

**ADDITIONAL DEDICATORY INSTRUMENTS**  
**for**  
**WATERWOOD IMPROVEMENT ASSOCIATION, INC.**

THE STATE OF TEXAS                    §

COUNTY OF HARRIS                    §

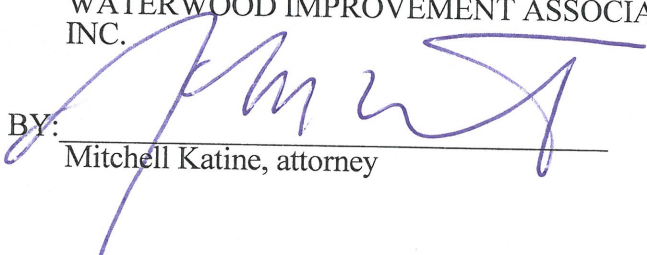
BEFORE ME, the undersigned authority, on this day personally appeared **Mitchell Katine**, who, being by me first duly sworn, states on oath the following:

"My name is **Mitchell Katine**, I am over twenty-one (21) years of age, of sound mind, capable of making this affidavit, authorized to make this affidavit, and personally acquainted with the facts herein stated:

"I am the attorney for Waterwood Improvement Association, Inc. The following instrument, **Amended Articles of Incorporation of Waterwood Improvement Association, Inc.**, is a true and correct copy of an unrecorded Dedicatory Instrument, as that term is defined by Section 202.001 of the Texas Property Code, pertaining to Waterwood Improvement Association, Inc. and the property subject to the declaration recorded under San Jacinto County Clerk's Document No. 20188098, as amended and/or supplemented.

DATED this 29<sup>th</sup> day of January, 2020.

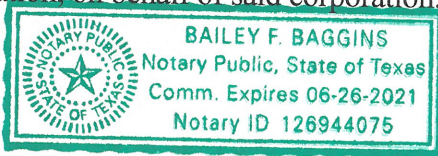
WATERWOOD IMPROVEMENT ASSOCIATION,  
INC.


BY:   
\_\_\_\_\_  
Mitchell Katine, attorney

THE STATE OF TEXAS                    §

COUNTY OF HARRIS                    §

THIS INSTRUMENT was acknowledged before me on this the 29<sup>th</sup> day of January, 2020, by **Mitchell Katine**, attorney for Waterwood Improvement Association, Inc., a Texas non-profit corporation, on behalf of said corporation.



  
\_\_\_\_\_  
NOTARY PUBLIC IN AND FOR  
THE STATE OF TEXAS

After recording return to:

Katine & Nechman L.L.P.  
Attorneys and Counselors at Law  
1834 Southmore Boulevard  
Houston, Texas 77004  
713-808-1001

AMENDED ARTICLES OF INCORPORATION  
OF  
WATERWOOD IMPROVEMENT ASSOCIATION, INC.

We, the undersigned, natural persons of the age of twenty-one years or more, at least two of whom are citizens of the State of Texas, acting as incorporators of a corporation under the Texas Non-profit Corporation Act, do hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE ONE

The name of the corporation (which is hereinafter called Corporation) is WATERWOOD IMPROVEMENT ASSOCIATION, INC.

ARTICLE TWO

The corporation is a non-profit corporation.

ARTICLE THREE

The period of its duration is perpetual.

ARTICLE FOUR

The purpose or purposes for which the corporation is organized are:

To promote and develop the common good and social welfare of the people of a community and its environs to be developed on all or a portion of the tracts of land specifically described and recorded in Volume 127, Page 533, Map records of San Jacinto County, Texas; and in Volume 243, Page 694, Map Records of Walker County, Texas, presently consisting of 24, 399.96 acres of land, more or less provided, however, only those portions of the above described property as shall hereafter be actually subject to an agreement of covenants, conditions and restrictions supporting and benefiting the Corporation, together with any additional land, which may hereafter be subjected to such agreement of covenants, conditions and restrictions supporting and benefiting the Corporation, and adopted by resolution of the Board of Directors of the Corporation, shall be considered as such community (all of such property is hereinafter referred to as the "Properties") and the proper object of the powers and purposes of the Corporation.

Without limiting the foregoing general statement of purposes, the Corporation shall have the following specific purposes:

- (1) To aid, promote, and provide for the establishment, advancement and perpetuation of any and all utilities, systems, services and facilities for the properties which tend to promote the general welfare of the inhabitants with regard to health, safety, education, culture, recreation, comfort or convenience to the extent and in the manner deemed desirable by the Board of Directors.
- (2) To operate and maintain or provide for the operation and maintenance of any properties which may be from time to time designated or conveyed to the Corporation for the general welfare of the inhabitants with regard to health, safety, education, culture, recreation, comfort and convenience.
- (3) To enforce all covenants, restrictions, reservations, servitudes, profits, licenses, conditions, agreements, easements and liens established for the support and/or benefit of the Corporation, or which it may be legally entitled to enforce, and to disburse and use the proceeds of any such charges and to use and disburse any funds which may come into the hands of the Corporation for the promotion of any and all of the purposes of the Corporation in a lawful manner determined by the Board of Directors.
- (4) To do any and all lawful things and acts that the Corporation may from time to time, in its discretion, deem to be for the benefit of the properties and the inhabitants thereof or advisable, proper or convenient for the promotion of the interest of said inhabitants with regard to health, safety, education, culture, recreation, comfort or convenience of such community.

The Corporation will take action to accomplish the foregoing purposes only when and if such action appears, in the sole and absolute discretion of the Board of Directors, to be desirable and feasible.

## ARTICLE FIVE

The street address of the initial registered office of the Corporation is Republic National Bank Building, c/o CT Corporation Systems, Dallas, Texas 75201, and the name of the initial registered agent of the Corporation at such address is CT Corporation System.

## ARTICLE SIX

The number of directors constituting the initial Board of Directors is five (5) and the names and addresses of the persons who are to serve as the initial directors are:

Joseph Timan	4400 East Broadway Tucson, Arizona 85711
Sidney Nelson	4400 East Broadway Tucson, Arizona 85711
Russell C. Wilde	4400 East Broadway Tucson, Arizona 85711
Leonard E. Steele	4400 East Broadway Tucson, Arizona 85711
Alfred Lehtonen	4400 East Broadway Tucson, Arizona 85711

## ARTICLE SEVEN

The names and addresses of the incorporators are:

Robert R. Randolph	2100 First City National Bank Building Houston, Texas 77002
Norman D. Radford, Jr.	2100 First City National Bank Building Houston, Texas 77002
Robert J. Bachman	2100 First City National Bank Building Houston, Texas 77002

## ARTICLE EIGHT

Except as may otherwise be provided in the By-laws, the Board of Directors of the Corporation is expressly authorized to alter, amend or repeal the By-laws or to adopt new By-laws for the Corporation without any action on the part of the members.

## ARTICLE NINE

Pursuant to Article 12.02-7.06, Vernon's Annotated Texas Statutes, a director of the corporation shall not be liable to the corporation or its members for monetary damages for an act or omission in the director's capacity as a director, except that this article does not authorize the elimination or limitation of the liability of a director to the extent the director is found liable for:

- 1) a breach of the director's duty of loyalty to the corporation or its shareholders or members.
- 2) an act or omission not in good faith that constitutes a breach of duty of the director to the corporation or an act or omission that involves intentional misconduct or a knowing violation of the law;
- 3) a transaction from which the director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office; or
- 4) an act or omission for which the liability of a director is expressly provided by an applicable statute.

AMENDED BYLAWS  
OF  
WATERWOOD IMPROVEMENT ASSOCIATION, INC.

ARTICLE I – DEFINITIONS

Section 1

"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.

Section 2

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.

Section 3

"WIA Land" shall mean and refer to such part of the properties as may at any time hereafter be owned by the Association for so long as the Association may be the owner thereof.

ARTICLE II – LOCATION

Section 1

The principal office of the Association shall be located in or near the Waterwood community, the location of such community being described in Article Four of the Amended Articles of Incorporation.

ARTICLE III – MEMBERSHIP

Section 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.

Section 2

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.

Section 3

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

Section 1

Members shall be entitled to on (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. 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.

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.

Lot or living unit for purposes of voting shall have the meaning set forth in Article I of the Declaration of Covenants.

ARTICLE V – PROPERTY RIGHTS AND RIGHTS OF  
ENJOYMENT OF WIA LAND AND COMMUNITY FACILITIESSection 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.

Section 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

Section 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 Non-Profit Corporation Act.

## ARTICLE VII – BOARD OF DIRECTORS

Section 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.

Section 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).

Section 3

Vacancies in the Board of Directors shall be filled by the affirmative vote of the remaining Directors and shall hold office only until the next regular or special meeting of the membership.

Section 4

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

Section 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.

Section 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.

Section 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.

Section 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.

Section 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,

Section 6

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.

Section 7

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. 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.

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.

#### Section 8

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.

#### Section 9

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

#### Section 1

Without limiting the power of the Board of Directors, the Board of Directors shall have the express powers

- (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 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 and the personal conduct of the members and their guests thereon;
- (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.

#### Section 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.

### Section 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

### Section 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.

### Section 2

The agenda for each Board of Directors meeting shall be posted on the bulletin board of the Waterwood Post Office and the Waterwood Country Club not less than three days prior to the meeting.

### Section 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.

### Section 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 their 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.

### Section 5

The majority of the Board of Directors shall constitute a quorum thereof.

### Section 6

All regular and special meetings, except for Executive Sessions, of the Board of Directors shall be open to all members. 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 written communications received by any member of the Board of Directors since the previous Board meeting.

## ARTICLE XI – OFFICERS

### Section 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.



Section 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.

Section 3

All officers shall be elected for a term of one (1) year.

Section 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.

Section 5

The Executive Vice President shall perform all of the duties of the President in the President's absence.

Section 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 1<sup>st</sup> Vice President, who is the 2<sup>nd</sup> Vice President, etc. In the absence of the President and Executive Vice President, the 1<sup>st</sup> 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.

Section 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.

Section 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

Section 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.

Section 2

The Nominations Committee shall have the duties and functions described in Article VIII.

Section 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, determine.

Section 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.

Section 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.

Section 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.

Section 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

Section 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.

Section 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.

Section 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.

Section 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.

## ARTICLE XIV – VOTING &amp; PROXIES

Section 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 mail ballot only as described in Article VIII.

Section 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.

Section 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.

Section 4

A member who gives his proxy to the Association may, if he attends the meeting, take back his proxy before the meetings begins and vote in person on those matters which may properly come before the meeting.

## ARTICLE XV – BOOKS AND PAPERS

Section 1

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member in good standing.

## ARTICLE XVI – CORPORATE SEAL

Section 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

Section 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.

Section 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.

Section 3

In the case of any conflict between the Article 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

Section 1

- (a) The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that the person is or was a director, officer, employee or agent of the Association, against expenses (including attorney's fees),

judgments, fines and amounts paid in settlement actually and reasonably incurred by that person in connection with such actions, suit or proceeding if that person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which that person reasonably believed to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceedings, had reasonable cause to believe the conduct was unlawful.

- (b) The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee or agent of the Association, against expenses (including attorney's fees) actually and reasonably incurred by that person in connection with the defense or settlement of such action or suit if that person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Association and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of their duty to the Association unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.
- (c) Notwithstanding such of the provisions of subsections (a) and (b) of this section as specify standards of conduct to the extent of any person specified in subsections (a) and (b) of this section (and/or their heirs, executors and administrators) has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b) of this section, or in defense of any claim, issue or matter therein, that person shall, in all instances be indemnified against expenses (including attorney's fees) actually and reasonably incurred by that person in connection therewith.
- (d) Expenses incurred in defending a civil or criminal action, suit or proceeding shall be paid by the Association on behalf of the person concerned in a timely manner as such expenses are incurred in the suit or proceeding upon the express understanding that the person concerned shall repay such amount in the event that it shall ultimately be determined that the person is not entitled to be indemnified by the Association as having not met the standards of conduct set forth in subsections (a) and (b) of this section.
- (e) The indemnification provided by this section shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any agreement, vote of members or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.
- (f) The foregoing provisions of this section shall be deemed to be a contract between the Association and each person entitled to indemnification by any of the provisions thereof who serves in any of the capacities hereinabove referred to at any time while this section and any relevant provisions of the Texas Corporation Law are in effect; provided, however, that the rights of indemnification provided by this section shall not be deemed exclusive of any other rights to which any person seeking indemnification may now be, or hereafter become, entitled, under any future amendment of these Bylaws or the Texas Corporation Law.

ARTICLE XIX - PARLIAMENTARY AUTHORITY

Section 1

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 Non-Profit Corporation Act 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.

Date: 11/07/01

Secretary *Stanley*

20200826

4247

Filed for Record in:  
San Jacinto County

On: Feb 10, 2020 at 03:42P

As a  
Recording

Document Number: 20200826

Amount 65.00

Receipt Number - 36808

By:  
Jaclyn Williams

STATE OF TEXAS

COUNTY OF SAN JACINTO

I, Dawn Wright hereby certify that this instrument was filed in number sequence on the date and time hereon by me, and was duly recorded in the OFFICIAL PUBLIC RECORDS of San Jacinto County, Texas as stamped hereon by me on

Feb 10, 2020

Dawn Wright, County Clerk  
San Jacinto County, Texas