board. Neither the President nor any other member of the Board of Directors is authorized to bind the Association by any of the foregoing written instruments unless expressly designated to do so by a resolution passed by a majority of the Board at a regular or special meeting of the Board of Directors.

5. The Executive Vice President shall perform all of the duties of the President in the President's absence.
6. Each Vice President shall have such power and duties as may be assigned by the Board of Directors. If more than one Vice President is elected, the Board shall designate who is the 1st Vice President, who is the 2nd Vice President, etc. In the absence of the President and Executive Vice President, the 1st Vice President shall perform the duties of the President. Such authority to act for the President shall vest to the Vice Presidents in the order of their numerical designation at the time of their election to such office by the Board of Directors.
7. The Secretary shall be ex officio the Secretary of the Board of Directors, shall record the votes and keep the minutes of all proceedings in a book to be kept for that purpose. The Secretary shall sign all certificates of membership, shall keep the records of the Association, and shall record in a book kept for that purpose the names of all members of the Association together with their addresses as registered by such members.
8. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by a resolution of the Board of Directors, provided however, that a resolution of the Board of Directors shall not be necessary for the disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board.

ARTICLE XII – COMMITTEES

1. Standing committees of the Association shall be the Architectural Control Board, Audit/Financial, EMS, Maintenance, Municipal Utility District Liaison, Nominations, Real Estate and Security. Unless otherwise provided herein each committee may consist of a Chairman and one or more members and shall include a member of the Board of Directors for Board contact. The committees shall be appointed by the Board of Directors at each annual meeting of Directors, to serve from the close of such annual meeting until the close of the next annual meeting. The Board of Directors may appoint other committees at such other times as it deems desirable.
2. The Nominations Committee shall have the duties and functions described in Article VIII.
3. The Municipal Utility District Liaison Committee shall advise the Board of Directors on all matters relating to the Association's contracts and relations with the Municipal Utility District or Districts serving the Properties and its environs and shall perform such other functions as the Board, in its discretion, determines.
4. The Maintenance Committee shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement on any WIA property and community

facilities of the Association, and shall perform such other functions as the Board, in its discretion, determines.

5. The Audit Committee shall supervise the annual audit of the Association's books and approve the annual budget and balance sheet statement to be presented to the membership at its regular annual meeting. The Treasurer shall be an ex officio member of the committee.

The Audit Committee shall review annually the performance and compensation of all employees of WIA and make recommendations to the Board of Directors prior to the adoption of the new budget.

6. With the exception of the Nominations Committee, each committee shall have the power to appoint a subcommittee from among its membership and may delegate to any subcommittee any of its powers, duties, and functions.
7. It shall be the duty of each committee to receive complaints from a member on any matter involving Association functions, duties and activities within the field of its responsibility. It shall dispose of such complaints, as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

ARTICLE XIII – MEETINGS OF MEMBERS

1. The regular annual meeting of the membership shall be held on the second Saturday in October at 10:00 a.m., at the Association's principal office, or on any such other day or at such time and place as may, at the discretion of the Board of Directors, be specified in the notice of meeting.
2. Special meetings of the members for any purpose may be called at any time by the President, the Executive Vice President, or by a majority of the Board of Directors, or upon written request of the members who have a right to vote one-fourth (1/4) or more of all votes of the entire membership.
3. Notice of meetings shall be given to the members by the Secretary by sending a copy of the notice through the mail, postage thereon fully prepaid, to the member's registered address appearing on the books of the corporation. Notice of any meeting, regular or special, shall be mailed not less than ten (10) nor more than sixty (60) days in advance of the meeting and shall set forth in general the nature of the business to be transacted, provided however, that if the business of any meeting shall involve an election governed by Article VIII or any action governed by the Articles of Incorporation or by the Declaration of Covenants applicable to the properties, notice of such meeting shall be given or sent as there provided.

4. At any membership meeting the presence, whether in person or by proxy, of members entitled to vote ten percent (10%) of the total membership vote, shall constitute a quorum for the transaction of business. However, should the nature of the business to be transacted be such that a different quorum is required either by the Articles of Incorporation or the Declaration of Covenants, then the quorum therein provided shall govern the action on those matters.

5. Failure to Hold Annual Meeting. The following Bylaw is intended to comply with Section 209.014, Texas Property Code.
 - (a) 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.

 - (b) 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 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.

 - (c) 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.

 - (d) 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.

- (h) 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).

Article XIV – VOTING & PROXIES

1. At all Association meetings of members, each member may vote in person or by proxy the number of votes to which the member is entitled. Votes may be cast for all matters which may properly come before the meeting; except for election of Directors as voting on this matter shall be by ballot only as described in Article VI.
2. A proxy form shall be mailed to each member entitled to vote at the Association meeting called, whether it be an annual meeting or a special meeting. Such mailing shall be postmarked at least fifteen (15) days in advance of the date of the meeting.
3. All proxies shall be in writing and filed with the Secretary prior to the meeting. To be valid for use in voting, the proxy must (a) name the member; (b) identify the lot or living unit which entitles the member that vote; (c) name the person(s) entitled to vote the proxy; (d) be signed and dated by the member; (e) be received by the Secretary by the date set forth on the proxy; and (f) be certified by the Election Committee that the proxy was given by a member who is entitled to vote. No proxy shall extend beyond the period of eleven (11) months from the date signed, and a proxy shall automatically cease upon conveyance by the member of his interest in the lot or living unit which entitled the member the vote granted in the proxy.
4. A member who gives his proxy to the Association may, if he attends the meeting, take back his proxy before the meeting begins and vote in person on those matters which may properly come before the meeting.

ARTICLE XV – BOOKS AND PAPERS

1. The Association adopts this Article XV of these Bylaws to comply with Section 209.005, Texas Property Code. In the event of a conflict between this Article XV 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 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 records 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 XV, 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:
 - (a) 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 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. The Association must estimate costs under this section using amounts prescribed by the policy adopted under Section 8 of this Article XV.
10. Except as provided by this Article XV, 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 XV 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 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:
- (a) certificates of formation, bylaws, restrictive covenants, and all amendments to the certificates of formation, bylaws, and covenants shall be retained permanently;
 - (b) financial books and records shall be retained for seven years;
 - (c) account records of current owners shall be retained for five years;
 - (d) contracts with a term of one year or more shall be retained for four years after the expiration of the contract term;
 - (e) minutes of meetings of the owners and the board shall be retained for seven years; and
 - (f) 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 XV 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 XV 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 Association to release or allow access to the books or records;
 - (b) a judgment against the 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 Association.
14. If the Association prevails in an action under Section 13 of this Article XV 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:
- 1. 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
 - 2. describe with sufficient detail the books and records being requested.

16. For the purposes of this Article XV 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 XVI – CORPORATE SEAL

1. The Association shall have a seal in circular form having within its circumference the words:

Waterwood Improvement Association, Inc., Texas, 1972.

ARTICLE XVII – AMENDMENTS

1. These Bylaws shall be altered, amended, or repealed only by the affirmative vote of the majority of the votes entitled to be cast by the members present or represented by proxy at an annual meeting of the members.
2. Any proposed amendment(s) to the Bylaws which is presented to the members for approval must either be supported by the Board of Directors or be submitted to the Board in a petition signed by at least five percent (5%) of the voting membership who are entitled to vote at the next annual meeting. Such petition shall be received by the Secretary no later than the first day of July so the proposed Bylaw amendment(s) may be mailed to the members with the notice of the annual meeting.
3. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration of Covenants applicable to the Properties referred to in Article I, Section 2 of these Bylaws, and these Bylaws, the Declaration of Covenants shall control.

ARTICLE XVIII – INDEMNIFICATIONS

1. Except as may otherwise be provided by Section 8.051, Texas Business Organizations Code, or as may be ordered by a court pursuant to Section 8.052, Texas Business Organizations Code, 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.

2. 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.

ARTICLE XIX – MISCELLANEOUS, FISCAL MATTERS

1. Parliamentary Authority. The rules of parliamentary practice comprised in ROBERT’S RULES OF ORDER, NEWLY REVISED, shall govern all proceedings of this Association, the Board of Directors and all committees, subject to such special rules as have been or may be adopted, and subject to the provisions of the Texas Business Organizations Code and related laws, the Deed Restrictions, including but not limited to the General Warranty Deed and Declaration of Covenants, the Articles of Incorporation, as amended, and these Bylaws.
2. 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.
3. 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.
4. Checks. All checks or demands for money and notes of the Association shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.
5. Fiscal Year. The fiscal year of the Association shall be fixed by resolution of the Board of Directors.
6. 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).

7. Texas Property Code Controls. To the extent that the Articles of Incorporation, the Restrictions, and/or any of these Bylaws conflict with the provisions of the Texas Property Code 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 Business Organizations Code shall control.

THESE BYLAWS have been voted on and adopted by the Members of the Association at the annual meeting of the Association held on October 12, 2013.

Donnell R. Marshall
President

ATTEST:

WJR
Secretary

STATE OF TEXAS *
COUNTY OF SAN JACINTO*

This instrument was acknowledged before me on the 22nd day of November, 2013, by Donnie Marshall, President, WATERWOOD IMPROVEMENT ASSOCIATION, a Texas non-profit corporation on behalf of said corporation.

Lisa Calcote Hayman
NOTARY PUBLIC, STATE OF TEXAS

After filing return to:
Travis E. Kitchens, Jr.
Lawyer
P. O. Box 1629
Onalaska, Texas 77360

