

**11th AMENDED AND RESTATED BYLAWS OF
TWIN HARBORS “ON LAKE LIVINGSTON” PROPERTY OWNERS ASSOCIATION, INC.**

ARTICLE 1 – DEFINITIONS

1. Association. “Association” shall mean and refer to TWIN HARBORS “ON LAKE LIVINGSTON” PROPERTY OWNERS ASSOCIATION, INC. (THPOA), a non-profit corporation organized under the law of Texas, its successors, and assigns.
2. Board of Directors. “Board of Directors” shall refer to the Board of directors elected by the members of the Association.
3. Common Facilities. “Common Facilities” shall mean the roads, street lights, parks, boat ramps, pavilion, pool, non-county roads and entrance features of the Subdivision, and landscaped areas established by the Developer for use as Common Facilities.
4. County Clerk. “County Clerk” shall mean the County Clerk of Polk County, Texas.
5. Declarations and/or Restrictions. “Declaration” and/or “Restrictions” shall mean the declarations and restrictions filed of record with the County Clerk of Polk County, Texas.
6. Dedictory Instrument. “Dedictory Instrument” shall mean each instrument governing the establishment, maintenance, and operation of THPOA and includes a declaration or similar instrument subjecting real property to restrictive covenants, certificate of formation, bylaws, or similar instruments governing the administration or operation of a property owners association, to properly adopted rules and regulations of the property owners’ association, or to all lawful amendments to the covenants, bylaws, instruments, rules, or regulations, including but not limited to those identified above under “Declaration.” 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 of Polk County, Texas.
7. Management Certificate. THPOA shall record in each country in which any portion of the residential subdivision is located a management certificate, signed and acknowledged by an officer or the managing agent of the association that contains the information specified by Section 209.004.
8. Resale Certificate. “Resale Certificate” means a written statement issued, signed, and dated by an officer or authorized agent of a property owners’ association that contains the information specified by Section 207.003-004 of the Texas Property Code.
9. Lot. “Lot” shall mean any residential lot in the Subdivision, and identified in the plat filed of record, identified herein, and on record with the County Clerk of Polk County, Texas.

10. 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.
11. Maintenance Fund. “Maintenance Fund” shall mean the amounts collected from time to time by the Association, upon payment of Maintenance Charges by the Owners.
12. Member. “Member” or “Members” shall mean and refer to all those Owners as provided for in the Restrictions and/or in these Bylaws.
13. Owner. “Owner” shall mean and refer to the record owner, as recorded with the Polk County Clerk, 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.
14. Plats. “Plats” shall mean the plat of the Subdivision recorded with the County Clerk’s office, Polk County, Texas.
15. Record Date. “Record Date” shall mean July 31st for issues voted on at the Annual Meeting which is held in October of each year.
16. Regular Assessments. “Regular Assessment” 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.
17. Special Assessment. “Special Assessment” shall mean any fee and/or due, other than a regular assessment, that each Member is required to pay to the Association, as established by the Members at an annual or special meeting of the Members of the Association at which notice is given of the intent to establish a Special Assessment and which action of the Member authorizes the Association to approve the Special Assessment.
18. Subdivision. “Subdivision” shall mean the Twin Harbors on Lake Livingston Subdivision, Polk County, Texas, as shown on the respective Plats on file with the County Clerk’s Office of Polk County and includes all Lots, Common Areas, Reserves, Facilities and Capital Improvements located therein.
19. Collection Policy and Procedures for Fees and Assessments. “Collection Policy and Procedures for Fees and Assessments” shall mean those policies, procedures and guidelines as established by the Board, which set forth the procedures that guide the collection of fees and assessments. Such policies, procedures, and guidelines shall be kept among the records of the Association and may be amended by the Board from time to time as necessary to facilitate the right and obligations of the Board, subject to the State of Texas law.

20. Architectural Review Authority (ARA). “Architectural Review Authority” is the governing authority for the review and approval of **new construction and improvements** within the Subdivision and in accordance with Section 209.00505, Texas Property Code.
21. Architectural Review Authority Policies, Procedures and Guidelines. “Architectural Review Authority Policies, Procedures and Guidelines” shall mean those policies, procedures and guidelines as established by the ARA, **which set forth the procedures that guide the activities of the ARA**. Such policies, procedures and guidelines shall be kept among the Dedicatory Instruments of the Association and may be amended by the ARA from time to time and approved by the Board as necessary to facilitate the rights and obligations of the Board.
22. Records Retention Policies, Procedures and Guidelines. “Records Retention Policies, Procedures and Guidelines” shall mean those policies, procedures and guidelines established by the Board, which set forth the procedures that guide the activities of the Property of the Association to maintain in a consistent and repeatable manor as required by law.
23. **Independent Vote Tabulator**. A law firm [the law firm] chosen by the Board at a monthly or special Board meeting to administer the annual election of Board members and ARA committee members. Employees of the Independent Vote Tabulator who are administering the election must be permanent employees and shall not own any property in Twin Harbors, and not be a relative to the third degree with any individual, or by consanguinity or affinity, of any Twin Harbors property owner.
24. **Election Observer**. Candidates for the THPOA Board and ARA committee positions during the annual election cycle.

ARTICLE II – Location

1. Principal Office Location. The principal office of the Association shall be located within Polk County, Texas, the physical address shall be 274 Valleyview Drive, Onalaska, Texas 77360, or at such other address the Board of Directors shall determine.
2. Mailing Address. The mailing address of the Association is 274 Valleyview Drive, Onalaska, Texas 77360, or at such other address the Board of Directors shall determine.

ARTICLE III – Membership

1. Membership Qualification. Every person or entity who is an Owner of a Lot shall be a Member of the Association, provided that any such person or entity who holds such interest merely as security for the performance of obligation shall not be a Member. No person or entity who is an Owner of a Lot shall be entitled to resign as a Member of the Association. Membership is not dependent on Payment of Regular Assessment and Special Assessment. A property owner is automatically a member of the THPOA,

regardless of their being current or not current in the payment of assessments. THPOA membership is not voided by failure to pay regular assessments and special

assessments. All THPOA property owners may vote in any election and may be a member of the THPOA Board of directors.

ARTICLE IV – Membership and Voting Rights

1. One Class of Members. The Association shall have only **one** class of voting members.
2. Ballots
 - (a) All votes cast by any THPOA property owner for any election, Board members or for specific issues, must be in writing and signed by the THPOA property owner.
 - (b) In an association-wide election, written and signed ballots are not required for uncontested races. The Board may elect to cancel the election in such cases.
3. Number of Votes. Every member shall have the right to cast one (1) vote for each lot in the subdivision in which they hold the interest, required for membership by these Restrictions regardless of the number of lots owned. Either the husband, wife, or bona fide head of the household may cast the vote(s) to which the Member is entitled to vote.
4. Eligibility to Vote. Subject to the provisions of Section 209.0059 of the Texas Property Code, all property owners of record 30 days prior to the mailing of ballots for any election may vote in that election.
5. Voting. Subject to the provisions of Section 209.00592 of the Texas Property Code THPOA provides one method of voting at any meeting of the members (annual meeting) or any adjournment thereof. The method and procedures for all voting is detailed below:
 - (a) Candidates for a Board position and the Architectural Review Authority must register with the association Board before 5:00pm on the Friday preceding the August Board meeting.
 - (b) Candidates registering for a Board position and the Architectural Review Authority will be recognized at the August Board meeting.
 - (c) An uncontested Board member or the Architectural Review Authority election may be cancelled at the August Board meeting and ballots for the Board member election will not be prepared.
 - (d) If a Board member or the Architectural Review Authority election is required, a drawing for position on the ballot will be held at the August Board meeting.
 - (e) Ballot format for the Board member and the Architectural Review Authority election and ballots for all other elections will be approved at the August Board meeting.
 - (f) Ballots, for the Board member election and other election issues, will be property owner specific, and will be mailed to property owners on or before September 1st of the current year. The return address on the outbound envelope containing the blank ballot and return envelope must be the same as the return address on the envelope to be used for returning a completed ballot. All ballots shall be mailed by the Independent Vote Tabulator to the POA

members, and no ballots shall be mailed or otherwise manually transmitted to POA members by other means.

- (g) A self-addressed return envelope will accompany the ballot mailing. This envelope will be marked "election ballot enclosed" and shall be addressed to the office of the Independent Vote Tabulator.
- (h) Ballots will therefore be returned directly from the voting member to the office of the Independent Vote Tabulator.

- (i) Ballots must be received in the office of the Independent Vote Tabulator on or before 4:30 p.m. on the Tuesday preceding the Annual Meeting. Any ballot received after this date and time will not be counted.
- (j) Ballots delivered to any other location will not be counted.
- (k) The Board of Directors will coordinate the date and time of vote counting with the candidates and the Independent Vote Tabulator.
- (l) The Independent Vote Tabulator attorney shall be present and supervise all phases of the vote counting process.
- (m) Independent Vote Tabulators shall count the votes and prepare a written report detailing the results of the voting addressed to the THPOA Board of Directors. The Independent Vote Tabulators shall sign the report and also sign the envelope sealing flap. Election ballots and return address envelopes shall be preserved by the Independent Vote Tabulator.
- (n) Election Observer– Rules and Responsibilities
 1. The election observers shall be the candidates for the Board and ARA committee positions.
 2. A current Board member who is not a candidate in the election shall attend the vote counting on behalf of the Board, regardless of the number of observers in attendance.
 3. Board and ARA committee candidates may choose to attend or not attend the counting of votes by the Independent Vote Tabulator.
 4. A suitable hall or conference room shall be arranged for by the Board for use by the Independent Vote Tabulator and the election observers.
 5. Election observers shall observe the counting of votes by the Independent Vote Tabulator from a distance of at least 20 feet.
 6. Election observers shall report to the Board member in attendance any inconsistencies or potential problems such as, but not limited to:
 - (A) Failure to count a ballot
 - (B) Unprofessional conduct by the Independent Vote Tabulator.
 - (C) Delivery of ballots by means other than those brought in by the Independent Vote Tabulator.
 7. Election observers may not at any time look at ballots, ballot summaries, records of ballots tabulated.
 8. Election observers may not communicate with the Independent Vote Tabulator at any time. At no time shall election observers engage in discussion with the Independent Vote Tabulator. Election observers may only communicate with the Board member in attendance in a room outside the tabulation room.
 9. The Independent Vote Tabulator shall not discuss or reveal the vote of any THPOA property owner, or the results of ballot counting.
- (o) The Independent Vote Tabulator shall prepare a report for the THPOA Board detailing the results of candidate elections, any matters requiring a POA member vote, and details related to problems with any ballots such as unsigned, illegible, incorrectly executed ballots, or other problems with ballots that prevent the ballot from being processed such as ballots delivered by means other than those used by the Independent Vote Tabulator.

- (p) The Independent Vote Tabulators shall seal their written report detailing the results of the balloting in a sealed envelope.
 - (q) The sealed envelope shall be secured with tamper-proof tape such as Uline Industrial Security Tape with markings "If Seal is Broken", size 2" wide.
 - (r) The Independent Vote Tabulator shall secure all ballots in a sealed cardboard box(s) which shall then be further secured with tamper-proof tape such as Uline Industrial Security Tape with markings "If Seal is Broken", size 2" wide.
 - (s) The sealed box[s] shall also be secured with tamper-proof tape such as Uline Industrial Security Tape with markings "If Seal is Broken", size 2" wide.
 - (t) The attorney shall protect the written report and ballots until he/she surrenders them to the Board president at the THPOA annual meeting.
 - (u) At the annual meeting, the THPOA President will read the voting results prepared by the Independent Vote Tabulator.
 - (v) No nominations shall be accepted from those in attendance at the annual meeting and no vote will be taken at the annual meeting.
6. Preservation of election documents. The Independent Vote Tabulator shall preserve election documents for a minimum of 45 days after the annual meeting pending completion of a recount. No later than 60 days after the annual election, the Independent Vote Tabulator will transfer custody of all election documents to the THPOA attorney's office for archival.
7. Property Owner Specific Ballot. Subject to the provisions of Section 209.00592 of the Texas Property Code.
- (a) A property-owner-specific ballot will be mailed to all property owners on or before September 1st of the current year. All ballots returned before the deadline date shall be counted for the purpose of establishing a quorum for items appearing on the ballot and for the determination of an attendance quorum.
 - (b) The property-owner -specific ballot for Board and ARA members shall list each candidate with the choice of voting yes for a specific candidate, or not voting for a specific candidate, and indicate the number of votes eligible to be cast for the specific candidate.
 - (c) The property-owner-specific ballot shall inform the property owner how many Board or ARA members candidates that the property owner can vote for.
 - (d) The property-owner-specific ballot for all matters shall include a description of the matter under consideration with the choice of voting yes for approving the matter or no for disapproving the matter.
8. Proxy voting. THPOA does not allow voting by Proxy.
9. Notice of Election of Association Vote. Not later than the 10th day or earlier than the 60th day before the date of an election or vote, the Association shall give written notice of the election or vote to each owner of property in the property owners' association, for purposes of an association-wide election or vote; or 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.

10. Recount of Votes.

- (a) Any candidate 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 verified mail, 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 of the 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 of the Texas Property Code.
- (b) The Association shall at the expense of the candidate 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 of the Texas 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 person(s) 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.
 - (D) If the recount changes the results of the election, the Association shall reimburse the requesting candidate for the cost of the recount.
 - (E) 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.
3. The results of the recount are final and will be announced at the next meeting of the Board of directors.

ARTICLE V – Property Rights and Rights of Enjoyment of Common Property

1. Right to Use Common Facilities. Each Member shall be entitled to the use and enjoyment of the Common Facilities, subject to the Restrictions and any rules and regulations governing the use of the Common Facilities.

ARTICLE VI – Association Purposes and Powers

1. Purpose of 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 modest amount needed for the expenses of administration of this corporation in order to effectuate the said purposes; and the making of distributions to organizations having the same purpose qualifying as exempt organizations under Section 501 (c) (3) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue law);
 - (b) To promote the safety, welfare and enjoyment of the residents of and owners of property within the Subdivision;
 - (c) To the extent authorized by the Restrictions, to compute, assess, collect and enforce the payment of all charges to which the property within the Subdivision is subjected or may be subjected hereby and/or under or by virtue of any reservations, restrictions and covenants applicable to the Subdivision on file in the Official Records of the County Clerk;
 - (d) To operate, maintain, supervise and protect all areas and facilities owned by or conveyed to the corporation from time to time for the common use of its members, and to install or construct improvements upon such areas and facilities;
 - (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 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.

2. 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.
3. 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 Articles 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 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).
4. 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 at a meeting called for such purpose, written notice of which shall be mailed to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

ARTICLE VII – Board of Directors

1. Management of Association. The business and affairs of the Association shall be managed by its Board of Directors which may exercise all such powers of the Association and do all such lawful acts and things as are not by statute, the Articles of Incorporation, these Bylaws or the Restrictions directed or required to be exercised or done by the Members.

2. Powers of the Board of Directors. By way of illustration, but not in limitation, the Board of Directors shall have the power to:
 - (a) Adopt and publish rules and regulations governing use of the common areas and facilities, including but not limited to solar panels, roofing, siding, other architectural control matters, and the personal conduct of the members and their guests thereon, and to establish penalties for infraction thereof;
 - (b) Suspend the 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. Such rights may also be suspended by after notice (certified mail) and a hearing on or before the 30th day since mailing the notice, for a period not to exceed sixty (60) days for infraction of published rules and regulations;
 - (c) Exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws or the Articles of Incorporation, or the Restrictions;
 - (d) Declare the office of a member of the Board of Directors to be vacant in the event each such member shall be absent from four (4) consecutive regular meetings of the Board of Directors, or a total of six (6) meetings in a twelve (12) month period;
 - (e) Employ a manager, secretary, attorneys, independent contractors, and/or such other employees as they deem necessary, and to prescribe and oversee their duties;
 - (f) 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;
 - (g) Issue, or to cause an appropriate Officer to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid. A reasonable charge may be made to the Officers for the issuance of these certificates. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid;
 - (h) Procure and maintain adequate liability and hazard insurance on property owned by the Association and on the THPOA Board of Directors;
 - (i) Cause all officers, employees or agents, having the fiscal responsibility to be bonded, as it may deem appropriate;
 - (j) Cause the Common Areas of the Subdivision to be maintained; and
 - (k) Annually review and implement the THPOA Facilities Policy, Procedures and Guidelines, the THPOA Collection Policy and Guidelines, and any other THPOA Policies, Procedures or Guidelines.
3. Number of Directors. Notwithstanding anything to the contrary contained in any provision of these Bylaws, the Association shall act through its eight (8) Board of Directors, which shall manage the affairs the Association.
4. Terms of Directors. Directors shall be elected for terms of two (2) years.

5. Election of Board Members. Any Board member whose term has expired must be elected by owners who are members of the property owners' association at an election. A Board member may be appointed by the Board to fill any vacancy caused by a resignation, death, or disability. A Board member appointed to fill a vacant position shall serve the unexpired term of the predecessor Board member.
6. Current Directors and Length of Terms. Names of Board of Directors and their respective terms shall be published annually after election results are announced at the October Annual Meeting. Contact details for each Board member will be posted to the THPOA website.
7. Schedule for Election of Directors. The following Schedule is established for the annual election of Directors and ARA Committee Members, starting with the annual meeting of the members:
 - a. At each annual meeting of the members of the Association, the members shall elect four (4) directors who shall serve for two (2) years until their successors are elected at the annual meeting two years hence. A person may not serve on the Board of a Property Owners' Association if the person is married to or cohabits at the same primary residence with another Board member of the association.
 - b. At each annual meeting of the members of the Association, the members shall elect the number of ARA Committee Members prescribed by Article IX Section 4 of these bylaws.
8. Nomination of a Candidate for Board Members or ARA Committee Member. Any property Owner may nominate themselves to become a candidate for the Board of Directors or the ARA Committee. Prior to accepting the nomination, the Board will contact each nominee to ensure their willingness to serve.
9. Call for Election. Any property owner may run as a candidate for the Twin Harbors Property Owners Association Board of Directors, if the Secretary is presented with written documented evidence from a database or other record maintained by a governmental law enforcement authority that a Board member was convicted of a felony or crime involving moral turpitude not more than 20 years before September 1st, the candidate is immediately removed from the ballot and is ineligible to serve on the Board of the property owners' association. The association Secretary shall announce the names of candidates for the Board positions which shall expire at the October

annual meeting. If more than four (4) candidates are registered for the October election, the association Secretary will request the Board approve the candidates and certify the Board member election. If four (4) or fewer candidates are registered for the October election, the association Secretary will request the Board declare the election to be uncontested and the Board member election will be canceled. If the election will be held, property owner specific ballots shall be mailed to all property owners on or before September 30 of the current year. Mailing date for the ballots for the Board member election will be no later than twenty (20) days or earlier than sixty (60) days before the October election.

10. The Ballot. The property owner specific ballots shall be printed and shall clearly list all candidates who are running for membership as a Board Director or as an ARA Committee Member. The ballot must be signed by the property owner to be counted in the voting. The persons receiving the largest number of votes shall be elected as THPOA Board members. Cumulative voting shall not be permitted.
11. Removal of Director.
 - a. Any director may be removed for cause, at any regular or special meeting of the THPOA Board of Directors in which a quorum is present, by affirmative vote of the majority of the directors present in person, if notice of the intention of the meeting is to act upon the removal of a director is clearly detailed in the published agenda.
 - 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 was convicted of a felony or crime involving moral turpitude, not more than 20 years earlier, 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.
12. Vacancies on Board of Directors.
 - a. Any Board member whose term has expired must be newly-elected at a properly conducted election by property owners who are members of the 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.
 - d. If any vacancy occurs in the Board of Directors, caused by death, resignation, retirement, disqualification or removal 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

Directors so chosen shall be elected for the unexpired term of this 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.
13. No Compensation for Directors. The Directors shall serve without compensation. Upon resolution by the Board of Directors, any Director may be reimbursed for any out of pocket expenses approved by the Board of Directors; the Director to whom such reimbursement is to be made shall recuse themselves and abstain from any vote on such reimbursement of out of pocket expenses.

ARTICLE VIII – Meetings of the Board of Directors and Architectural Review Authority (ARA)

1. Place of Meeting. The Directors of the Association shall hold their meetings, both regular and special, within or without the State of Texas. Regular meetings of the Board of Directors shall be held on the second Saturday of each month at 8:30 a.m.
2. Annual Meeting of Property Owners and Directors. The annual meeting of property owners and Directors shall be held on the third Saturday of each October at 10 a.m. The first meeting of each newly constituted Board of Directors shall be held without further notice immediately following the annual meeting of Members of the Association, and at the same place, unless by unanimous consent of the Directors then elected and serving, such time or place shall be changed.
3. Regular Meetings of Directors. Regular meetings of the Board of Directors shall notify Members of the date, hour, place, and general subject of a regular or special Board meeting, including a general description of any matter to be brought up for deliberation in executive session.
4. Special Meetings of Directors. Special meetings of the Board of Directors may be called by the President on 72 hours notice to each member, either personally or by mail, electronic message (i.e. email); special meetings shall be called by the President or Secretary in like manner and on like notices on the written request of two (2) Directors. Except as may be otherwise expressly provided by Texas law, the Articles of Incorporation, these Bylaws or the Restrictions, neither the business to be transacted at, nor the purpose of, any special meeting need be specified in a notice or waiver of notice.
5. Quorum. At all meetings of the Board of Directors, the presence of a majority of the Directors **provided for in these bylaws** shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act of a majority of the Directors, except as may be otherwise specifically provided by statute, the Restrictions, Articles of Incorporation or these Bylaws. If a quorum shall not be present at any meeting of the Board of Directors, the Directors present may adjourn the meeting from time to time, without notice other

than an announcement at the meeting, until a quorum shall be present.

6. Manner of Acting. The act of a majority of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws.
7. Open Board Meetings.
 - (a) “Board Meeting” (1) means a deliberation between a quorum of the voting Board of the Association, or between a quorum of the voting Board of Directors and another person, during which the Association’s business is considered and the Board of Directors takes formal action; and (2) does not include the gathering of a quorum of the Board of Directors at a social function unrelated to the business of the Association or attendance by a quorum of the Board of Directors at a regional, state, or national convention, ceremonial event, or press conference, if formal action is not taken and any discussion of association business is incidental to the social function, convention, ceremonial event, or press conference.
 - (b) Regular and special meetings of the Board of Directors must be open to owners, subject to the right of the Board of Directors to adjourn a Board of Directors meeting and reconvene in closed executive session to consider actions involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, confidential communications with the property owners’ association’s attorney, matters that are to remain confidential by request of the affected parties and agreement of the Board of Directors. Following an executive session, any decision made in the executive session must be summarized orally and placed in the minutes, in general terms, without breaching the privacy of individual owners, violating any privilege, or disclosing information that was to remain confidential at the request of the affected parties. The oral summary must include a general explanation of expenditures approved in executive session.
 - (c) Except for a meeting held by electronic or telephonic means under Subsection (g), a Board of Directors meeting must be held in a county in which all or part of the property in the subdivision is located.
 - (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. Generally accepted Rules of Order will guide all meetings of 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 and ARA meeting **in the form of an agenda**, including **a description** of any matter to be brought up for deliberation in executive session. The notice shall be:
 - (1) provided at least 144 hours before the start of a regular meeting and 72

- hours for a special meeting;
 - (2) in a place located on the association's common property;
 - (3) on any Internet website maintained by the association or other Internet media (<http://www.twinharborlakelivingston.com/index.htm>); and
 - (4) sending the notice by email to each owner who has registered an email address with the association. It is an owner's duty to keep an updated email address registered with the property owners' association.
- (f) Agenda items. All agenda items must include an amount of detail which is sufficient for members of the Association to understand the purpose of the matter to be discussed. Agendas must be approved by a simple majority of the Board members prior to publication.
- (g) The Board of Directors shall prepare an official agenda for any Annual, Regular, and Special meeting, or other meeting of the Association at which they preside.
- (h) 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) within two hours after adjourning the meeting being continued.
- (i) The Board of Directors may meet by any method of communication, including electronic and telephonic, without 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) of Section 209.0051, Texas Property Code, 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;
 - (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;
 - (9) lending or borrowing money;
 - (10) the adoption or amendment of a dedicatory instrument;

- (11) the approval of an annual budget or the approval of an amendment of an annual budget;
- (12) the sale or purchase of real property;
- (13) the filling of a vacancy on the Board of Directors;
- (14) the construction of capital improvements other than the repair,

- (15) replacement, or enhancement of existing capital improvements; or the election of an officer.

ARTICLE IX – Committees and Managing Agents

- 1. Appointment of Committees Consisting of Directors. The Board of Directors may, by resolution passed by a majority of the entire Board, designate one or more committees, to consist of two or more of the Directors of the Association. Any such committee, to the extent provided in said resolution, shall have and may exercise all of the authority of the Board of Directors in the management of the business and affairs of the Association, except where action of the full Board of Directors is required by structure, the Restrictions or by the Articles of Incorporation.
- 2. Appointment of Committees Not Limited to Directors or Members. Other committees not having and exercising the authority of the Board of Directors in the management of the affairs of the Association may be designated and appointed by a resolution adopted by a majority of the Directors at a meeting at which a quorum is present, or by like resolution of the Board of Directors. Membership on such committee, may, but need not be, limited to Directors or members of the Association.
- 3. Employment of Management Agent. The Board of Directors may employ for the Association a management agent at a compensation established by the Board of Directors and such management agents shall perform such duties and services as the Board of Directors shall authorize.
- 4. Architectural Review Authority (ARA). ARA shall exercise the functions required of such a governing authority under recorded Restrictive covenants applicable to Twin Harbors on Lake Livingston Subdivision that shall include, but not be limited to, approving new construction and improvements. A decision by the ARA denying an application or request by an owner for the construction of improvements in the subdivision may be appealed to the Board subject to Section 209.00505, Texas Property Code. The ARA shall have four (4) members. The first ARA member will be the chairperson of the ARA and will be appointed by the Board of Directors to a two-year term. The other three (3) members of the ARA will be elected by the property owners to a two-year term at the regular Board election, as follows:

<u>Position One:</u>	<u>Chairperson</u>	<u>(term ends 2022 - 2 year term)</u>
<u>Position Two:</u>	<u>Member</u>	<u>(term ends 2022 - 2 year term)</u>
<u>Position Three:</u>	<u>Member</u>	<u>(term ends 2023 - 3 year term)</u>
<u>Position Four:</u>	<u>Member</u>	<u>(term ends 2023 - 3 year term)</u>

After the initial term, each member shall serve a two-year term. Three year terms will be selected by a random drawing at the first Architectural Review Committee meeting held after the October 2022 Annual Meeting.

5. The ARA committee shall prepare, keep, and post meeting agendas and minutes of their proceedings as per rules outlined in these Bylaws and shall report the same to the Board of Directors when required

ARTICLE X – Meetings of the Members

1. Annual Meetings. The annual meeting of the Members shall be held on the third Saturday of the month of October in each year at 10:00 o'clock a.m. If the day for the annual meeting of the Members shall fall upon a holiday, the meeting may be held at the same hour on the first Saturday following which is not a holiday, at the designation of the Board of Directors. Failure to hold the annual meeting at the designated time shall not work a dissolution of the Association. Generally accepted Rules of Order will guide all meetings of the Members.
2. 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 secretary 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.

- (i) The election committee may call meetings of the owners who are members of

the property owners' association for the sole purpose of electing Board members. Notice, quorum, and voting provisions contained in the bylaws of the property owners' association apply to any meeting called by the election committee. (Section 209.014, Texas Property Code).

3. Special Meetings. Special meetings of the Members for any purpose may be called at any time by the President, or by any two (2) or more Members of the Board of Directors, or upon written request of the one-fourth (1/4) of all of the votes of the entire membership.
4. Notice of Meetings. Written notice of any meetings shall be given to the Members by the Secretary. Notice may be given to the Members either personally, or by sending a copy of the notice through the mail, postage thereon fully prepaid to their address appearing on the books of the Association. Notice may be given as otherwise authorized by the Texas Property Code or pursuant to electronic methods which comply with Section 209.0042 of the Texas Property Code. Notice of any meeting, regular or special, shall be disseminated 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 any action governed by the Articles of Incorporation or by the Restrictions, notice of such meeting shall be given or sent as therein provided.
5. Member Contact Information. Each member shall register their address with the Secretary, and notices of meetings, regular or special, shall be mailed to them at such address. It is the responsibility of the Member to provide the Association with current mailing and email addresses, and the Association assumes no responsibility should any notices not be received by the Member provided that the Association forwards such notice to the addresses provided to the Association by the Member.
6. Notice by Email. Any Member may request that notice be transmitted electronically by providing the Association's Secretary a valid email address. Upon providing such email address the Association may transmit any and all notices to such member at such email address. Members are required to provide primary method of written communication, either a monitored email address or physical address for USPS or express delivery. To help reduce the operational cost of postage and mail-out required by these Bylaws and Texas law email is preferred. It will be the property owner's responsibility to notify the POA with any and all updates.
7. Waiver of Notice. Notice may be waived in writing signed by the person or persons entitled to such notice. Such waiver may be executed at any time before or after the holding of such meeting. Attendance at a meeting shall constitute a waiver of notice, except where the person attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.
8. Location of Meetings. Meetings of members shall be held at the office of the Association, or at such other places within or without the State of Texas, as may be

stated in the notice of the meeting or in a duly executed waiver of notice thereof.

9. Quorum. The presence at the meeting of Twenty-Five (25) Members entitled to cast votes shall constitute a quorum for any action governed by these Bylaws.
10. Action Required. At a meeting at which a quorum is present, the vote of the majority of the members in person shall decide any question brought before the meeting, unless the question is one upon which the vote of a greater number is required by law, the Articles of Incorporation, or these Bylaws. The members present or represented at a meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

ARTICLE XI – Officers

1. Officers Elected by Board. The officers of the Association shall be elected by the Directors and shall be a President, a Secretary and a Treasurer. The Board of Directors may also choose one or more Vice-Presidents. Any two or more offices may be held by the same person except that the offices of President, Secretary and Treasurer shall not be held by the same person.
2. Election at Annual Meeting of Board. The Board of Directors, at its first meeting after each annual meeting of the Members, shall choose a President, a Secretary, and a Treasurer, any one or all of whom may be members of the Board. The Board of Directors shall choose four (4) signers for all of the Association’s depository accounts. Two (2) Directors are required to sign each check and savings withdrawal.
3. Additional Officers and Agents. The Board of Directors may appoint such other officers and agents as it shall deem necessary, who shall be appointed for such terms and shall exercise powers and perform such duties as shall be determined from time to time by the Board of Directors.
4. Compensation of Officers and Agents. All officers of the Association shall receive no salary.
5. Term of Office. Each officer of the Board of Directors of the Association shall hold office until the annual meeting of the Board of Directors next following their election and thereafter until their successor is chosen and qualified in their stead, or until their death, or until their resignation or removal from office.
6. Removal. Any officer or agent, elected or appointed by the Board of Directors, may be removed from office at any time by the affirmative vote of a majority of the entire Board of Directors whenever in their judgment the best interests of the Association would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

7. Vacancies. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors for the unexpired portion of the term.
8. President. The President shall be the Chief Executive Officer of the Association, and shall in general, supervise and control all of the business and affairs of the Association. The President shall preside at all meetings of the Members and the Board of Directors, shall have general and active management of the business and affairs of the Association, shall see that all orders and resolutions of the Board of Directors are carried into effect, and shall perform such other duties as the Board of Directors shall from time to time prescribe. The President may sign, with the Secretary, or any other proper officer of the Association authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, checks drawn against the Association, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors, or by these Bylaws, or by statute to some other officer or agent of the Association.
9. Vice-President. Each Vice-President shall have such powers and perform such duties as the Board of Directors may from time to time prescribe or as the President may from time to time delegate to them. In the absence of the President or in the event of their inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all of the power of, and be subject to all the restrictions upon, the President.
10. Secretary. The Secretary shall attend all sessions of the Board of Directors and all meetings of the Members and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for any committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the Members and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the President, under whose supervision they shall be. Each Assistant Secretary shall have such powers and perform such duties as the Board of Directors may from time to time prescribe or as the President may from time to time delegate to them.
11. Treasurer. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accounts of receipts and disbursements and shall deposit all moneys and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Association as may be ordered by the Board of Directors, taking proper vouchers for such disbursement, and shall render to the President and Directors, at the regular meetings of the Board of Directors, or whenever they may require it, an account of all transactions as Treasurer and of the financial condition of the Association, and shall perform such other duties as the Board of Directors may prescribe. If required by the Board of Directors, the Treasurer shall give the Association a bond in such form, in such sum, and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of their duties of office and for the restoration to the Association, in case of death, resignation,

retirement or removal from office, of all books, paper, vouchers, money and other property of whatever kind in possession or under their control belonging to the Association. Each Assistant Treasurer shall have such powers and perform such duties as the Board of Directors may from time to time prescribe.

12. Parliamentarian. The Parliamentarian shall maintain the order of the Board of Directors, the annual meeting and all other meetings in accordance with these Bylaws and the Texas Property Code, will be responsible for the recording of all Board approved dedicatory instruments at Polk County and the coordination of the posting of recorded dedicatory instruments on the THPOA website and in general perform all duties and responsibilities incident to the office of Parliamentarian and other such duties and responsibilities as from time to time may be assigned to the Parliamentarian by the President, or the Board of Directors.
13. All Board members shall complete Texas Open Meetings Act online training provided by the Office of Attorney General, State of Texas, within 90 days of assuming the responsibilities of office.

ARTICLE XII – Notices

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

ARTICLE XIII – Special Assessments

1. Establishment of Special Assessment for Capital Projects. In addition to the Maintenance Fee assessment set forth in the Restrictions, the members of the Association may adopt a special assessment for capital projects, in such amount as may be established by the Association at a special or annual meeting at which notice for an election for the assessment of said Special Assessment is given. The Special Assessment shall become effective on the date noticed, with the proceeds from such Special Assessment being ear-marked for the specific purpose set forth in the notice of such election. Said Special Assessment shall be secured by a lien against said lot, and failure to pay said Special Assessment shall constitute a foreclosure lien against said lot. This lien is in the form of an assessment to run with the ownership of said lots. The Special Assessment shall be deemed delinquent if not paid within forty-five (45) days

of the date set forth in the notice as being the date the Special Assessment is due. The Special Assessment fee may not be increased more than a total of \$200.00 from the

existing amount and the current amount must be reviewed by the Board each year.

2. Purpose of Special Assessment. The Special Assessment shall be used for only the following purposes:
 - (a) To defray, in whole or in part, the cost, whether incurred before or after the assessment, of any construction or reconstruction, repair, or replacement of a capital improvement in the Common Areas, including but not limited to the streets and roads in the Subdivision, including the necessary fixtures and personal property related to such Common Areas, to the extent such expense is not sufficiently provided for with Regular Assessment funds;
 - (b) For maintenance and improvement of Common Areas owned by the Association; and/or
 - (c) For such other purposes of the property owners' association as may be deemed appropriate and necessary by the Board of Directors.

ARTICLE XIV – Books and Records

1. The Association adopts these Bylaws to comply with Section 209.005, Texas Property Code. In the event of a conflict between this Article XIV and Section 209.005, Section 209.005 shall control.
2. The Association shall make the books and records of the Association, including financial records, open to and reasonably available for examination by an owner, or a person designated in writing signed by the owner or the owner's agent, attorney, or certified public accountant, in accordance with this section. An owner is entitled to obtain from the Association copies of information contained in the books and records, except as provided herein. Fees apply if copies are required, or other expenses incurred.
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 Article XIV 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 Polk County Clerk. The request must contain an election either to inspect the books and records before obtaining copies or have the Property Owners' Association forward

copies of the requested books and records. If an inspection is requested, the Association, on or before the 10th business day after the date the Association receives the request, shall send written notice of dates during normal business hours that the owner may inspect the requested books and records to the extent those books and records are in the possession, custody, or control of the Association. If copies of identified books and record are requested, the Association shall, to the extent those books and records are in the possession, custody, or control of the Association, produce the requested books and records for the requesting party on or before the 10th business day after the date the association receives the request, except as otherwise provided by Section 209.005 of the Texas Property Code.

5. If the Association is unable to produce the books or records requested under Article XIV, Section 4, on or before the 10th business day after the date the Association receives the request, the Association will provide to the requestor written notice that:
 - (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 Property Owners' Association to copy and forward to the requesting party.
7. The Association may produce books and records requested under this section in hard copy, electronic, or other format reasonably available to the Association.
8. The Board of Directors shall adopt a records production and copying policy that prescribes the costs the Association will charge for the compilation, production, and reproduction of information requested under this section. The prescribed charges may include all reasonable costs of materials, labor, and overhead but may not exceed costs that would be applicable for an item under 1 T.A.C. Section 70.3. The policy required by this subsection shall be recorded as a dedicatory instrument in accordance with Section 202.006, Texas Property Code. The Association may not charge an owner for the compilation, production, or reproduction of information requested under this section unless the policy prescribing those costs has been recorded as required by the Association's Records Policy filed with the Polk County Clerk. An owner is responsible for costs related to the compilation, production, and reproduction of the requested information in the amounts prescribed by the policy adopted under this Bylaw. The Association may require advance payment of the estimated costs of compilation, production, and reproduction of the requested information. If the estimated costs are lesser or greater than the actual costs, the Association shall submit a final invoice to the owner on or before the 30th business day after the date the information is delivered. If the final invoice includes additional amounts due from the owner, the additional

amounts, if not reimbursed to the Association before the 30th business day after the date the invoice is sent to the owner, may be added to the owner's account as an assessment. If the estimated costs exceeded the final invoice amount, the owner is entitled to a refund, and the refund shall be issued to the owner not later than the 30th business day after the date the invoice is sent to the owner.

9. A Property Owners' Association must estimate costs under this section using amounts prescribed by the policy adopted under Section 8 of this Article XIV.
10. Except as provided by this Article XIV, and to the extent the information is provided in the meeting minutes, the Association is not required to release or allow inspection of any books or records that identify the dedicatory instrument violation history of an individual owner of an association, an owner's personal financial information, including records of payment or nonpayment of amounts due to the Association, an owner's contact information, other than the owner's address, or information related to an employee of the Association, including personnel files. Information may be released in an aggregate or summary manner that would not identify an individual property owner.
11. The books and records described by Section 10 of this Article XIV shall be released or made available for inspection if:
 - (a) the express written approval of the owner whose records are the subject of the request for inspection is provided to the Property Owners' Association; or
 - (b) a court orders the release of the books and records or orders that the books and records be made available for inspection.
12. The Board shall adopt and comply with a document retention policy that includes, at a minimum, the following requirements:
 - (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 (7) years;
 - (c) account records of current owners shall be retained for five (5) years;
 - (d) contracts with a term of one year or more shall be retained for four (4) years after the expiration of the contract term;
 - (e) minutes of meetings of the owners and the Board shall be retained for seven (7) years; and
 - (f) tax returns and audit records shall be retained for seven (7) years.
 - (g) Election documents including ballots, ballot tabulation reports, inbound envelopes containing completed ballots, and recount documents shall be retained for seven (7) years.
13. A member of the Association who is denied access to or copies of Association books or records to which the member is entitled under this Article XIV of these Bylaws may file a petition with the justice of the peace of a justice precinct in which all or part of the property that is governed by the Association is located requesting relief in accordance with Article XIV of these Bylaws. If the justice of the peace finds that the member is

entitled to access to or copies of the records, the justice of the peace may grant one or more of the following remedies:

- (a) a judgment ordering the Property Owners' Association to release or allow access to the books or records;
 - (b) a judgment against the Property Owners' Association for court costs and attorney's fees incurred in connection with seeking a remedy under this section; or
 - (c) a judgment authorizing the owner or the owner's assignee to deduct the amounts awarded under Subdivision (2) from any future regular or special assessments payable to the Property Owners' Association.
14. If the Property Owners' Association prevails in an action under Section 13 of this Article XIV of the Bylaws, the Association is entitled to a judgment for court costs and attorney's fees incurred by the Association in connection with the action.
 15. On or before the 10th business day before the date a person brings an action against the Association under this section, the person must send written notice to the Association of the persons intent to bring the action. The notice must:
 - (a) be sent certified mail, return receipt requested, or delivered by the United States Postal Service with signature confirmation service to the mailing address of the Association or authorized representative as reflected on the most current management certificate filed under Section 209.004; and
 - (b) describe with sufficient detail the books and records being requested.
 16. For the purposes of this Article XIV of these Bylaws, "business day" means a day other than Saturday, Sunday, or a state or federal holiday.
 17. THPOA will charge a fee of \$375.00 to assemble, copy, and deliver the information subject to Section 207.0036-207.004, Texas Property Code, and may charge a reasonable and necessary fee, not to exceed \$75.00, for prepare and deliver an update of a resale certificate.

ARTICLE XV – Miscellaneous; Fiscal Matters

1. 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.
2. 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.
3. 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.
4. Fiscal Year. The fiscal year of the Association shall be fixed by resolution of the Board

of Directors.

5. Seal. The corporate seal, if any, shall be in such form as may be determined by the Board of Directors. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.
6. Indemnification. Except as may otherwise be provided Article 1396-2.22A, Texas Non-Profit Corporations Act, and/or Section 8.051, Texas Business Organizations Code, or as may be ordered by a court pursuant to Section 8.052, Texas Business Organizations Code, or by Article 1396-2.22A, Texas Non-Profit Corporations Act, the Association shall indemnify any Director, Officer, or employees of the Association, against expenses actually and necessarily incurred by them and any amount paid in satisfaction of judgements in connection with any action, suit or proceedings, whether civil or criminal in nature, in which they are 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 them) except in relation to matters as to which they shall be judged in such action, suit, or proceedings to be liable for gross negligence or willful misconduct in the performance of duty. The Association may also reimburse to any Director, Officer or employee the reasonable costs of settlement of any such action, suit or proceedings, if it shall be found by a majority of a committee of the Directors not involved in the matter in controversy, whether or not a quorum, that it was in the interest of the Association that such settlement be made and that such Director, Officer or employee was not guilty of gross negligence or willful misconduct. Such rights of indemnification and reimbursement shall not be deemed exclusive of any other rights to which such Director, Officer, or employee may be entitled by law or under any Bylaw, agreement, vote of Members or otherwise. Nothing in this Section shall prevent permissive indemnification as authorized by Section 8.01 through 8.152, Texas Business Organizations Code, or by Article 1396-2.22A, Texas Non-Profit Corporations Act.
7. 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 publicly accessible website: <http://www.twinharborslakelivingston.com/index.htm>. Subject to Section 207.006, Texas Property Code.
8. Texas Property Code Controls. To the extent that any of these Bylaws conflict with the provisions of the Texas Property Code and/or the Texas Non-Profit Corporations Act and/or the Texas Business Organizations Code, as may be amended from time to time by the Texas Legislature, the Texas Property Code and/or the Texas Non-Profit Corporations Act and/or the Texas Business Organizations Code shall control.

ARTICLE XVI – Other Issues

1. THPOA has adopted an installment payment plan for property owners delinquent in the payment of their amounts owing to the Association. The minimum payment period, at no interest, is three (3) months and the payment period can extend up to eighteen

- (18) months or longer at the choice of the Treasurer of the THPOA. A property owner cannot enter into a payment plan more than once in any twelve (12) month period.
2. Foreclosing on property owner debt to THPOA, subject to Section 209.009, Texas Property Code. THPOA is precluded from foreclosing on property owner debt to THPOA if the debt consists of fines, attorney fees associated with the fines, unpaid costs of producing records, and un-reimbursed costs of conducting a vote recount.
 3. THPOA will not restrict or prohibit a homeowner from owning, operating, installing, or maintaining a permanently installed standby electric generator subject to Section 202.019 of the Texas Property Code.
 4. THPOA will not prohibit a homeowner from displaying or affixing on the owner's or resident's property or dwelling one or more religious items subject to Section 202.018, Texas Property Code.
 5. THPOA will not prohibit a homeowner implementing measures promoting solid-waste composting of vegetation, including grass clippings, leaves, or brush, or leaving grass clippings uncollected on grass on the owner's or resident's property or dwelling subject to Section 202.007 of the Texas Property Code:
 - (a) Installing rain barrels or a rainwater harvesting system;
 - (b) Implementing efficient irrigation system, including underground drip or other drip systems; or
 - (c) Using drought-resistant landscaping or water-conserving natural turf.
 6. THPOA will not prohibit a homeowner from owning, operating, installing, or maintaining a solar energy device subject to Section 202.010 of the Texas Property Code.
 7. THPOA will not prohibit a homeowner from the display, subject to Section 202.012 of the Texas Property Code of:
 - (a) The flag of the United States of America;
 - (b) The flag of the State of Texas; or
 - (c) An official or replica flag of any branch of the United States armed forces.
 8. THPOA will not restrict or prohibit a person or has the effect of prohibiting or restricting any person who is otherwise authorized from lawfully possessing, transporting, or storing a firearm, any part of a firearm, or firearm ammunition, as well as the otherwise lawful discharge of a firearm, subject to Section 202.020 of the Texas Property Code.
 9. THPOA will not prohibit or regulate, including by requiring a permit or fee, the occasional sale of lemonade or other nonalcoholic beverages from a stand on property located in the subdivision by an individual younger than 18 years of age who has the permission of a property owner in the subdivision for the sale, subject to Section 202.020 of the Texas Property Code.

10. THPOA will not prohibit a homeowner from owning, operating, installing, or maintaining a swimming pool enclosure. A swimming pool enclosure means a fence that surrounds a water feature, including a swimming pool or spa; subject to Section 202.022, Texas Property Code, and administered by the ARA.
11. THPOA will not prohibit a homeowner from owning, operating, installing, or maintaining security measures, including but not limited to a security camera, motion detector, or perimeter fence subject to Section 202.023 of the Texas Property Code, and administered by the ARA.
12. THPOA will not require a prospective tenant to be submitted to and approved for tenancy by the THPOA. THPOA will not require a consumer credit report for a prospective tenant or the rental application submitted by the prospective tenant to the property owner to be submitted to the THPOA. However, THPOA will require a copy of the lease or rental agreement and any sensitive personal information may be redacted or otherwise made unreadable or indecipherable. "Sensitive personal information" means an individual's:
 - (a) Social Security number;
 - (b) Driver's license number;
 - (c) Government issued identification number; or
 - (d) Account, credit card, or debit card number.
13. THPOA will not adopt or enforce a provision in a dedicatory instrument that prohibits or restricts the owner of a lot on which a residence is located from using for residential purposes an adjacent lot owned by the property owner, subject to Section 209.015 of the Texas Property Code.

ARTICLE XVII - Amendment of Bylaws

The power to alter, amend or repeal these Bylaws or to adopt new Bylaws shall be vested in the Board of Directors. Such alteration, amendment or repeal may be accomplished by the Board of Directors by a simple majority vote **of the Board** at any regular or special Board meeting in which a quorum is present by the affirmative vote of a simple majority of the votes present in person provided that notice of the intention to act upon such matter shall have been given in the notice calling such meeting and provided any such amendments are not in conflict with the terms and provisions of the Restrictions or the Articles of Incorporation.

A draft of changes to the Bylaws will be posted to the THPOA website and property owners will be allowed thirty (30) days to submit written comments on the proposed changes, prior to the regular or special Board meeting, where approval of the changes to the Bylaws is on the agenda. The method to submit comments will be provided with the posting of the draft.

These Bylaws will be modified subject to changes to the Texas Property Code, or other applicable state law in such time as to meet the effective date of the particular change in law.

THESE BYLAWS have been voted on and adopted by a majority vote at which a quorum was had by the Board of Directors of the Association on _____, 2022.

_____, President

ATTEST:

_____, Secretary

THE STATE OF TEXAS

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COUNTY OF POLK

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This instrument was acknowledged before me on the _____ day of _____, 2022, by _____, President, TWIN HARBORS "ON LAKE LIVINGSTON" PROPERTY OWNERS ASSOCIATION, INC., a Texas non-profit corporation on behalf of said corporation.

Notary Public, State of Texas