

AMENDED AND RESTATED BYLAWS
of
WESTERN LAKE ESTATES OWNERS ASSOCIATION
(a Texas Nonprofit Corporation)

Effective Date: July 1, 2026

This Amended and Restated Bylaws of Western Lake Estates Owners Association (a/k/a “WLE Association”), a Texas non-profit corporation, is made to be effective on the 1st day of July, 2026 by the qualified voting members, in accordance with the By-Laws of Western Lake Estates Owners Association, last revised on October 22, 2005. Western Lakes Owners Association, a Texas Non-profit corporation, (herein after referred to as the “**Association**” of the Western Lake Estates subdivision, an Addition to the Parker County, Texas), being duly authorized, hereby amends and replaces in their entirety the By-laws of Western Lakes Owners Association, revised and executed on October 22, 2005 (hereinafter referred to as the “**Bylaws**”) which have since served as the official Bylaws of the Association, although they were not recorded in the Official Public Records of Parker County, Texas.

WHEREAS, Western Lake Estates Owners Association, a Texas Non-profit Corporation, was chartered and designated as File Number 27350201 by the Secretary of State of Texas on the 20th day of March, 1970 to be the Owners Association for the property platted as Western Lake Estates (referred to herein as “**WLE**”) in six phases designated as **Sections A, B, C, D, E and F**, an Addition to Parker County, Texas. Except in the case of the lots listed in the **Schedule of Platted Sections** below as having been “designated as commercial and/or residential,” all of the other lots in WLE are restricted to “single family residential or mobile home-residential combination, except that acreage lots (lots comprising 40,000 square feet or more) are restricted mobile and/or residential, but may include more than one mobile home or residence.” The six WLE phases are platted according to the individual Final Plats of Sections A, B, C, D, E and F, variously dated, recorded and restricted in the Plat Records of Parker County, Texas.

RESOLVED, that a majority of the Association’s Members and the full Board of Directors, as of the Effective Date herein, hereby clarify, approve and restrict the following specific platted lots to be permitted for Commercial uses, and in some cases also permitted to be Residential, as follows:

Schedule of Platted Commercial/Residential Lots
in the Plat Records of Parker County, Texas

- A. All platted lots 12 – 40, Blk 01, Section A, along Tin Top Road are classified as Commercial/Residential. For additional clarification, Lots 38 and 39 are the location of a Restaurant and Liquor Store. Lot 40 was the location of the former Liquor Store and U-haul store.
- B. Lot 1 – 11, Blk 01, Section A, along Hitching Post Drive are only classified as Residential, not Commercial.
- C. Lot 1 & 2, Blk 04, Section A, are, as of the effective of these Bylaws, classified as Commercial/Residential.
- D. Lot 7, Blk 02, Section A, a former Church, now vacant, is only classified as Residential.

The generally platted Sections A through F are listed as follows:

<u>Final Platted Sections</u>	<u>Date Recorded</u>	<u>Parker County Volume & Page</u>
Section A, Blocks 1 – 19	July 9, 1970	Volume 14, Page 248
<u>Section A – Lots restricted as Commercial and/or Residential:</u>		
Section A, Blocks 1 – 22	December 29, 1970	Document #5359
Block 13, Lots 24 – 27-A & Lots 38 - 84		
Section A, Block 17, Lots 1A, 2A ,3A, 4A	June 11, 1973	Document #22031
Section B, Blocks 1 – 19	July 9, 1970	Volume 14, Page 248
Section B, Block 01 - 22	December 12, 1970	Document #5154
revision of Lots 1A,2A,3A,4A	October 8, 1973	
Section B, Block 12, Lots 16R & 17R	May 9, 1972	Cabinet F, Slide 227
Section B, Block 16, Lots A - G	June 11, 1973	Document #22033
Section C	July 30, 1971	Document #3521
Section D, Lots 1 - 111	August 25, 1972	Document # 16072
Section D, revision of Lot 100	Revised June 4, 1973	Volume 360A, Page 19
Section D, revision of Lot 24R	July 8, 2024	Document #202417402
Section D, revision of Lots 35R-1 & 35R-2	December 26, 2024	Document #202433671
Section E, Lots 1 - 275	June 4, 1973	Volume 360A, Page 19
Section F, Lots 1 - 153	June 11, 1973	Document #22031
Section F, revision of Lots 1 – 153	Revised October 8, 1973	Document 25566

WHEREAS, following the Developer / Declarant Control Transfer Assignment to Western Lake Estates Owners Association (“Association”), it was determined that the Revised By-laws of the Association, executed on the 22nd day of October 2005 (herein the “**Bylaws**”), although not recorded in the Deed Records of Parker County, Texas, were accepted by the Association’s Board of Directors and a majority of the Members as the governing By-Laws of the Association. It was acknowledged by the current Board of Directors that the revised October 22, 2005 By-laws were however not in full compliance with the Texas Property Code, as amended, and required this Amendment to update and to modify and amend and restate the Bylaws in their entirety, as set forth herein; and

WHEREAS, as required in Section 2. C. of the Association’s last revised By-Laws adopted and effective on October 22, 2005, these Amended and Restated Bylaws of Western Lake Estates Owners Association, a Texas Non-profit Corporation, were approved, effective June 1, 2026, by the Unanimous Consent of the members of the Board of Directors of the Association, and approved by a majority of the Members of the Association casting ballots in the Spring, 2026 Semi-Annual Meeting of the Association held on the 4th Saturday in April, 2026, being April 25, 2026, as required in Article One, Section 2. C. of

the Association’s last revised By-Laws adopted and effective on October 22, 2005, subject to and upon proper filing in the Parker County, Texas Real Property Records; and

NOW THEREFORE, the By-laws of Western Lake Estates Owners Association are hereby amended, restated and replaced in their entirety with these Amended and Restated Bylaws, as follows:

ARTICLE 1
INTRODUCTION

WHEREAS, it was announced by the Association’s Board of Directors that the Western Lake Estates Owners Association, a Texas nonprofit corporation, that these Amended and Restated Bylaws (the “Bylaws”) were approved unanimously by the Association’s Board of Directors by the attached Exhibit A “Unanimous Consent of the Board of Directors.” Article Seven, Section 1 of the October 22, 2005 Revised By-laws provides “These By-Laws or any part thereof may be amended, modified or repealed only by the majority vote and approval of the membership of the Association at the semi-Annual Meetings. Such changes must be submitted to the Association By-Laws Committee in writing forty-five (45) days prior to such meeting. Such change shall be submitted to the membership for approval/disapproval.” The Association’s Board Directors acknowledged that these changes to the October 22, 2005 Revised By-Laws were presented to the By-Laws Committee on December 26, 2025. In accordance with Article One, Section 2. Voting Classes c. of the October 22, 2005 Revised By-Laws, “The vote of a majority of the total votes cast by qualified voting members Present in person or by delivered absentee ballot shall decide any question brought before each meeting.” Following the vote of the qualified voting members, these Amended and Restated Bylaws, amending and restating in their entirety the October 22, 2005 By-Laws shall thereupon become effective on the 1st day of May, 2026 as the Association’s Bylaws upon proper filing in the Parker County, Texas real property records.

NOW, THEREFORE, in compliance with the October 22, 2005 Revised By-Laws provisions cited above, upon votes of the full Board of Directors and the Association Members, the Western Lake Estates Owners Association, a Texas Non-profit corporation, has approved the adoption of these Amended and Restated Bylaws of the Western Lake Estates Owners Association, as certified by the Association, as follows:

ARTICLE 1
INTRODUCTION

1.1. **PROPERTY**. These Bylaws provide for the governance in the development known as “Western Lake Estates” located in Parker County, Texas, comprised of six Western Lake Estates phases platted according to the individual Final Plats of Sections A, B, C, D, E and F, variously dated, recorded and restricted in the Plat Records of Parker County, Texas, referenced hereinabove. Such Sections A, B, C, D, E and F of the subdivision are variously restricted to single family, residential and commercial development of single family residential or mobile home-residential combination, except that acreage lots (lots comprising 40,000 square feet or more) are restricted mobile and/or residential, but may include more than one mobile home or residence.

1.2. **PARTIES TO BYLAWS**. All present or future lot owners and all other persons who use or occupy the Property in any manner, including all present or future residents or tenants occupying any Lot, or any

other person who might reside in the Property or use in any manner the facilities of the Property, are subject to these Bylaws, the Final Plats and Restrictions of Sections A, B, C, D, E and F of the subdivision, any adopted and recorded Rules & Regulations and the other Governing Documents, as defined in these Bylaws and recorded in the real property records of Parker County, Texas. The mere ownership or acquisition of a lot or occupancy of a dwelling will signify that these Bylaws are accepted, ratified, and will be strictly followed.

1.3. **DEFINITIONS.** Words and phrases defined in the recorded Restrictions for Sections A, B, C, D, E and F have the same meanings when used in these Bylaws.

1.4. **NONPROFIT PURPOSE.** The Association is organized to be a nonprofit corporation in the State of Texas.

1.5. **DECLARANT TRANSFER OF CONTROL ACKNOWLEDGED.** Due to the acknowledged Declarant Transfer of Control to the Association Membership over ten years ago, the “Declarant Control Period,” including the number, qualification, appointment, removal, and replacement of directors, as well as the weight of votes allocated to lots owned by Declarant, has expired.

1.6. **GENERAL POWERS AND DUTIES.** The Association, acting through the Board, has the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Property as may be required or permitted by the Governing Documents and the Texas Property Code and the Texas Non-profit Corporation Act. The Association may do any and all things that are lawful and which are necessary, proper, or desirable in operating for the best interests of its Members, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Governing Documents.

1.7. **PURPOSE OF BYLAWS.** These Bylaws of Western Lake Estates Owners Association provide for the governance of the single-family, residential and commercial project known as the Western Lake Estates Addition to Parker County, Texas,” subject to and more fully described in the various Final Plats and Restrictions referenced above and recorded in the Real Property Records of Parker County, Texas, as amended from time to time.

1.8. **COMPLIANCE WITH STATE LAW.** The Association is committed to complying with all provisions of federal and state laws applicable to it as a Texas Non-profit corporation and a property owners association, as that term is defined in Texas Property Code Section 209.002(7). In the event any provisions of the Association’s governing documents (including, but not limited to, the Restrictions, the Bylaws, and the Rules & Regulations) conflict with applicable law, the Association shall follow applicable law.

1.9. **DEFINITIONS.** Words and phrases defined in the Declaration shall have the same meanings when used in these Bylaws. The following words and phrases shall have specified meanings when used in these Bylaws:

1.9.1. **“Association”.** This identifies Western Lake Estates Owners Association.

1.9.2. **“Board” and “Board of Directors”** means the governing body of Western Lake Estates Owners Association.

1.9.3. **“Director”**. Means a member of the Board of Directors of the Association.

1.9.4. **“Governing Documents” or “Dedictory instrument”**. means each governing instrument covering the establishment, maintenance, and operation of the Western Lake Estates Addition and the Association. The term includes restrictions or similar instruments subjecting property to all properly adopted and recorded Declaration of Covenants, Conditions and Restrictions, Bylaws, and Rules and Regulations, or similar instruments governing the administration or operation of the Association, and to all lawful amendments thereto.

1.9.5. **“Lot”**. means any designated parcel of land located in the Western Lake Estates Addition, including any improvements on the designated parcels, unless superseded by operation of law.

1.9.6. **“Majority”**. means “The vote of a majority of the total votes cast by qualified voting members Present in person or by delivered absentee ballot shall decide any question brought before each meeting, the respective member to have such number of votes as provided herein. The total vote shall be at least five percent (5%) of the eligible membership plus the Board of Directors.” The definition of “Majority” continues to be as required in Article One, Section 2. C. of the Association’s last revised By-Laws adopted and effective on October 22, 2005.

1.9.7. **“Member”**. means a member of the Association, each Member being a lot owner, unless the context indicates that member means a member of the Board of Directors or a member of a Committee of the Association.

1.9.8. **“Officer”**. means an officer of the Association. “President,” “Secretary,” “Assistant Secretary,” “Treasurer,” and “Vice-President” mean, respectively, the president, secretary, assistant-secretary, treasurer, and vice-president of the Association.

1.9.9. **“Owner”**. means a person who holds record title to property in the Western Lake Estates Addition and includes the personal representative of a person who holds record title to property in the Western Lake Estates Addition.

1.9.10. **“Resident”**. means the occupant of a single family residence or commercial building built upon a lot located within the Western Lake Estates Addition, whether or not such occupant is a homeowner or an owner of the lot.

1.9.11. **“Restrictions”**. include restrictive covenants contained or incorporated by reference in a properly recorded map, plat, amending plat, replat, declaration, or other instrument filed in the real property records or map or Plat Records of Parker County, Texas. The term includes any amendment or extension of the Plats or Restrictions of Sections A, B, C, D, E and F of the subdivision, as set forth above, and/or as recorded in the Plat or Real Property Records of Parker County, Texas.

1.9.12. **“Restrictive covenant”**. Means any covenant, condition, or restriction contained in a dedicatory instrument, whether mandatory, prohibitive, permissive, or administrative.

1.9.13. **“Verified Mail”**. Means any method of mailing for which evidence of mailing is provided by the United States Postal Service or provided by a common carrier.

1.10. **NONPROFIT PURPOSE.** The Association is not organized for profit.

1.11. **COMPENSATION.** A Director, Officer, Member, or resident shall not be entitled to receive any pecuniary profit from the operation of the Association, and no funds or assets of the Association may be paid as a salary or as compensation to, or be distributed to, or inure to the benefit of a Director, Officer, Member, or resident; provided, however:

1.11.1. **Reasonable Compensation.** That reasonable compensation, approved by the Association's Board of Directors, may be paid to a Director, Officer, Member, or resident for services rendered to the Association; and

1.11.2. **Expense Reimbursements.** That a Director, Officer, Member, or resident may, from time to time, be reimbursed for his actual and reasonable expenses incurred on behalf of the Association in connection with the administration of the affairs of the Association, provided such expense has been approved by the Association's Board.

1.12. **GENERAL POWERS AND DUTIES.** The Association, acting through the Board, shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Western Lake Estates Addition and the Western Lake Estates Owners Association, as may be required or permitted by the governing documents and local and State law. The Association may do any and all things that are lawful and which are necessary, proper, or desirable in operating for the best interests of its Members, subject only to the limitations upon the exercise of such powers as are expressly set forth in the governing documents.

ARTICLE 2

BOARD OF DIRECTORS

2.1. **NUMBER AND TERM OF OFFICE.** The Board of Directors (the "Board") shall consist of at least three, but no more than seven persons. At the Spring Semi-Annual Meeting, the Members shall elect one Director for a term of one year, one Director for a term of two years, and one Director for a term of three years. At each Spring Semi-Annual Meeting thereafter, the Members shall elect one Director for a term of three years. A Director takes office upon the adjournment of the meeting or balloting at which he or she is elected or appointed and, absent death, ineligibility, resignation, or removal, will hold office until his or her successor is elected or appointed. The number of Directors may be changed by amendment of these Bylaws, but shall not be less than three.

2.2. **QUALIFICATION.** Any person or owner of a company shall be ineligible for election or appointment to the Board, including (a) if any person or owner of a company is not a member in good standing with the Association for at least three (3) months prior to accepting a term as Director; or (b) if any such person or corporation have been convicted of a felony or crime involving moral turpitude within the most recent 20 years. Consistent with Section 4.c. of the October 22, 2005 Revised By-laws, "No member who is in arrears for more than (30) days in respect to maintenance in the Western Lake Estates Sub-Division, or in any other assessments and/or accounts of the Association, shall be entitled to the privileges and use of the facilities and properties in this Section 4.c." In such cases, the Board member is immediately ineligible to serve on the Board, automatically considered removed from the Board, and

prohibited from future service on the Board. Any other provision in a dedicatory instrument that restricts a property owner's right to run for a position on the Board of the Association is void. (See Section 209.00591 of the Texas Property Code.)

2.2.1. **Entity Member.** If a lot is owned by a legal entity, such as a partnership or corporation, any officer, partner, or employee or authorized attorney-in-fact of that entity member shall be eligible to serve as a Director. If the relationship between the entity member and the director representing it terminates, that directorship shall be deemed vacant, and the entity shall be entitled to designate a Successor Director.

2.2.2. **Co-Owners.** Co-owners of a single lot may not serve as Directors on the Board at the same time, nor may one of the co-owners of a single lot serve as an Officer and another serve as a Director at the same time. Board members may however serve as members of any Association Committee.

2.3. **ELECTION.** Directors shall be elected by the Members. The election of Directors shall be conducted at the Annual Meeting of the Association, at any Special Meeting of the Association called for that purpose, by the Notice & Agenda of the meeting delivered by mail, email, facsimile transmission, posting on a sign of the Notice & Agenda of the meeting on the Western Lake Estates Owners Association' website, or in a Common Area, or a combination of at least two of such types of notices.

2.4. **VACANCIES.** Vacancies on the Board caused by a Board member's unexcused (by the President) absence from 2 consecutive regular meetings resignation, death, disability or ineligibility under these Bylaws shall be filled by appointment by a majority of the remaining Directors, even though less than a quorum, at any meeting of the Board. Each Director so appointed shall serve out the remaining term of his predecessor.

2.5. **REMOVAL OF DIRECTORS.** At any Semi-Annual Meeting or Special Meeting of the Association, any one or more of the Directors may be removed with or without cause by Members representing at least seventy-five percent (75%) of the votes present in person or by proxy at such meeting, and a successor shall then and there be elected to fill the vacancy thus created. At any Open Board Meeting of the Association, any one or more of the Directors may be removed with cause by members of the Board of Directors representing at least seventy-five percent (75%) of the votes present in person at such meeting, and a successor shall then and there be appointed by the Board to fill the vacancy thus created. Any Director whose removal has been proposed by the Members or by the Board of Directors shall be given an opportunity to be heard at the meeting.

2.6. **MEETINGS OF THE BOARD.** "Board meeting" means a deliberation between a quorum of the voting Board of the Association, or between a quorum of the voting Board and another person, during which Association business is considered and the Board takes formal action. It does not include the gathering of a quorum of the Board at a social function unrelated to the business of the Association, or an informal gathering of members of the Board to discuss the administration, management and operations of the Western Lake Estates Addition or the Association if no formal action is taken, or the attendance by a quorum of the Board 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.

2.6.1. **Organizational Meeting of The Board.** Within 10 days after the Western Lake Estates Owners Association's Spring Semi-Annual Members Meeting (held on the 4th Saturday in April annually), the Directors shall convene an Annual Organizational Meeting for the purpose of electing Officers, appointing members to Committees (if and in the sole discretion of the Board of Directors). The time and place of such meeting shall be fixed by the Board and announced to the Members and to the Directors.

2.6.2. **Regular Meetings of The Board.** Monthly Board of Directors Meetings will normally be held on the second Tuesday of each month at 7:00 p.m. Regular Meetings of the Board may be held at such other time and place as shall be determined, from time to time, by the Board, but at least one such meeting shall be held each calendar quarter. Notice of Regular Meetings of the Board shall be given to each Director, personally or by telephone or written communication, at least three days prior to the date of such meeting.

2.6.3. **Special Meetings of The Board.** Special Meetings of the Board may be called by the President or, if he is absent or refuses to act, the Secretary, or by any two Directors. At least three days notice shall be given to each Director, personally or by telephone or written communication, which notice shall state the place, time, and purpose of such meeting. To constitute a legal meeting to conduct Association business, a quorum of four (4) members of the Board of Directors must be present at the meeting.

2.6.4. **Conduct of Meetings.** The President shall preside over all meetings of the Board and the Secretary shall keep, or cause to be kept, a record of all resolutions adopted by the Board and a record of all transactions and proceedings occurring at such meetings. When not in conflict with law or the governing documents, the then current edition of Robert's Rules of Order shall govern the conduct of the meetings of the Board.

2.6.5. **Quorum.** At all meetings of the Board, a majority of Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board. If less than a quorum is present at any meeting of the Board, the majority of those present may adjourn the meeting from time to time. At any such reconvened meeting at which a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

2.6.6. **Open Meetings.** Regular and Special Board meetings shall be open to property owners, subject to the right of the Board to adjourn a Board meeting and reconvene in closed Executive Session. Except for a meeting held by electronic or telephonic means, Board meetings must be held in Parker County, Texas or in a county that is adjacent to Parker County.

2.6.7. **Executive Session.** The Board may adjourn a Board meeting and reconvene in closed Executive Session to consider actions involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, confidential communications with the Association's attorney, matters involving the invasion of privacy of individual owners, or matters that are to remain confidential by request of the affected parties and agreement of the Board. Following an Executive

Session, any decision made in the Executive Session must be summarized orally and placed in the minutes, in general terms, without breaching the privacy of individual owners, violating any privilege, or disclosing information that was to remain confidential at the request of the affected parties. The oral summary must include a general explanation of expenditures approved in Executive Session.

2.6.8. **Minutes.** The Board shall keep a record of each Regular or Special Board meeting in the form of written minutes of the meeting. The Board shall make meeting records, including approved minutes, available to any Member for inspection and copying on the Member's written request to the Association Board or its managing agent at the address appearing on the most recently filed Management Certificate.

2.6.9. **Meeting Recessed to Following Day.** If the Board recesses a Regular or Special Board meeting to continue the following regular business day, the Board 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 meeting is continued to the following regular business day, and on that following day the Board continues the meeting to another day, the Board shall give notice of the continuation in at least one manner prescribed above within two hours after adjourning the meeting being continued.

2.6.10. **Meeting Without Prior Notice.** The Board may meet by any method of communication, including electronic and telephonic, without prior notice to owners, if each Director may hear and be heard by every other Director, or the Board may take action by unanimous written consent, to consider a reasonably unforeseen emergency or urgent necessity that requires immediate Board action. Any action taken without notice to owners 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 meeting. The board MAY NOT, without prior notice to owners, or by unanimous written consent, consider or vote on:

- a. **finances;**
- b. **damage assessments;**
- c. **initiation of foreclosure actions;**
- d. **initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety;**
- e. **increases in assessments;**
- f. **levying of special assessments;**
- g. **appeals from a denial of architectural control approval;**
- h. **a suspension of a right of a particular owner before the owner has an opportunity to attend a Board meeting to present the owner's position, including any defense, on the issue; or**

- i. any expenditure or financial action unrelated to the reasonably unforeseen emergency or urgent necessity that led to the Board meeting.
- j. lending or borrowing money.
- k. the adoption or amendment of a dedicatory instrument.
- l. the approval of an annual budget or the approval of an amendment of an annual budget that increases the budget by an amount equal to the greater of the amount of the then existing or otherwise anticipated actual operating expenses of the Association, plus a five percent (5%) contingency of the actual operating expenses, or increases the budget by more than ten percent (10%) of the existing budget, whichever is larger. For the purposes of this provision, “operating expenses of the Association” shall mean all expenses of the Association with the exception of allocations of funds or assessments into the Association’s Reserve accounts;
- m. the sale or purchase of real property;
- n. the filling of a vacancy on the Board of Directors;
- o. the construction of capital improvements other than the repair, replacement, or enhancement of existing capital improvements; and
- p. the election of an officer.

2.7. **POWERS AND DUTIES.** The Board shall have all the powers and duties necessary for the administration of the Association, including without limitation those referenced in the Declaration. The Board may do all such acts and things except those which by law or the governing documents are reserved to the Members and may not be delegated to the Board.

2.7.1. **Appointment Of Committees.** The Board, by resolution, may from time to time designate standing or ad hoc committees to advise or assist the Board with its responsibilities, including without limitation an Architectural Control Committee per the Declaration. The resolution shall establish the purposes and powers of each committee created, provide for the appointment of its members, as well as a chairman, and shall provide for reports, termination, and other administrative matters deemed appropriate by the Board. Members of committees shall be appointed from among the owners and residents.

2.7.2. **Membership Eligibility on the Architectural Control Committee.** According to Section 209.00505 of the Texas Property Code, as amended by Acts 2025, 89th Legislature, Chapter 10, (S.B. 711), Section 6, effective September 1, 2025, Section 209.00506 does not apply during a development period or during any period in which the Declarant either appoints at least a majority of the members of the architectural review authority or otherwise controls the appointment of the architectural review authority; or has the right to veto or modify a decision of the architectural review authority. However, subject to this above-stated exception, Section 209.00506 c provides that a person may not be appointed or elected to serve on an

architectural review authority if the person is: (1) a current board member; (2) a current board member's spouse; or (3) a person residing in a current board member's household.

2.7.3. **Manager.** The Board may employ a Manager or Managing Agent for the Association, at a compensation established by the Board, to perform duties and services authorized by the Board.

2.7.4. **Fines.** The Board may levy fines per Section entitled 'Fines' hereof.

2.7.5. **Delinquent Accounts.** The Board may establish, levy, and collect reasonable late charges for members' delinquent accounts in accordance with the Declaration and applicable law. The Board may also establish a rate of interest to be charged on Members' delinquent accounts, provided the rate of interest does not exceed 18 percent or the maximum rate permitted by State law, whichever is smaller.

ARTICLE 3 **OFFICERS**

3.1. **DESIGNATION.** The principal Officers of the Association shall be the President, the Vice President, the Secretary, and the Treasurer. The Board may appoint one or more Vice Presidents and such other officers and assistant officers as it deems necessary. The President, Treasurer and Secretary shall be Directors. Other Officers may, but need not, be Members or Directors. Any two offices may be held by the same person, except the offices of President and Secretary. If an Officer is absent or unable to act, the Board may appoint a Director to perform the duties of that Officer and to act in place of that Officer, on an interim basis. Except in the case of Declarant during the Declarant Control Period, co-owners of a single lot may not both serve as Officers at the same time, or for one to serve as an Officer and another to serve as a Director at the same time.

3.2. **ELECTION OF OFFICERS.** The principal Officers shall be elected no less than annually by the Directors at the Annual Organizational Meeting of the Board and shall hold office at the pleasure of the Board. Except for resignation or removal, Officers shall hold office until their respective successors have been designated by the Board.

3.3. **REMOVAL AND RESIGNATION OF OFFICERS.** A majority of Directors may remove any Officer, with or without cause, at any Regular Meeting of the Board or at any Special Meeting of the Board called for that purpose. A successor may be elected at any Regular or Special Meeting of the Board called for that purpose. An Officer may resign at any time by giving written notice to the Board. The resignation or removal of an Officer, who is also a Director, does not constitute resignation or removal from the Board.

3.4. **DESCRIPTION OF PRINCIPAL OFFICES.**

3.4.1. **President.** As the Chief Executive Officer of the Association, the President shall: (i) preside at all meetings of the Association and of the Board; (ii) have all the general powers and duties which are usually vested in the office of president of a corporation organized under the laws of the State of Texas; (iii) have general supervision, direction, and control of the business of the Association,

subject to the control of the Board; and (iv) see that all orders and resolutions of the Board are carried into effect.

3.4.2. **Vice President.** The Vice President or Vice Presidents (if one or more are elected) shall be vested with all the powers and be required to perform all duties of the President in his absence, and such other duties as may be prescribed by the Board. In the event there is more than one Vice President, the Board may prescribe the order in which the Vice Presidents shall assume control in the absence of the President.

3.4.3. **Secretary.** The Secretary shall: (i) keep the minutes of all meetings of the Board and of the Association; (ii) have charge of such books, papers, and records as the Board may direct; (iii) maintain a record of the names and addresses of the Members for the mailing of notices; and (iv) in general, perform all duties incident to the offices of Secretary.

3.4.4. **Treasurer.** The Treasurer shall: (i) be responsible for Association funds; (ii) keep full and accurate financial records and books of account showing all receipts and disbursements; (iii) prepare all required financial data and tax returns; (iv) deposit all monies or other valuable effects in the name of the Association in such depositories as may from time to time be designated by the Board; (v) prepare the Annual and Supplemental Budgets of the Association; (vi) review the accounts of the Managing Agent on a monthly basis in the event such Managing Agent is responsible for collecting and disbursing Association funds; and (vii) perform all the duties incident to the office of Treasurer.

3.5. **AUTHORIZED AGENTS.** Except when the governing documents require execution of certain instruments by certain individuals, the Board may authorize any person to execute instruments on behalf of the Association. In the absence of Board designation, the President and the Secretary, acting jointly, shall be the only persons authorized to execute instruments on behalf of the Association.

ARTICLE 4

MEETINGS OF THE ASSOCIATION

4.1. **ANNUAL MEETING.** There shall be two (2) Semi-Annual Meetings of the Association, the Spring Meeting being held on the fourth (4th) Saturday in April, and the Fall Meeting being held on the fourth (4th) Saturday of October. The time of such meetings shall be 1:30 p.m. Notice of such meetings is to be delivered to Members on March 31st and September 30th of each calendar year, or on an alternative date designated at the discretion of the Board. At the Spring Semi-Annual Meetings, the Members shall elect Directors in accordance with these Bylaws. The Members may also transact such other business of the Association as may properly come before them.

4.1.1. **Mandatory Election Required After Failure to Call Regular Meeting.** Notwithstanding any provision in a dedicatory instrument, the Board of Directors is required to call at least the two Semi-Annual Meetings of the Members of the Association. If the Board does not call either of the Semi-Annual Meetings, 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. The demand must be made in writing and sent by certified mail, return receipt requested, to the Registered Agent of the Association (if any), and to the Association at the address shown on the most recently filed Management Certificate.

A copy of the meeting notice must be sent to each property owner who is a Member of the Association.

- a. **Members' Election Committee.** If the Board does not call a meeting of the Members of the Association on or before the 30th day after the date of a demand as described above, three or more Members may form an election committee. The election committee shall file written notice of the committee's formation with the County Clerk of Parker County. The County Clerk shall enter on the notice the date of filing and record the notice in the county's real property records.
- b. **Election Committee Notice.** A notice filed by an election committee must contain:
 - i. **Notice Electing Board Members.** A statement that an election committee has been formed to call a meeting of owners who are Members of the Western Lake Estates Owners Association for the sole purpose of electing Board members;
 - ii. **Members' Names & Addresses.** The name and residential address of each committee member; and
 - iii. **Subdivision Name.** The name of the subdivision over which the Association has jurisdiction under a dedicatory instrument.
- c. **Members' Notice Acknowledgement.** Each election committee member must sign and acknowledge the notice before a notary or other official authorized to take acknowledgements.
- d. **One Authorized Election Committee.** Only one committee may operate under this Section at one time. If more than one committee 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 (4) months after the date the notice is filed with the county clerk is dissolved by operation of law [Texas Property Code, 209.014.(g)]. An election held or conducted by a dissolved committee is ineffective for any purpose under this Section.
- e. **Committee Call of Board Election.** The election committee may call meetings of the owners who are Members of the Association for the sole purpose of electing Board members. Notice, quorum, and voting provisions contained in the Bylaws apply to any meeting called by the election committee.

4.2. **SPECIAL MEETINGS.** It shall be the duty of the President to call a Special Meeting of the Association if directed to do so by a majority of the Board or by a petition signed by Members representing at least 20 percent of the votes in the Association. Such a meeting shall be held within 30 days after the Board resolution or receipt of petition. The notice of any Special Meeting shall state the time, place, and purpose of such meeting. No business, except the purpose stated in the notice of the meeting, shall be transacted at a Special Meeting.

4.3. **NOTICE OF ELECTION OR ASSOCIATION VOTE.** Written notice of meetings of the Association shall be given to an owner of each lot entitled to vote at least 10 days but not more than 60 days prior to such meeting. Notices of meetings shall state the date, time, and place such meeting is to be

held. Notices shall identify the type of meeting as an Annual or Special meeting, and shall state the particular purpose of a Special Meeting. Notices may also set forth any other items of information deemed appropriate by the Board.

4.4. **RECORD DATES.**

4.4.1. **Determining Notice Eligibility.** The Board shall fix a date as the record date for determining the members entitled to notice of a meeting of the Association. The record date may not be more than 60 days before the date of a meeting of the Association at which members will vote. If a date is not fixed by the Board, the default date shall be ten (10) business days prior to the notice being sent out.

4.4.2. **Determining Voting Eligibility.** The Board shall fix a date as the “Record Date” for determining the Members entitled to vote at a meeting of the Association. The Record Date may not be more than 60 days before the date of a meeting of the Association at which Members will vote. If a date is not fixed by the Board, the default date shall be ten (10) business days prior to the meeting.

4.4.3. **Determining Rights Eligibility.** The Board shall fix a date as the “Record Date” for determining the Members entitled to exercise any rights other than those described in the subsections entitled “DETERMINING NOTICE ELIGIBILITY” and “DETERMINING VOTING ELIGIBILITY”. The Record Date may not be more than 60 days before the date of the action for which eligibility is required, such as nomination to the Board. If a date is not fixed by the Board, the default date shall be ten (10) business days prior to the meeting.

4.4.4. **Adjournments.** A determination of Members entitled to notice of or to vote at a meeting of the Association is effective for any adjournment of the meeting unless the Board fixes a new date for determining the right to notice or the right to vote. The Board must fix a new date for determining the right to notice or the right to vote if the meeting is adjourned to a date more than 90 days after the Record Date for determining Members entitled to notice of the original meeting.

4.5. **VOTING MEMBERS LIST.** The Board shall prepare and make available a list of the Association’s Voting Members in accordance with Art. 1396-2.11B of the Texas Nonprofit Corporation Act.

4.6. **VOTING; QUORUM.** At any meeting of the Association, a quorum shall consist of the presence in person or by proxy, or as otherwise described in Section entitled “Votes” below, of at least five percent (5%) of the Members entitled to cast votes for election of the Board. In accordance with Article One, Section 2. Voting Classes c. of the October 22, 2005 Revised By-Laws, the vote of a majority of the total votes cast by qualified voting members Present in person or by delivered absentee ballots shall decide any question brought before each meeting. Members present at a meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal, during the course of the meeting, of Members constituting a quorum.

4.6.1. **Members’ Voting Rights.** The voting rights of Members may be cast or given:

a. **In-Person.** In person by Voting Ballot or by Proxy at a meeting of the Association;

- b. **Absentee Ballot.** By Absentee Ballot in accordance with these Bylaws;
- c. **Electronic Ballot.** By electronic ballot in accordance with these Bylaws;
- d. **Other Declaration Voting Method.** By any method of representative or delegated voting provided by a dedicatory instrument.

4.6.2. **An Absentee Ballot or Electronic Ballot:**

- a. **Quorum for Ballot Items Only.** May be counted as a Member present and voting for the purpose of establishing a quorum only for items appearing on the ballot;
- b. **Member's Attendance Voids Absentee or Electronic Ballot.** May not be counted, even if properly delivered, if the Member attends any meeting to vote in person, so that any vote cast at a meeting by a property owner supersedes any vote submitted by Absentee Ballot or Electronic Ballot previously submitted for that proposal; AND
- c. **Absentee or Electronic Ballot Vote Invalid on Motion Amendment.** May not be counted on the final vote of a proposal if the motion was amended at the meeting to be different from the exact language on the Absentee Ballot or Electronic Ballot.

4.6.3. **Absentee Ballot Solicitation.** A solicitation for votes by **Absentee Ballot must include:**

- a. **For or Against Proposals.** An Absentee Ballot that contains each proposed action and provides an opportunity to vote for or against each proposed action;
- b. **Absentee Ballot Delivery.** Instructions for delivery of the completed Absentee Ballot, including the delivery location; AND
- c. **Required Absentee Ballot Language.** The following language: "By casting your vote via Absentee Ballot you will forgo the opportunity to consider and vote on any action from the floor on these proposals, if a meeting is held. This means that if there are amendments to these proposals, your votes by Absentee Ballot will not be counted on the final vote on these measures. If you desire to retain this ability, please attend any meeting in person or assign another Member as your Proxy. You may submit an Absentee Ballot and later choose to attend any meeting in person, in which case any in-person vote will prevail."

4.6.4. **Electronic Ballot** means a Voting or Absentee Ballot delivered electronically:

- a. **Ballot Delivery.** Given by email, USPS mail, facsimile or posting on an Internet website;
- b. **Confirm Member's Identity.** For which the identity of the Member submitting the Ballot can be confirmed; AND
- c. **Member's Ballot Receipt.** For which the Member may receive a receipt of the electronic transmission and receipt of the owner's Ballot.

4.6.5. **Website Instructions of Notice.** If an Electronic Ballot is posted on an Internet website, a notice of the posting shall be sent to each owner that contains instructions on obtaining access to the posting on the website.

4.6.6. **Voting, Quorum Provisions Supersede.** This Section (VOTING; QUORUM) supersedes any contrary provision in a dedicatory instrument.

4.7. **Majority of Votes Cast.** The vote of Members representing at least a majority, as defined in Section 1.96 above, of the votes cast by any authorized voting method at any meeting at which a quorum is present shall be binding upon all Members for all purposes, except when a higher percentage is required by these Bylaws, the Declaration, or by law. There shall be no cumulative voting.

4.7.1. **Transfer.** Membership may not be severed from the Property nor may it be in any way transferred, pledged, mortgaged or alienated except upon the sale or assignment of the Owner's interest in all or any part of the Property and then only to the purchaser or assignee as the new Owner thereof.

Membership shall not be severed by the encumbrance by an Owner of all or any part of the Property. Any attempt to make a prohibited severance, transfer, pledge, mortgage or alienation shall be void and of no force or effect, and will be so reflected upon the books and records of the Association. Any transfer of the fee title to a lot, tract or parcel of real estate out of or a part of the Property shall automatically operate to transfer membership to the new Owner thereof. In the event an Owner should fail or refuse to transfer the Association Membership registered in such Owner's name to the transferee, the Association shall have the right to record the transfer upon its books and records.

4.7.2. **Co-Owned Lots.** When more than one person or business entity holds an ownership interest in any lot, all such persons shall be Members and the vote for such a lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any such lot.

4.7.3. **Entity-Owned Lots.** If a lot is owned by a corporation, partnership or limited liability company, trust, or other entity, the vote appurtenant to that lot may be cast by any Officer, Manager, Trustee or General Partner of the entity in the absence of the Association's receipt of express written notice of the designation of a specific person by the Managers/Directors of the owning entity. The person presiding over a meeting or vote may require reasonable written evidence that a person voting on behalf of a corporation or partnership or other business entity is authorized to vote.

4.7.4. **Voting Membership and Voting Rights.** The Association shall have one class of voting membership. Members shall be entitled to one vote for each initially platted Lot or replat of no more than two Lots into one Lot (for which one main dwelling is permitted thereon by a vote of a majority of the Members, as "majority" is defined in Section 1.96 above) in which they hold the interest required for Association membership. When more than one person holds such interest or interests in any Lot, even though all such persons shall be Members, there shall be only one (1) vote for such Lot, which shall be exercised by majority in interest (and not in number) of such persons, but in no event shall more than one vote be cast with respect to any such Lot.

4.7.5. **Assessments for Merged or Replatted Lots.** If two or more adjacent lots are replatted into one combined lot, or if three adjacent lots are combined and replatted into only two resulting lots, the owner shall continue to pay assessments on the original lots as defined in the original Plats of Sections A, B, C, D, E and F of the Western Lake Estates Addition, but shall have only one vote per replatted or combined lot; but the Owner shall have only one vote for any such combined lot. If through operation of law, court ruling, or other due process, a combined lot is determined to be one lot with assessments due on only one lot, then such combined lot shall be entitled to only one vote for the merged lot.

4.7.6. **Suspension of Voting Rights Not Permitted.** The voting rights of any Member owning a Lot in the Western Lake Estates Owners Association may not be suspended by the Board for any reason, including for non-payment or delinquency of Association Assessments, or for an infraction of the restrictions, rules or regulations set forth in the Declaration or separate recorded instrument.

4.8. **PROXIES.** Votes may be cast in person or by written Proxy. To be valid, each Proxy shall: (i) be signed and dated by a Member or his attorney-in-fact; (ii) identify the lot to which the vote is appurtenant; (iii) name the person in favor of whom the Proxy is granted, such person having agreed to exercise the Proxy; (iv) identify the purpose or meeting for which the Proxy is given; (v) not purport to be revocable without notice; and (vi) be delivered to the Secretary or to the person presiding over the Association meeting for which the Proxy is designated. Faxed copies of Proxies are acceptable, as are copies delivered by electronic means such as email. Unless the Proxy specifies a shorter or longer time, it shall terminate one year after its date. To revoke a Proxy, the granting Member must give actual notice of revocation to the person presiding over the Association meeting for which the proxy is designated. Unless revoked, any Proxy designated for a meeting which is adjourned, recessed, or rescheduled shall be valid when such meeting reconvenes.

4.9. **CONDUCT OF MEETINGS.** The President, or any person designated by the Board, shall preside over meetings of the Association. The Secretary shall keep, or cause to be kept, the minutes of the meeting which shall record all resolutions adopted and all transactions occurring at the meeting, as well as a record of any votes taken at the meeting. The person presiding over the meeting may appoint a Parliamentarian. The then current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the governing documents. Votes shall be tallied by tellers appointed by the person presiding over the meeting.

4.10. **ORDER OF BUSINESS.** Unless the notice of meeting states otherwise, the order of business at meetings of the Association shall be as follows:

- 4.11.1. Determine votes present by roll call or check-in procedure
- 4.11.2. Announcement of quorum
- 4.11.3. Proof of notice of meeting
- 4.11.4. Reading and approval of minutes of preceding meeting
- 4.11.5. Reports
- 4.11.6. Election of directors (when required)
- 4.11.7. Unfinished business

4.11.8. New business

4.11. **ADJOURNMENT OF MEETING.** At any meeting of the Association, a majority of the Members present at that meeting, either in person or by Proxy, may adjourn the meeting to another time.

4.12. **ACTION WITHOUT MEETING.** Subject to Board approval, any action which may be taken by a vote of the Members at a meeting of the Association may also be taken without a meeting by written consents. The Board may permit Members to vote by Ballots delivered by hand, mail, facsimile transmission, email, or any combination of these. Written consents by Members representing at least a majority of votes in the Association, or such higher percentage as may be required by the governing documents, shall constitute approval by written consent. This Paragraph may not be used to avoid the requirement of an Annual Meeting.

4.13. **TELEPHONE OR ON-LINE MEETINGS.** Members of the Association may participate in and hold meetings of the Association by means of conference telephone, online communications, or similar communications equipment by means of which all persons participating in the meeting can hear or otherwise communicate with each other, except for any portion of the meeting held in executive session, provided that the notice of the meeting includes instructions for owners to access the communication method to be accessible to the meeting. Participation in such meeting shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

4.14. **NOTICE OF ELECTION OR ASSOCIATION VOTE WITHOUT A MEETING.** For an election or vote of owners not taken at a meeting, the Association shall give notice of the election or vote to all owners entitled to vote on any matter under consideration. The notice shall be given not later than the 20th day before the latest date on which a ballot may be submitted to be counted.

4.15. **VOTING PROCEDURES AND RECOUNTS.**

4.15.1 **Right to Vote.** All owners of property within the Western Lake Estates Addition, Association Members, are entitled to vote in an Association election of Board members or on any matter concerning the rights or responsibilities of the owner. Any provision to the contrary in a dedicatory instrument is void per Section 209.0059 of the Texas Property Code.

4.15.2 **Ballots.** A vote cast in an election or vote by an Association Member must be in writing and signed by the Member if the vote is cast as follows:

- a. **Votes Outside Meeting.** Outside of a meeting;
- b. **Board Election.** In an election to fill a position on the Board;
- c. **Votes on Dedicatory Instrument.** On a proposed adoption or amendment of a dedicatory instrument;
- d. **Regular or Special Assessment.** On a proposed increase in the amount of a regular assessment or the proposed adoption of a special assessment; or
- e. **Board Member Removal.** On the proposed removal of a board member.

Electronic votes constitute written and signed Voting Ballots and Absentee Ballots. In an Association-wide election, written and signed Ballots are not required for uncontested races.

4.15.3. **Ballots for Other Votes.** If the Association elects to use a ballot for a vote on a matter other than for those matters listed immediately above, the Association may allow voting by secret ballot by Members. The Association must take measures to reasonably ensure the following:

- a. **Written.** The ballot is in writing and signed by the Member, or
- b. **Secret.** The vote is cast by secret ballot if the board approves ballots to be secret, in accordance with the measures below.
- c. **Eligibility.** A Member cannot cast more votes than the Member is eligible to cast in an election or vote;
- d. **Accuracy.** The Association counts every vote cast by a Member that is eligible to cast a vote; and
- e. **Observation.** In an election for the Board, each candidate may name one person to observe the counting of the ballots, provided that this does not entitle any observer to see the name of the person who cast any ballot, and that any disruptive observer may be removed.

4.16. **ELECTION OF BOARD MEMBERS.** Notwithstanding any provision in a dedicatory instrument, any Board member whose term has expired must be elected by owners who are Members of the Association. A Board member may be appointed by the Board only to fill a 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. The appointment of a Board member in violation of this Section is void per Texas Property Code 209.00593.

4.16.1. **Notice.** At least ten (10) days before the date an Association composed of more than 100 lots disseminates absentee ballots or other ballots to Association Members for purposes of voting in a Board member election, the Association must provide notice to the Association Members soliciting candidates interested in running for a position on the Board. The notice must contain instructions for an eligible candidate to notify the Association of the candidate's request to be placed on the ballot and the deadline to submit the candidate's request. The deadline may not be earlier than the 10th day after the date the Association provides the notice required by this subsection.

4.16.2 The notice required by subsection 4.16.1, entitled "Notice," must be:

- a. mailed to each owner, or
- b. provided by:
 - i. posting the notice in a conspicuous manner reasonably designed to provide notice to Association Members:

- a. in a place located on the Association's Common Property or, with the Property owner's consent, on other conspicuously located privately owned property within the subdivision; or
 - b. on any Internet website maintained by the Association or other Internet media; and
- ii. sending the notice by e-mail to each owner who has registered an e-mail address with the Association.

4.16.3. An Association notice described in subsection entitled "Notice" shall include on each absentee ballot or other ballot for a Board member election the name of each eligible candidate from whom the Association received a request to be placed on the ballot in accordance with this subsection.

4.17. **TABULATION OF AND ACCESS TO SECRET BALLOTS.** All voting by Members in a Regular or Special Members Meeting shall be held by secret balloting. No Member other than the Association Secretary may view or be given access to the ballots or to the count of the ballots cast in that election or vote except as provided in this section. No Association Member or person who is a candidate in an Association election or who is otherwise the subject of an Association vote, or a person related to that person within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code, may view or tabulate or otherwise be given access to the ballots cast in that election or vote except as provided in this section.

4.17.1. A person other than a person described above may tabulate votes in an Association election or vote. A person who tabulates votes under this subsection or who performs a recount under Texas Property Code 209.0057(c) may not disclose to any other person how an individual voted.

4.17.2. Notwithstanding any other provision of law, only a person who tabulates votes under subsection 4.18 or who performs a recount under Texas Property Code 209.0057(c) may be given access to the ballots cast in the election or vote.

4.17.3 This subsection may not be construed to affect a person's obligation to comply with a court order for the release of ballots or other voting records.

4.18. **RECOUNT OF VOTES.** Any owner may, not later than the 15th day from the date of the announcement of the election or vote at the meeting at which the election was held, require a recount of the votes.

4.18.1. A demand for a recount must be submitted in writing either:

- a. by verified mail, or by delivery by the United States Postal Service with signature confirmation service to the Association's mailing address as reflected on the latest Management Certificate.
- b. in person to the Association's Managing Agent as reflected on the latest Management Certificate or to the address to which Absentee Ballots and Proxy Ballots are mailed.

- 4.18.2. The Association must estimate the costs for performance of the recount by a person qualified, by Section entitled ‘VOTING PROCEDURES AND RECOUNTS’, subsection ‘Ballots for Other Votes’, to tabulate votes and must send an invoice for the estimated costs to the requesting owner at the Association records’ owner’s last known address, not later than the 20th day after the date the Association receives the owner’s demand for the recount. The owner demanding a recount must pay the invoice in full to the Association on or before the 30th day after the date the invoice is sent to the owner. If the invoice is not paid by this deadline, the owner’s demand for a recount is considered withdrawn and a recount is not required. If the estimated costs for the recount are lesser or greater than the actual costs, the Association must send a final invoice to the owner on or before the 30th business day after the date the results of the recount are provided. Any additional amounts not paid to the Association before the 30th 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 paid by the owner exceed the final invoice amount, a refund shall be paid to the owner at the time the final invoice is sent.
- 4.18.3. Following receipt of the invoiced estimated payment from the owner, the Association shall, at the expense of the owner requesting the recount, retain for the purpose of performing the recount, the services of a person qualified to tabulate votes under this Section. The Association shall enter into a contract for the services of a person who:
- a. is not a Member of the Association or related to a Member of the Association board within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code; and
 - b. is a current or former (i) county judge; (ii) county elections administrator; (iii) justice of the peace; or (iv) county voter registrar; OR a person agreed on by the Association and the persons requesting the recount.
- 4.18.4. Any recount 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 the above. If the recount changes the results of the election, the Association must notify the requesting owner of the results and shall reimburse the requesting owner for the cost of the recount not later than the 30th day after the date the results of the recount are provided. 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.

ARTICLE 5

RULES AND REGULATIONS

5.1. **RULES AND REGULATIONS.** The Board shall have the right to establish and amend, from time to time, reasonable Rules And Regulations for: (i) the administration of the Association and the governing documents; (ii) the maintenance, management, operation, use, conservation, and beautification of the Western Lake Estates Addition; and (iii) the health, comfort, and general welfare of the residents; provided, however, that such rules may not be in conflict with law or the governing documents. The Board shall, at all times, maintain the then current and complete Rules & Regulations in a written form

which can be copied and distributed to the Members. Rules must be recorded in the Parker County's real property records in order to be enforceable.

5.2. **ADOPTION AND AMENDMENT.** Any rule or regulation may be adopted, amended, or terminated by the Board, provided that the rule or regulation and the requisite Board approval are properly recorded as a resolution in the minutes of the meeting of the Board.

5.3. **NOTICE AND COMMENT.** The Board shall give written notice to an owner of each lot of any amendment, termination, or adoption of a rule or regulation, or shall publish same in a newsletter or similar publication which is circulated to the Members, at least 10 days before the rule's or regulation's effective date. The Board may, but shall not be required, to give similar notice to residents who are not Members. Any Member or resident so notified shall have the right to comment orally or in writing to the Board on the proposed action.

5.4. **DISTRIBUTION.** Upon request from any Member or resident, the Board shall provide a current and complete copy of Rules & Regulations. Additionally, the Board shall, from time to time, distribute copies of the current and complete Rules & Regulations to an owner of each lot and, if the Board so chooses, to non-member residents.

5.5. **FINES.** In addition to any remedies provided in the Declaration, the Articles of Incorporation of the Association, or elsewhere in these Bylaws, the Board may assess and charge any Member a sum not to exceed \$200.00 per day for each infraction of the Restrictions, these Bylaws, or any of the Rules & Regulations. The fine for not applying for or not receiving written approval from the Architectural Control Committee ("ACC") for the construction or remodeling of a residential home or commercial building, or for moving manufactured or mobile homes onto a lot or off of a lot shall be \$300 per violation. When such assessed fine is levied, it will constitute a claim against the Member and a lien against the Member's lot and house and any other improvements thereon unless and until paid in full. Such lien will, however, be inferior to the lien of any first lien mortgage or deed of trust encumbering the lot and/or house and other improvements on the lot.

ARTICLE 6 **ENFORCEMENT**

6.1. **ENFORCEMENT.** The violation of any provision of the governing documents shall give the Board the right, after notice and hearing, except in case of an emergency, in addition to any other rights set forth in the governing documents:

6.1.1. To enter any lot in which, or as to which, the violation or breach exists and to summarily abate and remove, at the expense of the defaulting owner, any structure, thing, or condition (except for additions or alterations of a permanent nature that may exist on that lot) that is existing and creating a danger to the Common Elements contrary to the intent and meaning of the provisions of the governing documents (the Board shall not be deemed liable for any manner of trespass by this action): and

6.1.2. To enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

ARTICLE 7
OBLIGATIONS AND RIGHTS OF THE OWNERS

7.1. **NOTICE OF SALE.** Any owner intending to sell his lot or any interest therein shall give written notice to the Board of such intention, together with (i) the address or legal description of the lot being conveyed, (ii) the name and address of the intended purchaser, (iii) the name, address, and phone number of the title company or attorney designated to close such transaction, (iv) names and phone numbers of real estate agents, if any, representing seller or purchaser, and (v) scheduled date of closing. An owner shall furnish this information to the Board no less than 10 working days before the date of conveyance of the lot or any interest therein.

7.2. **PROOF OF OWNERSHIP.** All owners shall furnish the Association with evidence of ownership in the lot, such as a Deed or other documentation, a copy of which shall remain in the files of the Association. This requirement may also be satisfied by the Association obtaining a copy of the Deed from the Parker County, Texas Records office, or a Tax Summary or other document from the Parker County Appraisal District, that clearly identifies the lot and its legal owner.

7.3. **OWNERS' ADDRESSES.** The owner or the several co-owners of a lot shall register and maintain one mailing address to be used by the Association for mailing of monthly statements, notices, demands, and all other communications. The owner shall keep the Association informed of the Member's current mailing address. If an owner fails to maintain a current mailing address with the Association, the address of that owner's lot shall be deemed to be his or her mailing address.

7.3.1. **Email Addresses.** It is an owner's duty to keep an updated e-mail address registered with the Association. Various notices and other information may be sent to owners who have registered an e-mail address with the Association.

7.3.2. **Alternative Notice Method to Property Owners.** The Association may use an alternative method of providing notice to a property owner for which another method is prescribed by law, but only if the property owner to whom the notice is provided affirmatively opts to allow the Association to use the alternative method of providing notice.

7.4. **REGISTRATION OF MORTGAGEES.** An owner who mortgages his lot shall furnish the Board with the name and mailing address of his mortgagee.

7.5. **ASSESSMENTS.** All owners or guests or tenants occupying one or more households

on a Lot must pay the Association's assessments per household to meet the Association's common expenses.

7.5.1. **Alternative Payment Schedule.** The Association shall adopt reasonable guidelines by which an owner may make partial payments to the Association for delinquent regular or special assessments or any other amount owed to the Association without accruing additional monetary penalties. For purposes of this Section, monetary penalties do not include reasonable costs associated with administering the payment plan or interest.

- a. The minimum term for a payment plan offered by the Association is three (3) months.
- b. The Association may not allow a payment plan for any amount that extends more than nine (9) months from the date of the owner's request for a payment plan. The Association is not required to enter into a payment plan with an owner who failed to honor the terms of a previous payment plan during the two years following the owner's default under the previous payment plan.
- c. The Association shall file the Association's guidelines under this Section in the real property records of Parker County, Texas.
- d. A failure of the Association to file the guidelines as required in the real property records of Parker County, Texas does not prohibit an owner from receiving an alternative payment schedule by which the owner may make partial payments to the Association for delinquent regular or special assessments or any other amount owed to the Association without accruing additional monetary penalties.

7.5.2. **Priority Payments.**

- a. Payments received by the Association from an owner shall be applied to the owner's debt in the following order of priority:
 - i. any delinquent assessment principal amount, then any delinquent assessment accrued and outstanding interest charged by the Association;
 - ii. any current assessment;
 - iii. any attorney's fees or third-party collection costs incurred by the Association associated solely with assessments or any other charge that could provide the basis for foreclosure;
 - iv. any other attorney's fees incurred by the Association;
 - v. any fines assessed by the Association; and
 - vi. any other amount owed to the Association.
- b. If at the time the Association receives a payment from an owner, the owner is in default under a payment plan entered into with the Association:
 - i. the Association is not required to apply the payment in the order of priority specified above; and
 - ii. in applying the payment, a fine assessed by the Association may not be given priority over any other amount owed to the Association.

7.5.3. **Third-Party Collections.**

- a. In this Section, "collection agent" means a debt collector, as defined by Section 803 of

the Federal Fair Debt Collection Practices Act (15 U.S.C. Section 1692a).

- b. The Association may not hold an owner liable for fees of a collection agent retained by the Association unless the Association first provides written notice to the owner by verified mail (defined in Article 2, Section entitled 'DEFINITIONS', subsection 'Verified Mail' above) that:
 - i specifies each delinquent amount and the total amount of the payment required to make the account current;
 - ii describes the options the owner has to avoid having the account turned over to a collection agent, including information regarding availability of a payment plan through the Association; and
 - iii provides an initial period of at least 30 days for the owner to cure the delinquency before further collection action is taken.
- c. An owner is not liable for fees of a collection agent retained by the Association if:
 - i the obligation for payment by the Association to the Association's collection agent for fees or costs associated with a collection action is in any way dependent or contingent on amounts recovered; or
 - ii the payment agreement between the Association and the Association's collection agent does not require payment by the Association of all fees to a collection agent for the action undertaken by the collection agent.
- d. The agreement between the Association and the Association's collection agent may not prohibit the owner from contacting the Association Board or the Association's Managing Agent regarding the owner's delinquency.
- e. The Association may not sell or otherwise transfer any interest in the Association's accounts receivables for a purpose other than as collateral for a loan.

7.6. **COMPLIANCE WITH DOCUMENTS.** Each owner shall comply with the provisions and terms of the governing documents, and any amendments thereto.

7.7. **NOTICE REQUIRED BEFORE ENFORCEMENT ACTION.**

7.7.1. **Written Notice.** Before the Association may suspend an owner's right to use a common area, file a suit against an owner other than a suit to collect a regular or special assessment, or foreclose under an Association's lien, charge an owner for property damage, or levy a fine for a violation of the Declaration restrictions or Bylaws or Rules & Regulations of the Association, the Association or its agent shall give written notice to the owner by verified mail.

7.7.2 **Notice Requirements.** The notice must include the following:

- a. **Description.** Describe the violation or property damage that is the basis for the

suspension action, charge, or fine and state any amount due the Association from the owner; and

- b. **Owner Notification.** Except as provided by subsection entitled ‘Mailing Method’, inform the owner that the owner has the following rights:
 - i. **Cure.** is entitled to a reasonable period to cure the violation and avoid the fine or suspension if the violation is of a curable nature and does not pose a threat to public health or safety;
 - ii. **Hearing.** may request a hearing under Section 209.007 on or before the 30th day after the date the notice was mailed to the owner; and
 - iii. **Relief.** may have special rights or relief or relief related to the enforcement action under federal law, including the Service members Civil Relief Act (50 U.S.C. App. Section 501 et seq.), if the owner is serving on active military duty;
- c. **Cure Date.** specify the date by which the owner must cure the violation if the violation is of a curable nature and does not pose a threat to public health or safety; and
- d. **Mailing Method.** be sent by verified mail to the owner at the owner’s last known address as shown on the Association records.

7.7.3. **Reasonable Period.** The date specified in the notice under subsection entitled “Cure Date” must provide a reasonable period to cure the violation if the violation is of a curable nature and does not pose a threat to public health or safety.

7.7.4. **Written Notice and Notice Requirements.** Subsections entitled “Written Notice” and “Notice Requirements” do not apply to a violation for which the owner has been previously given notice under this Section and the opportunity to exercise any rights available under this Section in the preceding six (6) months.

7.7.5. **Reasonable Period Cure, “No” Fine.** If the owner cures the violation before the expiration of the period for cure described by subsection entitled “Reasonable Period”, a fine may not be assessed for the violation.

7.7.6. **Public Health or Safety Violation.** For purposes of this Section, a violation is considered a threat to public health or safety if the violation could materially affect the physical health or safety of an ordinary resident.

7.7.7. **Incurable Nonrepetition One-Time Violation – Fine.** For purposes of this Section, a violation is considered incurable if the violation has occurred but is not a continuous action or a condition capable of being remedied by affirmative action. For purposes of this subsection, the nonrepetition of a one-time violation or other violation that is not ongoing is not considered an adequate remedy. The Association’s Board of Directors may assess a fine of up to \$500.

7.7.8. **Incurable Acts.** Following are examples of acts considered incurable for this Section:

- a. an act constituting a threat to health or safety;
- b. a noise violation that is not ongoing;
- c. property damage, including the removal or alteration of landscape; and
- d. holding a garage sale or other event prohibited by a dedicatory instrument.

7.7.9. The following are examples of acts considered curable for purposes of this Section:

- a. a parking violation;
- b. a maintenance violation;
- c. the failure to construct improvements or modifications in accordance with approved plans and specifications; and
- d. an ongoing noise violation such as a barking dog.

7.8. **REGULATION OF RESIDENTIAL LEASES OR RENTAL AGREEMENTS.**

7.8.1. **Confidential Information.** In this Section, “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.

7.8.2. **No Provision Adoption.** A property owners’ association may not adopt or enforce a provision in a dedicatory instrument that:

- a. requires a lease or rental applicant or a tenant to be submitted to and approved for tenancy by the property owners’ association; or
- b. requires the following information to be submitted to a property owners’ association regarding a lease or rental applicant or current tenant:
 - i. a consumer or credit report; or
 - ii. a lease or rental application submitted by the applicant, tenant, or that person’s agent to the property owner or property owner’s agent when applying for tenancy.

7.8.3. **Redaction of Sensitive Information.** If a copy of the lease or rental agreement is required by the property owners’ association, any sensitive personal information may be redacted or otherwise made unreadable or indecipherable.

7.8.4. **Occupancy of Leasing Restriction.** Except as provided by subsection entitled “No Provision Adoption”, nothing in this Section shall be construed to prohibit the adoption or

enforcement of a provision in a dedicatory instrument establishing a restriction relating to occupancy or leasing.

7.9. **HEARING BEFORE BOARD; ALTERNATIVE DISPUTE RESOLUTION.**

7.9.1. **Request for Hearing.** If the owner is entitled to an opportunity to cure the violation, the owner has the right to submit a written request for a hearing to discuss and verify facts and resolve the matter in issue before a committee appointed by the Board of Directors of the Association or before the Board if the Board does not appoint a committee.

7.9.2. **Appeal Rights Notice.** If a hearing is to be held before a committee, the notice prescribed by Section entitled “NOTICE REQUIRED BEFORE ENFORCEMENT ACTION” must state that the owner has the right to appeal the committee's decision to the Board by written notice to the Board.

7.9.3. **Hearing Schedule.** The Association shall hold a hearing under this Section not later than the 30th day after the date the Board receives the owner's request for a hearing and shall notify the owner of the date, time, and place of the hearing not later than the 10th day before the date of the hearing. The Board or the owner may request a postponement, and, if requested, a postponement shall be granted for a period of not more than 10 days. Additional postponements may be granted by agreement of the parties. The owner or the Association may make an audio recording of the meeting.

7.9.4. **Exceptions to Notice and Hearing.** The notice and hearing provisions of Section entitled “NOTICE REQUIRED BEFORE ENFORCEMENT ACTION” and this Section do not apply if the Association files a suit seeking a temporary restraining order or temporary injunctive relief or files a suit that includes foreclosure as a cause of action. If a suit is filed relating to a matter to which those Sections apply, a party to the suit may file a motion to compel mediation. The notice and hearing provisions of Section entitled “NOTICE REQUIRED BEFORE ENFORCEMENT ACTION” and this Section do not apply to a temporary suspension of a person's right to use common areas if the temporary suspension is the result of a violation that occurred in a common area and involved a significant and immediate risk of harm to others in the subdivision. The temporary suspension is effective until the Board makes a final determination on the suspension action after following the procedures prescribed by this Section.

7.9.5. **Alternative Dispute Resolution.** An owner or the Association may use alternative dispute resolution services.

7.10. **ATTORNEY FEES.**

7.10.1. **Notice of Attorney's Fees.** The Association may collect reimbursement of reasonable attorney's fees and other reasonable costs incurred by the Association relating to collecting amounts, including damages, due the Association for enforcing Declaration restrictions or the Bylaws or Rules of the Association only if the owner is provided a written notice that

attorney's fees and costs will be charged to the owner if the delinquency or violation continues after a date certain.

7.10.2. **Exemption from Attorney's Fees.** An owner is not liable for attorney's fees incurred by the association relating to a matter described by the notice under Section entitled "NOTICE REQUIRED BEFORE ENFORCEMENT ACTION" if the attorney's fees are incurred before the conclusion of the hearing under Section entitled "HEARING BEFORE BOARD; ALTERNATIVE DISPUTE RESOLUTION" or, if the owner does not request a hearing under that Section before the date by which the owner must request a hearing. The owner's presence is not required to hold a hearing under Section entitled "HEARING BEFORE BOARD; ALTERNATIVE DISPUTE RESOLUTION."

7.10.3. **Fee Deposits.** All attorney's fees, costs, and other amounts collected from an owner shall be deposited into an account maintained at a financial institution in the name of the Association or its managing agent. Only members of the Association's Board or its managing agent or employees of its managing agent may be signatories on the account.

7.10.4. **Invoice Requests.** On written request from the owner, the Association shall provide copies of invoices for attorney's fees and other costs relating only to the matter for which the Association seeks reimbursement of fees and costs.

7.10.5. **Counterclaim Exclusion.** The notice provisions of Section entitled "Request for Hearing" do not apply to a counterclaim of the Association in a lawsuit brought against the Association by a property owner.

7.10.6. **Foreclosure Fee Limit.** If the dedicatory instrument or restrictions of the Association allow for nonjudicial foreclosure, the amount of attorney's fees that the Association may include in a nonjudicial foreclosure sale for an indebtedness covered by the Association's assessment lien is limited to the greater of:

- a. one-third of the amount of all actual costs and assessments, excluding attorney's fees, plus interest and court costs, if those amounts are permitted to be included by law or by the restrictive covenants governing the property; or
- b. \$2,500.

7.10.7. **Collection of Attorney's Fees.** Subsection entitled "Foreclosure Fee Limit" does not prevent the Association from recovering or collecting attorney's fees in excess of the amounts prescribed in that subsection by other means provided by law.

7.11. **PREREQUISITES TO FORECLOSURE: NOTICE AND OPPORTUNITY TO CURE FOR CERTAIN OTHER LIENHOLDERS.**

7.11.1. **Foreclosure Notice and Opportunity to Cure.** The Association may not foreclose an Association assessment lien on real property by giving notice of sale or commencing a judicial foreclosure action unless the Association has:

- a. provided written notice of the total amount of the delinquency giving rise to the

foreclosure to any other holder of a lien of record on the property whose lien is inferior or subordinate to the Association's lien and is evidenced by a deed of trust; and

- b. provided the recipient of the notice an opportunity to cure the delinquency before the 61st day after the date the recipient receives the notice.

7.11.2. **Notice to Deed Records Address.** Notice under this Section must be sent by certified mail, return receipt requested, to the address for the lien holder shown in the deed records relating to the property that is subject to the Association assessment lien.

7.11.3. **Foreclosure Requirements.** Foreclosures shall be in accordance with the requirements of the Declaration of Covenants, Conditions and Restrictions and Texas Property Code, Chapter 209.

7.12. **FORECLOSURE SALE PROHIBITED IN CERTAIN CIRCUMSTANCES.** The Association may not foreclose the Association's assessment lien if the debt securing the lien consists solely of:

7.12.1. fines assessed by the Association;

7.12.2. attorney's fees incurred by the Association solely associated with fines assessed by the Association; or

7.12.3. amounts added to the owner's account as an assessment under Section entitled "RECORDS PRODUCTION AND COPYING POLICY."

ARTICLE 8

ASSOCIATION RECORDS

8.1. **RECORDS.** The Association shall use its best efforts to keep the following records:

8.1.1. Minutes or a similar record of the proceedings of meetings of the Association. A recitation in the minutes that notice of the meeting was properly given shall be sufficient evidence that such notice was given.

8.1.2. Minutes or a similar record of the proceedings of meetings of the Board.

8.1.3. Names and mailing addresses of the members, the currency and accuracy of the information being the responsibility of the members.

8.1.4. Names and mailing addresses of the mortgagees, the currency and accuracy of the information being the responsibility of the members and their mortgagees.

8.1.5. Financial records and books of account for the Association, kept in a manner consistent with generally accepted accounting principles.

8.1.6. Copies of income tax returns prepared for the Internal Revenue Service.

- 8.1.7. Copies of the governing documents and all amendments to any of these. Also, for at least four years, a record of all votes or written consents by which amendments to the governing documents were approved.
- 8.1.8. Copies of approved Architectural Control Committee Building Applications and Permits and all plans required for submittals of each lots' house and other improvements, retained in the Association's records for seven years.

8.2. **INSPECTION OF BOOKS AND RECORDS.** Notwithstanding a provision in a dedicatory instrument, 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 a writing signed by the owner as 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.

8.2.1. Except as provided by this subsection, an attorney's files and records relating to the Association, excluding invoices requested by an owner, 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 subsection does not require production of a document that constitutes attorney work product or that is privileged as an attorney-client communication.

8.2.2. An owner or the owner's authorized representative described above must submit a written request for access or information by certified mail, with sufficient detail describing the Association's books and records requested, to the mailing address of the Association or authorized representative as reflected on the most current Management Certificate. The request must contain an election either to inspect the books and records before obtaining copies or to have the Association forward copies of the requested books and records and:

- a. 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; or
- b. if copies of identified books and records are requested, the Association shall, to the extent those books and records are in the possession, custody, or control of the Association, produce the requested books and records for the requesting party on or before the 10th business day after the date the Association receives the request, except as otherwise provided herein.

8.2.3. If the Association is unable to produce the books or records requested on or before the 10th business day after the date the Association receives the request, the Association must 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 section is given.

8.2.4. If an inspection is requested or required, the inspection shall take place at a mutually agreed on time during normal business hours, and the requesting party shall identify the books and records for the Association to copy and forward to the requesting party.

8.2.5. The Association may produce books and records requested under this section in hard copy, electronic, or other format reasonably available to the Association.

8.2.6. **Records Production and Copying Policy.** The Board of Directors hereby adopts a Records Production and Copying Policy that prescribes the costs the Association will charge for the compilation, production, and reproduction of information requested under these Bylaws. 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 Texas Law 1 T.A.C. Section 70.3. The Policy must be recorded as a dedicatory instrument. 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 this subsection. An owner is responsible for costs related to the compilation, production, and reproduction of the requested information in the amounts prescribed by the Policy. 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.

- a. The Association must estimate costs under this section using amounts prescribed by the Policy adopted under this Subsection.

8.2.7. **Inspection Restrictions.** Except as provided below 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, an owner's personal financial information, including records of payment or nonpayment of amounts due 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.

- a. The books and records described by paragraph 8.2.7 shall be released or made available for inspection if:

- i. the express written approval of the owner whose records are the subject of the request for inspection is provided to the Association; or
- ii. a court orders the release of the books and records or orders that the books and records be made available for inspection.

8.2.8. **Document Retention Policy.** The Association hereby adopts and shall comply with a Document Retention Policy that includes, at a minimum, the following requirements:

- a. certificates of formation, bylaws, restrictive covenants and rules and all amendments to the certificates of formation, bylaws, restrictive covenants and rules shall be retained permanently;
- b. financial books and records shall be retained for seven years;
- c. account records of current owners shall be retained for five years;
- d. contracts with a term of one year or more shall be retained for four years after the expiration of the contract term;
- e. minutes of meetings of the owners and the board shall be retained for seven years; and
- f. tax returns and audit records shall be retained for seven years.

8.2.9 **Petition for Denied Access to Books or Records.** A Member of the Association who is denied access to or copies of Association books or records to which the member is entitled may file a petition with the justice of the peace of a justice precinct in which the property governed by the Association is located requesting relief in accordance with this subsection.

- a. On or before the 10th business day before the date a person brings an action against the Association under this section, the person must send written notice to the Association of the person's intent to bring the action. The notice must be sent by 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; and must describe with sufficient detail the books and records being requested.

8.3. **RESALE CERTIFICATES.** “Resale certificate” means a written statement issued, signed, and dated by an officer or authorized agent of the Association that contains the information specified by Section 207.003(b) of the Texas Property Code.

8.3.1. **Delivery of Subdivision Information.**

- a. Not later than the 10th business day after a written request for information is received from an owner or the owner’s agent, a purchaser of property in the Western Lake Estates Addition, or a title insurance company or its agent acting on behalf of the owner or purchaser and the evidence of the requestor’s authority to order a resale certificate is received and verified, the Association shall deliver to the authorized requestor:

- i. a current copy of the Declaration of restrictions applying to the subdivision;
 - ii. a current copy of the Bylaws and Rules of the Association; and
 - iii. a resale certificate prepared not earlier than the 60th day before the date the certificate is delivered that complies with Section 207.003(b) of the Texas Property Code.
- b. For a request from a purchaser or purchaser's agent, the Association may require the purchaser or agent to provide to the Association, before the Association begins the process of preparing or delivers the information, reasonable evidence that the purchaser has a contractual or other right to acquire property in the subdivision.
 - c. The Association shall deliver the information to the person specified in the written request. A written request that does not specify the name and location to which the information is to be sent is not effective. The Association may deliver the information and any update to the resale certificate by mail, hand delivery, or alternative delivery means specified in the written request.
 - d. Neither the Association nor its agent is required to inspect a property before issuing a resale certificate or an update to a resale certificate.

8.3.2. **Information Required in Resale Certificate.** A resale certificate must contain:

- a. a statement of any right of first refusal, other than a right of first refusal that is prohibited by statute, and any other restraint contained in the restrictions or restrictive covenants that restricts the owner's right to transfer the owner's property;
- b. the frequency and amount of any regular assessments;
- c. the amount and purpose of any special assessment that has been approved before and is due after the resale certificate is delivered;
- d. the total of all amounts due and unpaid to the Association that are attributable to the owner's property;
- e. capital expenditures, if any, approved by the Association for the Association's current fiscal year;
- f. the amount of reserves, if any, for capital expenditures;
- g. the Association's current operating budget and balance sheet;
- h. the total of any unsatisfied judgments against the Association;
- i. the style and cause number of any pending lawsuit in which the Association is a party, other than a lawsuit relating to unpaid ad valorem taxes of an individual member of the Association;
- j. a copy of a certificate of insurance showing the Association's property and liability

insurance relating to the common areas and common facilities;

- k. a description of any conditions on the owner's property that the Association board has actual knowledge are in violation of the Declaration Restrictions applying to the subdivision or the Bylaws or Rules of the Association;
- l. a summary or copy of notices received by the Association from any governmental authority regarding health or housing code violations existing on the preparation date of the certificate relating to the owner's property or any common areas or common facilities owned or leased by the Association;
- m. the amount of any administrative transfer fee charged by the Association for a change of ownership of property in the subdivision;
- n. the name, mailing address, and telephone number of the Association's managing agent, if any;
- o. a statement indicating whether the restrictions allow foreclosure of the Association's lien on the owner's property for failure to pay assessments; and
- p. a statement of all fees associated with the transfer of ownership, including a description of each fee, to whom each fee is paid, and the amount of each fee.

8.3.3. **Updated Resale Certificates.** Requests for an updated resale certificate must be made within 180 days of the date the original resale certificate is issued. The update request may be made only by the party requesting the original resale certificate.

- a. Not later than the seventh business day after the date a written request for an update of a resale certificate delivered under Section entitled "DELIVERY OF SUBDIVISION INFORMATION" is received from an owner, owner's agent, or title insurance company or its agent acting on behalf of the owner, the Association shall deliver to the owner, owner's agent, or title insurance company or its agent an updated resale certificate that contains the following information:
 - i. if a right of first refusal or other restraint on sale is contained in the restrictions, a statement of whether the Association waives the restraint on sale;
 - ii. the status of any unpaid special assessments, dues, or other payments attributable to the owner's property; and
 - iii. any changes to the information provided in the original resale certificate.

8.3.4. **Fees for Records Delivery.** The Association may charge a reasonable fee to assemble, copy, and deliver the information required by this Section and may charge a reasonable fee to prepare and deliver an update of a resale certificate. The Association may require payment before beginning the process of providing a resale certificate but may not process a payment for a resale certificate until the certificate is available for delivery. The Association may not charge a fee if the certificate is not provided in the time prescribed in Section entitled "DELIVERY OF SUBDIVISION

INFORMATION.”

8.3.5. Effect of Resale Certificate; Liability.

- a. The Association may not deny the validity of any statement in the resale certificate. The Association's lien to secure undisclosed amounts due the Association on the date the resale certificate is prepared shall automatically terminate as a lien securing any undisclosed amount.
- b. A resale certificate does not affect:
 - i. the right of the Association to recover debts or claims that arise or become due after the date the resale certificate is prepared; or
 - ii. a lien on a property securing payment of future assessments held by the Association.

Except as provided in this Section, the Association is not liable to an owner selling property in the subdivision for delay or failure to deliver the information required by Section entitled “DELIVERY OF SUBDIVISION INFORMATION”. An officer or agent of the Association is not liable for a delay or failure to furnish a resale certificate.

8.4. MANAGEMENT CERTIFICATES.

8.4.1. The Association shall record with the Parker County records office a Management Certificate, signed and acknowledged by an officer or the managing agent of the Association, stating:

- a. the name of the subdivision;
- b. the name of the Association;
- c. the recording data for the subdivision;
- d. the recording data for the declaration;
- e. the name and mailing address of the Association;
- f. the name and mailing address of the person managing the Association or the Association's designated representative; and
- g. other information the Association considers appropriate.

8.4.2. The Association shall record an amended Management Certificate not later than the 30th day after the date the Association has notice of a change in any information in the recorded certificate.

8.4.3. Except as provided below, Association and its officers, directors, employees, and agents are not subject to liability to any person for a delay in recording or failure to record a Management Certificate, unless the delay or failure is willful or caused by gross negligence.

8.4.4. If the Association fails to record a Management Certificate or an amended Management Certificate, the purchaser, lender, or title insurance company or its agent in a transaction involving

property in the Association is not liable the Association for:

- a. any amount due the Association on the date of a transfer to a bona fide purchaser; and
- b. any debt to or claim of the Association that accrued before the date of a transfer to a bona fide purchaser.

8.4.5. A lien of the Association that fails to file a Management Certificate or an amended Management Certificate under this Section to secure an amount due on the effective date of a transfer to a bona fide purchaser is enforceable only for an amount incurred after the effective date of sale.

8.4.6. For purposes of this Section, "**bona fide purchaser**" means:

- a. a person who pays valuable consideration without notice of outstanding rights of others and acts in good faith; or
- b. a third-party lender who acquires a security interest in the property under a deed of trust.

8.5. **ONLINE INFORMATION REQUIRED.** The Association shall make dedicatory instruments relating to the Association or subdivision and filed in the county deed records available on a website if the Association has, or a management company on behalf of the Association maintains, a publicly accessible website.

ARTICLE 9 **NOTICES**

9.1. **CO-OWNERS.** If a lot is owned by more than one person, notice to one co-owner shall be deemed notice to all co-owners.

9.2. **DELIVERY OF NOTICES.** Unless specifically stated otherwise in the Bylaws or other governing documents, or under Texas state law, any written notice required or permitted by these Bylaws may be given personally, by mail, by email, or by facsimile transmission, or by notice posted on the Association's website. If mailed, the notice is deemed delivered when deposited in the U.S. mail addressed to the Member at the address shown on the Association's records. If transmitted by facsimile or email, the notice is deemed delivered on successful transmission of the facsimile or email.

9.3. **WAIVER OF NOTICE.** Whenever any notice is required to be given to an owner, Member, or Director, a written waiver of the notice, signed by the person entitled to such notice, whether before or after the time stated in the notice, shall be equivalent to the giving of such notice. Attendance by a Member or Director at any meeting of the Association or Board, respectively, shall constitute a waiver of notice by such Member or Director of the time, place and purpose of such meeting. If all Members or Directors are present at any meeting of the Association or Board, respectively, no notice shall be required and any business may be transacted at such meeting.

ARTICLE 10 **AMENDMENTS TO THE BYLAWS**

10.1. **AMENDMENT PROPOSALS.** These Bylaws may be amended by the Members according to the terms of this Article. The Association shall provide an owner of each lot with a detailed description, if not exact wording, of any proposed amendment. Such description shall be included in the notice of any Semi-Annual or Special Meeting of the Association if such proposed amendment is to be considered at said meeting.

10.1.1. **Conflicts with Declaration.** The Bylaws may not be amended to conflict with the Declaration of Covenants, Conditions And Restrictions. In the event of a conflict, the Declaration shall prevail.

10.2. **CONSENTS.** An amendment shall be adopted by the vote, in person or by proxy, or written consents of Members representing at least a majority of the votes cast or present at a meeting for which a quorum is obtained.

10.3. **EFFECTIVE.** To be effective, each amendment must be in writing, signed by at least two Officers acknowledging the requisite approval of Members, be recorded in the Real Property Records of Parker County, Texas, and be delivered to an owner of each lot at least 10 days before the amendment's effective date. Further, when these Bylaws are recorded in the Official Public Records of Parker County, Texas, the amendment must recite the recording data for the Bylaws, be in a form suitable for recording as a real property record, and be delivered to the county clerk for recordation together with the required filing fee. According to the Texas Property Code, all dedicatory instruments, including these Bylaws, must be recorded in the Real Property Records of Parker County, Texas in order to be enforceable.

ARTICLE 11 **GENERAL PROVISIONS**

11.1. **CONFLICTING PROVISIONS.** If any provision of these Bylaws conflicts with any provision of the laws of the State of Texas, such conflicting Bylaws provision shall be null and void, but all other provisions of these Bylaws shall remain in full force and effect. In the case of any conflict between the Articles of Incorporation of the Association and these Bylaws or the Association's Rules & Regulations, the Articles shall control. In the case of any conflict between the Declaration and these Bylaws or the Association's Rules & Regulations, the Declaration shall control.

11.2. **SEVERABILITY.** Invalidation of any provision of these Bylaws, by judgment or court order, shall not affect any other provision which shall remain in full force and effect. The effect of a general statement shall not be limited by the enumerations of specific matters similar to the general.

11.3. **FISCAL YEAR.** The fiscal year of the Association shall be set by resolution of the Board, and is subject to change from time to time as the Board shall determine. In the absence of a resolution by the Board, the fiscal year shall be the calendar year.

11.4. **WAIVER.** No restriction, condition, obligation, or covenant contained in these Bylaws shall be deemed to have been abrogated or waived by reason of failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

