

BYLAWS

EASTWOOD ISLAND PROPERTY OWNERS ASSOCIATION (A Texas Nonprofit Corporation)

ARTICLE I

1.01. Definitions. The words defined in the Declaration of Restrictive Covenants for EASTWOOD ISLAND SUBDIVISION recorded in Volume 640, Page 604, and Volume 563, Page 344, and as may be hereinafter amended, of the Deed Records of Henderson County, Texas (the "Declaration"), shall have the same meaning in these Bylaws.

ARTICLE II

2.01. Name. The name of the corporation shall be EASTWOOD ISLAND PROPERTY OWNERS ASSOCIATION (hereinafter called the "Association".)

ARTICLE III OFFICES

3.01 Registered Office. The registered office of the Association shall be as designated with the Secretary of State of the State of Texas, as it may be changed from time to time. It's Registered Office address shall be P.O. Box 5078, Mabank, Texas 75147.

3.02 Other Offices. The Association may also have offices at such other places both within and without the State of Texas as the Board of Trustees may from time to time determine the business of the Association may require.

ARTICLE IV PURPOSES AND PARTIES

4.01 Purposes. The purpose or purposes for which the Association is organized are to act as agent for the property owners of EASTWOOD ISLAND SUBDIVISION and for any and all other property which is accepted by this Association for similar purposes, those purposes being as follows:

- a. To exercise all of the power and privileges and perform all of the duties and obligations of the Association as set forth in the Declaration;
- b. To affix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; and, as agent, pay all expenses in connection therewith, and all office and other expenses incidental to the conduct of the business of this Association, including all licenses, taxes or governmental charges levied or imposed against the property of this Association, and to make disbursements, expenditures and payments on behalf of the property owners as required by the Declaration and the Bylaws of the Association; and to hold as agent for the property owners reserves for periodic

repairs and capital improvements to be made as directed by the property owners acting through the Board of Trustees of the Association;

c. To acquire by gift, purchase or otherwise, to own, hold, improve, build upon, operate, maintain, convey, sell, lease transfer, dedicate for public use or to otherwise dispose of real or personal property in connection with the affairs of this Association subject to the limitations, if any, set forth in the Declaration;

d. To borrow money, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred subject to the limitations, if any, set forth in the Declaration;

e. To provide general sanitation, cleanliness and safety of common areas and landscaped areas;

f. To provide upkeep and maintenance of common areas;

g. To enter into and perform any contract, and to exercise all powers which may be necessary or convenient to the operation, management, maintenance and administration of the affairs of EASTWOOD ISLAND SUBDIVISION in accordance with the Declaration; and

h. To have and to exercise any and all powers, rights and privileges a corporation organized under the Non-Profit Corporation Law of the State of Texas, may now or hereafter exercise.

4.02 Parties. All present or future property owners, tenants, future tenants of any property, or any other person who might use in any manner the facilities of the property, are subject to the provisions and any regulations set forth in these Bylaws. The mere acquisition, lease or rental of all or any portion of a property or the mere act of occupancy of all or any portion of a property will signify that these Bylaws are accepted, approved, ratified, and will be complied with.

ARTICLE V MEMBERSHIP MEMBER IN GOOD STANDING

5.01 Membership. Each and every owner of a property, or a subdivision portion thereof, shall automatically become, and must remain, Members in Good Standing of the Association during such property owner's period of ownership of such property. Such membership shall be appurtenant to each property and may not be severed from or held separately therefrom. The membership of a person or entity in the Association shall terminate automatically whenever such person or entity ceases to be a property owner, except that such termination shall not release or relieve any such person or entity from any liability or obligation incurred under or in any way connected with the Association or the Declaration during the period of ownership, nor impair any rights or remedies which the Association or any other property owner has with regard to such former property owner.

5.02 Members in Good Standing. A member of the Association shall be considered to be a Member in Good Standing and eligible to vote if such member:

- a. Has fully paid all assessments or other charges levied by the Association then due and payable, as such assessments or charges are provided for hereunder.
- b. Does not have a property lien filed with the Henderson County Clerk's office by the Association against its property.
- c. Has discharged other obligations to the Association as may be required of members hereunder.
- d. Has provided an address of record to the Henderson County Appraisal District for purposes of contacting the Member.

The Board of Trustees shall have sole responsibility and authority for determining the good standing status of any member at any time and shall make such determination with respect to all members prior to a vote being taken by the Association on any good standing matter. The Board shall have the right and authority, in its sole discretion to waive the required payment of no later than seven (7) days in advance of any vote established herein and may require only that such payment be made at any time before such vote is taken if the Board shall determine, in its own judgment, that extenuating circumstances exist which prevented a particular member from meeting any or all of the four requirements stated herein at or before seven (7) days in advance of any vote. Any member not conforming with the provisions of this section shall be declared by the Board to not be a Member in Good Standing and unless the time requirement required herein is specifically waived by the Board in writing prior to any particular vote being taken, they shall be disqualified from voting on matters before the Association until such time as a Member in Good Standing status is attained and so declared by the Board.

5.03 Voting Rights in the Association. The Association shall have only one class of voting membership. Each member in Good Standing shall be entitled to one (1) vote per assessed property owner. Where more than one person or entity holds such interest in any property all such persons collectively shall be a single member, and the vote for such member shall be exercised as the several parties shall determine among themselves, provided however, that in aggregate no more than one vote shall be cast with respect to each assessed property.

The EASTWOOD ISLAND PROPERTY OWNERS ASSOCIATION shall not be a voting member of the Association by virtue of its ownership of any property.

5.04 Voting. Only Members in Good Standing shall be entitled to vote. The vote of the majority of those votes entitled to be cast by the Members in Good Standing present at a duly called meeting approved by the Board of Trustees shall be sufficient for the transaction of any business unless otherwise provided by law or an amendment as provided herein or in the Declaration. No proxies will be accepted.

Members in Good Standing may request an absentee ballot for the purpose of voting for Trustees and Officers. Only written requests will be accepted and must be accompanied by an envelope with proper postage, pre-addressed to the property owner of record. Requests for absentee ballots will not be accepted less than 14 days prior to an election. Marked ballots must be received at the Association's Registered Agent address at least 5 business days prior to the election. In the event

more absentee ballots are received than were issued, the Trustees reserve the right to disallow all absentee ballots.

In order to ensure a continuing Member is in Good Standing status, the marked ballot must be accompanied by payment of all delinquent and current assessments for the next fiscal year.

5.05 Majority. As used in these Bylaws, the term "Majority" in an election shall mean fifty percent (50%) plus one (1), or more of votes cast.

ARTICLE VI

ASSOCIATION RESPONSIBILITIES AND MEETINGS OF MEMBERS

6.01. Association Responsibilities. The Members in Good Standing will constitute the Association which will have the responsibility of administering and enforcing covenants, conditions and restrictions contained in the Declaration, including the collection and disbursement of charges and assessments created therein through a Board of Trustees. In the event of any dispute or disagreement between any Members in Good Standing relating to a property, or any questions of interpretation or application of the provision of the Declaration, Articles of Incorporation, or these Bylaws, such dispute or disagreement shall be submitted in writing to the Board. The determination of such dispute or disagreement by the Board shall be binding on each and all Members in Good Standing.

6.02. Place of Meeting. Meetings of the Association shall be held at such a suitable place, convenient to the Members in Good Standing, as the Board of Trustees may determine.

6.03. Annual Meetings. The annual meeting of the Association shall be held on the second (2nd) Saturday of September. At such meetings there shall be elected by ballot of the Members in Good Standing, the Officers and Board or Trustees in accordance with the requirements of Paragraph 5 of Article VII of these Bylaws. The Members in Good Standing may also transact such business of the Association as may properly come before them.

6.04. Special Meetings. It shall be the duty of the President to call a special meeting of the Members in Good Standing as directed by resolution of the Board of Trustees, or upon a petition signed by a majority of Members in Good Standing and -having been presented to the Secretary of the Association. The Secretary shall mail a notice of any special meeting and shall state the time and place of such meeting and the purpose thereof. No business, except as stated in the notice, shall be transacted at a special meeting. Any such meetings shall be held after the first annual meeting and shall be held within thirty (30) days after receipt by the President of such resolution or petition.

6.05. Notice of Meetings. It shall be the duty of the Secretary of the Association to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place it is to be held, to each Member in Good Standing entitled to vote at such meeting, at least ten (10) days, but not more than forty-five (45) days prior to such meeting. The mailing of a notice in the manner provided in this paragraph shall be considered notice served.

6.06. Order of Business. The order of business at all meetings of the Members in Good Standing shall be as follows:

- a. Proof of notice of meeting or waiver of notice;
- b. Reading and disposal of minutes;
- c. Reports of officers;
- d. Reports of committees;
- e. Election of trustees and officers;
- f. Unfinished business;
- g. New business; and
- h. Adjournment

ARTICLE VII BOARD OF TRUSTEES

7.01. Number and Qualification. At each annual meeting there shall be an election to fill any vacancies in order to maintain seven (7) members of the Board of Trustees who shall thereafter govern the affairs of the Association until their successors have been duly elected and qualified.

7.02. Powers and Duties. The Board of Trustees shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the property in keeping with the character and quality of the area in which it is located. The Board of Trustees may do all such acts and things except as by law or by these Bylaws or by the Declaration may not be delegated to the Board of Trustees.

7.03. Other Powers and Duties. Such powers and duties of the Board of Trustees shall include, but shall not be limited to, the following, all of which shall be done solely for the benefit of the property and for the mutual and reciprocal benefit of Members in Good Standing:

- a. To set, collect and disburse regular assessments in any fiscal year or portion thereof for the following purposes:
 - (1) The employment of personnel or independent contractors;
 - (2) The employment of legal, accounting, engineering, architectural or other independent professional services;
 - (3) The purchase of a policy or policies of insurance insuring the Association, Board of Trustees and Officers against any liability to the public, property owners or occupants incidental to operation of the Association;
 - (4) The purchase of fidelity bonds if deemed necessary; and
 - (5) Anything which the Board of Trustees deems appropriate and proper in fulfilling its obligations and responsibilities under the terms of the Declaration

or by law or which, in its reasonable opinion, shall be necessary or proper for the operation or protection of the Association or for the enforcement of the Declaration.

- b. To enter into agreements or contracts with insurance companies with respect to insurance coverage for common areas and improvements thereon and other property of the Association;
- c. To enter into contracts with utility companies with respect to utility installation, consumption and service matters;
- d. To borrow funds to pay any costs of operation, secured by assignment or pledge of rights against property owners for current, delinquent or future assessments, as the Board of Trustees may determine in its sole discretion to be necessary and appropriate;
- e. To enter into contracts for goods and services or other Association purposes, provide services it deems proper, maintain one or more bank accounts, and generally to have all the powers necessary or incidental as may be required for prudent operation and management of the Association;
- f. To sue or to defend in any court of law on behalf of the Association;
- g. To provide for and accumulate reserve funds to be used for repairs, replacement and/or maintenance, in such amounts and for such purposes as may be reasonable to be determined by the Board of Trustees to be necessary and appropriate;
- h. To make, or cause to be made, any tax returns, reports, or other filings required by Federal, State or local governmental authorities;
- i. To make reasonable rules and regulations for the use of the property, including, but not limited to, common areas, as the Board of Trustees deems necessary and appropriate, and create a high level of environmental and aesthetic quality within the property;
- j. To make available to each property owner within ninety (90) days after the end of any Association fiscal year a written annual report on financial affairs of the Association for the year preceding, and, upon written request of at least one half (1/2) of the Members in Good Standing, to have such report audited by an independent certified public accountant selected by the Board of Trustees, which audited report, if required, shall be completed and made available to each Member in Good Standing no later than ninety (90) days after such request is received by the Board of Trustees. The cost of preparing and distributing such audit shall be paid by the Association from regular annual assessments or from a special member assessment as described in Article XIII;

- k. To adjust the amount, collect and use any insurance proceeds to repair or replace any damaged or lost property, or to reimburse persons or entities entitled to receive reimbursement for injury, damage or losses; and
- l. To enforce the provisions of the Declaration, and to seek damages and/or equitable relief or other remedial action from any property owner for violation of this Declaration or any of its individual provisions.

7.04. No Waiver of Rights. The omission or failure of the Association or any Members in Good Standing to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provision of the Declaration, these Bylaws or the rules and regulations adopted pursuant thereto, shall not constitute or be deemed a waiver, modification or release thereof, and the Board of Trustees shall have the right to enforce the same thereafter.

7.05. Election and Term of Office. The term of office for the Board of Trustees named in the Articles of Incorporation shall be as follows:

- a. All Trustees and Officers will be a fixed two-year term;
- b. Any property owner in Good Standing and/or a Trustee who wishes to hold any officer position must be a Trustee for at least two years prior to holding the position or be approved by the Board of Trustees to hold such office.

7.06. Vacancies. Vacancies in the Board of Trustees, caused by death, resignation or disqualification due to the sell of their property, non-payment of assessments, or three unexcused absences, shall be filled by vote of the majority of the remaining Trustees even though they may constitute less than a quorum, and each person so elected shall be a Trustee until a successor is elected at the next annual meeting of the Association.

7.07. Removal of Trustees. At any regular or special meeting of the Board of Trustees, duly called, any one or more of the Trustees can be removed with cause by a majority vote of the Board of Trustees entitled to vote, at which time a successor may then and there be appointed to fill the vacancy thus created.

7.08. Organization Meeting. The first meeting of a newly elected Board of Trustees; following the annual meeting of the Members Good Standing shall be held within sixty (60) days thereafter at such place as shall be fixed by the Trustees at the regular meeting at which such Trustees were elected, and no further notice shall be required to be sent to the newly elected Board of Trustees in order to legally constitute such meeting, providing a majority of the whole Board shall be present.

7.09. Regular Meetings. Regular meetings of the Board of Trustees may be held at such time and place as shall be calendar quarter. Notice of regular meetings of the Board of Trustees shall be given to each Trustee personally or by mail, telephone or electronic mail, at least five (5) days prior to the day named for such meeting. In special circumstances a Trustee may use remote visual software and device to attend a regular or special meeting for voting purposes.

7.10. Special Meetings. Special meetings of the Board of Trustees may be called by the President on five-days (5) notice to each Trustee, or given personally, or by mail, telephone or electronic mail, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Trustees shall be called by the President or Secretary of the Association in like manner and on like notice on the written request of one or more Trustees. In special circumstances a Trustee may use Zoom or visually remotely attend a regular or special meeting to vote.

7.11. Waiver of Notice. Before or after any meeting of the Board of Trustees, any Trustee may in writing waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Trustee at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Trustees are present at any meeting of the Board, no notice shall be required, and any business may be transacted at such meeting.

7.12. Board of Trustees Quorum. At all meetings of the Board of Trustees, a majority of the Trustees shall constitute a quorum for the transaction of business, and the acts of the majority of the Trustees present at a meeting at which a quorum is present shall be the acts of the Board of Trustees. If at any meeting of the Board of Trustees there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting any business which might have been transacted at the meeting as originally called may not be transacted without a quorum present.

7.13. Compensation. No member of the Board of Trustees shall receive any compensation for acting as such.

ARTICLE VIII FISCAL MANAGEMENT

8.01. Accounts. The funds and expenditures of the Members in Good Standing by and through the Association shall be credited and charged to accounts under the following classifications as shall be appropriate:

- a. Normal operating expense, which shall include all funds and expenditures within the year for which the funds are budgeted, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves and to additional improvements; and
- b. Reserve for maintenance, repair and/or replacement related to common areas or properties, which shall include funds for maintenance, repair or replacement required because of damage, wear or obsolescence.

8.02. Separate Accounts. Separate accounts may be established in order to better demonstrate that the amounts deposited therein are capital contributions and not income to the Association.

8.03. Fiscal Year. The fiscal year for the Association shall be from September 1st to August 31st but can be ended by the Board of Trustees.

8.04. Expenditures. Any expenditure of Association funds exceeding \$500.00 shall be approved by the Board of Trustees. All checks or other disbursements or withdrawals of Association funds over \$500.00 will require a signature and must be signed by two (2) officers and/or Trustee as determined by the Board of Trustees.

ARTICLE IX OFFICERS

9.01. Designation. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer who shall be elected by the Members in Good Standing of the Association. Such officers cannot be members of the Board of Trustees. Two or more offices can be held by the same person.

9.02. Election of Officers. The officers of the Association shall be elected every two years by the Members in Good Standing of the Association at the annual meeting.

9.03. Resignation and Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Trustees, any officer may be removed, with cause, and his successor elected at any regular meeting of the Board of Trustees called for such purpose. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

9.04. Vacancies. A vacancy of any Officer because of death, resignation, removal, disqualification due to the sale of their property, non-payment of assessments, or three unexcused absences, shall be filled by a vote of the majority of the Trustees. Any person so elected shall be an Officer until a successor is elected at the next annual meeting of the Association. The Officer appointed to such vacancy shall serve for the full remainder of the term of the Officer he or she replaces.

9.05. President. The President shall be the Chief Executive Officer of the Association. He or she shall preside at all meetings of the Association and of the Board of Trustees. He or she shall have all of the general powers and duties which are usually vested in the office of President of an association, including but not limited to the power to appoint committees from among the Members in Good Standing from time to time as he or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association or as may be established by the Board or by the Members in Good Standing of the Association at any regular or special meetings.

9.06. Vice President. The Vice President shall have all the powers and authority and perform all the functions and duties of the President in the absence of the President, or his or her inability for any reason to exercise such powers and functions or perform such duties, and also perform any duties he or she is directed to perform by the President.

9.07. Secretary. The Secretary shall keep all the minutes of the meetings of the Board of Trustees; and the minutes of all meetings of the Association; he or she shall have charge of such books and

papers as the Board of Trustees may direct; and shall, in general, perform all the duties incidental to the office of Secretary and as is provided in the Declaration and these Bylaws.

The Secretary shall compile and keep up to date at the principal office of the Association a complete list of Members in Good Standing and their address as shown on the dataroll of the Henderson County Appraisal Office. Such a list shall be open to inspection by Members in Good Standing and other people lawfully entitled to inspect the same at reasonable times during regular business hours.

9.08. Treasurer. The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He or She shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board of Trustees.

9.09. Nominating Committee. A nominating committee of three (3) members in Good Standing shall be appointed by the President sixty (60) days in advance of the annual meeting. The nominating committee shall present a slate of officers and trustees to be elected at the annual meeting held the second (2nd) Saturday of September. The nominating committee is automatically discharged after its report at the annual meeting.

ARTICLE X INDEMNIFICATION OF OFFICERS AND TRUSTEES

10.01. Indemnification. The Association shall have the power to indemnify any Officer or Trustee thereof, who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (whether or not by or in the right of the Association) by reason of the fact that such person is or was a Trustee or Officer of the Association, against all loss, expenses (including but not limited to attorney's fees and cost of proceeding), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with or in defense of such action, suit or proceeding is such person acted in good faith and in a manner which such person reasonably believe to be in or not opposed to the best interests of the Association; provided, that with respect to: (1) any criminal action or proceeding, such person had no reasonable cause to believe that his conduct was unlawful; or (2) any civil claim, issue or matter, such person shall not be guilty of gross negligence or willful misconduct in the performance of his or her duties to the Association. Termination of any actions, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that such person had reasonable cause to believe that his or her conduct was unlawful, that such person did not act in good faith or in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Association, or that such person is guilty of gross negligence or willful misconduct in the performance of his or her duties to the Association. All such matters being determined solely and exclusively for the purpose of indemnification as herein provided.

Indemnification under the preceding paragraph shall be made by the Association only as authorized in each case upon the determination that indemnification of such person is proper in the circumstances because he or she has met the applicable standards of conduct as set forth herein. Such determination shall be made (1) by the Board of Trustees by a majority vote of quorum

consisting of Trustees who were not parties to such action, suit or proceeding; or (2) if such a quorum is not obtainable, by (a) independent legal counsel in a written opinion, or (b) the Members in Good Standing of the Association and no Member shall be disqualified from voting because he or she is or was party to any such action, suit or proceeding. Indemnification so determined may be paid, in part, before the termination of such action, suit or proceeding upon the receipt by the Association of an undertaking by or on behalf of the person claiming such indemnification to repay all sums so advanced if it is subsequently determined that he or she is not entitled thereto as provided in this Article.

To the extent that a Trustee or Officer of the Association has been successful on the merits or otherwise in the defense of any action, suit or proceeding, whether civil or criminal, such person shall be indemnified against such expenses (including costs and attorney's fees) actually and reasonably incurred by him or her in connection herewith. Indemnification provided herein shall be exclusive of any and all other rights and claims to which those indemnified may be entitled as against the Association, and every Trustee, Officer or employee thereof under any Bylaw, resolution, agreement or law and any request for payment hereunder shall be deemed a waiver of all such other rights, claims or demands as against the Association and each Trustee, Officer and employee thereof. The indemnification provided herein shall insure to the benefit of the heirs, executors, administrators and successors of any person entitled thereto under the provisions of this Article.

All liability, loss, damage, cost and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handed by the Association as an expense subject to Special Member Assessment; provided however, that nothing in this Article X contained shall be deemed to obligate the Association to indemnify and Members in Good Standing or property owner who is or has been a Trustee or Officer of the Association with respect to any duties or obligations assumed or liability incurred by him or her under and by virtue of the Declaration and these bylaws that were assumed or incurred outside of his or her conduct specifically related to the fulfillment of his or her duties as an Officer or Trustee of the Association.

10.02. Other. The Members in Good Standing, Board of Trustees, Officers or representatives of the Association shall enter into contracts or other commitments as agents for the Association, and they shall have no personal liability for any such contract or commitment (except such liability as may be ascribed to them in their capacity as owners).

ARTICLE XI

EVIDENCE OF OWNERSHIP, REGISTRATION of MAILING ADDRESS AND DESIGNATION OF VOTING REPRESENTATIVE

11.01. Registration of Mailing Address. The property owner or multiple owners of a property shall have one and the same registered mailing address. This registered mailing address must be on file with the Henderson County Appraisal District to be used by the Association for mailing financial statements, notices, demands and all other communications. Such registered address shall be the only mailing address of a person or persons to be used by the Association. Such registered address of a property owner or owners shall be deemed to be the mailing address of the

property owned by said property owner or owners unless a different registered address is furnished by such property owner(s) to the Secretary of the Association within fifteen (15) days after transfer of title or after a change of address; and such registration shall be in written form and signed by all of the property owners of the property or by such persons as are authorized by law to represent the interest of (all of) the property owner(s) thereof.

ARTICLE XII ASSESSMENTS

12.01. Purpose of Assessments. The assessments levied hereunder by the Association shall be used exclusively for the purpose of protecting and promoting the comfort, collective mutual enjoyment, health, safety and welfare of the property owners, including but not limited to the following:

- a. The maintenance, repair or replacement of any and all common area improvements, including, but not limited to, landscaped areas and easements, along with the cost of any associated management or supervisory services, fees, labor, equipment and materials;
- b. The special maintenance, repair or replacement of improvements located in common areas;
- c. The design, purchase and installation of any common area improvements;
- d. The purchase of insurance coverage for Trustees and Officers relating to common areas and any improvements thereon, and other property of the Association;
- e. The carrying out of duties of the Board of Trustees as provided herein and in the Declaration and Articles of Incorporation of the Association;
- f. The carrying out of purposes of the Association as stated herein and in its Declaration and Articles of Incorporation; and
- g. The carrying out of all other matters set forth or contemplated in the Declaration.

12.02. Annual Budget and Regular Assessments. Each fiscal year while the Declaration is in force, the Board of Trustees shall adopt an annual budget and set the amount of the Regular Annual Assessment to be levied for the next year, taking into consideration Association operating costs for the then current year, expected normal increases in such costs over the next year and additional future needs of the Association, including the establishment and maintenance of an Association reserve fund as provided for herein. The annual budget shall be adopted by the Board of Trustees not later than fifteen (15) days prior to the commencement of each fiscal year. Notwithstanding the above, in the event the Board of Trustees fails for any reason to adopt an annual budget covering the succeeding fiscal year, then and until such time as an annual budget shall have been adopted for such succeeding fiscal year, the annual budget currently in effect shall continue and the Regular Annual Assessment shall be deemed the same as for the current year.

The Regular Annual Assessment for each fiscal year shall be determined by the Board of Trustees upon its adoption of the annual budget for such fiscal year in the following manner:

- a. The Regular Annual Assessment with respect to any fiscal year shall equal the total amount of the annual budget approved by the Board of Trustees with respect to such fiscal year; and
- b. Each property owner's pro rata share of the Regular Annual Assessment shall be determined by multiplying the Regular Annual Assessment by a fraction, the numerator of which is one and the denominator of which is the total number of property owners in the subdivision.

Should any surplus exist at the end of any year, the Board of Trustees may, at its own discretion, reduce the amount required for the next Regular Annual Assessment by an amount not more than said surplus, provided, however, that reserve fund requirements are first met as stipulated in Section 8.01 of these Bylaws.

12.03. Special Member Assessments. In addition to the Regular Annual Assessments, the Association, by vote of its Board of Trustees, may levy a special ("Special Member Assessment") on any Members in Good Standing for the purpose of:

- a. Defraying the cost of any unexpected damage or loss requiring maintenance, repairs, or replacement of improvements associated either with a common area or with a property not owned by the member causing such damage or loss, which damage or loss has been determined by the Board of Trustees to have been caused, either directly or indirectly, by the willful or negligent acts of such member, or its agent, occupant or visitor. In reaching a decision to levy such Special Assessment upon any member, the Board of Trustees shall first determine, in its sole discretion, that reasonable evidence exists to support a determination that said damage or loss was caused, directly or indirectly by a particular member or his agent, occupant or visitor. Prior to making such determination, the Board of Trustees shall inform such member of its findings and afford the member the reasonable opportunity (not less than seven (7) days) to (1) introduce evidence regarding such damage or loss and the cause thereof; or (2) remedy such loss or damage.

12.04. Payment of Regular Assessments. The Regular Annual Assessments provided for herein shall commence on a date fixed by the Board of Trustees each year, September 1.

12.05. Enforcement and Personal Obligations of Property Owners for Payment of Assessment. The Regular Annual Assessments and Special Member Assessments provided for herein shall be the personal and individual debt of the property owner covered by such assessments. In instances where a property owner owns multiple properties with residences the property owners pay an assessment on each residence. No property owner may, for any reason, exempt himself or herself from liability for such assessments levied in accordance with the provisions of the Declaration and these Bylaws. All Assessment dues are MANDATORY. In the event that any assessment or installment thereof is not paid when due, and remains unpaid for a period of ninety (90) days thereafter, then the unpaid amount of any such assessment or installment thereof shall become delinquent and shall become a continuing personal obligation and debt of the non-paying property

owner to which such assessment or installment thereof pertains. A list of non-paying property owners shall be filed annually with the county clerk of Henderson County, Texas. Written requests by lenders for notification before a property is listed with the county as delinquent or any potential lien filing, will be honored only if the request is on file with the Association prior to the property becoming delinquent. Such notification is limited to 60 days. The Association shall have the right to reject any partial payment of any assessment or installment thereof and demand full payment thereof, or the Association may, in its sole discretion election to accept any such partial payment on account only, without in so doing waiving any rights established hereunder with respect to any remaining balance due.

The obligation of any property owner to pay any assessment imposed on a property during such property owner's period of ownership shall remain his or her personal obligation and a sale or other transfer of title to such property shall not release such former property owner from said liability by the purchaser or transferee. Any unpaid assessments shall be unaffected by any sale or transfer of full or partial ownership interest in a property, or subdivided portion thereof, and shall continue in full force and effect. In the event of full or partial sale or transfer of an ownership interest in a property, it shall be the sole obligation of the property owner selling or transferring such interest (and not the Association) to disclose to any buyer or transferee that an unpaid assessment and associated liability against the ownership exists prior to that date at which such sales or transfer is to be consummated. A copy of this notice shall be sent to the Association at the same time. Upon written request, the Association shall provide the property owner with a statement reflecting the amount of any unpaid or delinquent assessments with respect to a property owned by said property owner. Assessments which are more than ninety (90) days delinquent shall have a penalty of seventy-five dollars (\$75.00) per annum added.

An Assessment is delinquent if the Association does not receive payment in full by the assessment due date. The Association, acting through the Board of Trustees, is responsible for taking action to collect delinquent assessments. The Association exercises its remedies subject to applicable laws, such as Chapter 209 of the Texas Property Code, and provisions of the Association Bylaws. From time to time, the Association may delegate some or all of the collection procedures and remedies, as the Board of Trustees, in its sole discretion, deems appropriate to an attorney or a debt collector. Delinquent property owners will be liable for any legal fees paid by the Association to collect assessments. Neither the Board of Trustees nor the Association, however, is liable to a property owner or other person for its failure or inability to collect an assessment. The following remedy is adopted among other remedies to be used presently but can be modified and reviewed at the discretion of the Board of Trustees and recorded in the minutes of a Board meeting. The Association reserves the right to pursue all legal remedies available under Texas law to recover delinquent assessments and penalties.

Property owners who cannot afford to pay the annual assessment at the time of the annual fall meeting may request approval from the Board to make monthly installment payments. Installment payments are to be 1/6 of the annual assessment and will be due monthly starting on the 8th of each month beginning on October 8th. The late penalty fee of \$75 will not be charged if the property owner makes all payments on time. Property owners are entitled to a park key after full assessment amounts have been paid. Property owners who take part in this program will be required to continue monthly payments for an additional 6 months to assure that their next year's assessment is paid in full by the next annual POA meeting.

12.06. Common Areas Exempt. All common areas dedicated on a recorded plat or otherwise, shall be exempted from any assessments.

ARTICLE XIII NON-PROFIT ASSOCIATION

13.01. Non-Profit Association. The Association is not organized for profit. No Members in Good Standing, member of the Board of Trustees, Officer or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof; and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any member of the Board of Trustees, Officer or Members in Good Standing; provided, however, always (1) that reasonable compensation may be paid to any Members in Good Standing, Trustee or Officer while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association; and (2) that any Members in Good Standing, Trustee or Officer may, from time to time, be reimbursed for his or her actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

ARTICLE XIV EXECUTION OF DOCUMENTS

14.01. Execution of Documents. The persons who shall be authorized to execute any and all contracts, documents, instruments of conveyance or encumbrances, including promissory notes, shall be the Secretary and Treasurer, or the President and any other Officer or Trustee as determined by the Board of Trustees.

ARTICLE XV CONFLICTING OR INVALID PROVISIONS

15.01. Conflicting or Invalid Provisions. Notwithstanding anything contained herein to the contrary, should all or part of any Article of these Bylaws be in conflict with the provisions of the Texas Nonprofit Corporation Act or any other Texas law, such act or law shall control; and should any part of these Bylaws be invalid or inoperative for any reason, the remaining parts, so far as is possible and is reasonable, shall be valid and operative.

ARTICLE XVI NOTICES

16.01. Notices. All notices to Members in Good Standing of the Association shall be given by delivering the same to each property owner in person or by depositing the notices in the U.S. Mail, postage prepaid and addressed to each property owner at the address on record with the Henderson County Appraisal District. If a property owner fails to give a correct mailing address to the Henderson County Appraisal District or the Association Secretary for mailing of such notices, all such notices shall be sent to the subdivision's property address. All property owners shall be deemed to have been given notice of the meetings upon the proper mailing of the notices to such addresses irrespective of the actual receipt of the notices by the property owners.

ARTICLE XII AMENDMENTS TO BYLAWS

17.01. Amendments to Bylaws. These Bylaws may be amended in writing by a majority of the Board of Trustees present.¹

ARTICLE XIII USE OF GOLF CARTS IN EASTWOOD ISLAND.

The Board of Trustee of the Association prohibits the use of any/all non-registered Texas State Licensed drivers to operate a golf cart or recreational vehicle of any kind within the confines of the Eastwood Island POA, including on any of the streets located within the confines of the Eastwood Island POA. Anyone found in violation of this amendment will be reported to the local police and or county sheriff's department immediately.

ARTICLE XIV SPEED LIMIT WITHIN ASSOCIATION SUBDIVISION

The city-mandated speed limit within the Association subdivision is stated at 20 miles per hour. The Board of Trustees of the Association prohibits any/all licensed drivers with valid driver's licenses to exceed the posted speed limit of 20 miles per house while in the Association subdivision. Anyone found in violation of this amendment will be reported to the local police department and/or county sheriff's department immediately.

ARTICLE XV SHORT-TERM RENTAL

Short-term rentals shall be required to follow the requirements of the City of Gun Barrel City Ordinance No O-2019-026, Article XL - Short term Rentals. This Ordinance limits the number of cars per household based on the number of bedrooms.

ARTICLE XVI WOODEN PRIVACY FENCES

Wooden Privacy Fences cannot obstruct any owner's view of the road or open property. Any wooden privacy fences that are currently being built or were built prior to August 1, 2020, will be grandfathered.

ARTICLE XVII ASSOCIATION PARK RULES AND REGULATIONS

The following Rules and Regulations pertaining to the Eastwood Island Property Owners Association Park/Boat Ramp were adopted by the Association's Board of Directors on August 11, 2022. The updated Rules and Regulations pertaining to the above-mentioned property supersede all previously adopted Rules and Regulations.

¹ Bylaws adopted July 31, 2008, and amended January 19, 2009, January 24, 2011, January 6, 2017, January 7, 2019, August 19, 2019, August 17, 2020, June 9, 2022, August 11, 2022, March 13, 2023 and August 7, 2023
Eastwood Island Property Owners Association Bylaws
Revised and Approved July 15th, 2024

The following is strictly prohibited:

- a. Overnight parking of vehicles and trailers or storage of any kind Overnight camping or campfires of any kind;
- b. Pets without leashes;
- c. Loud music, profanity and abusive behavior;
- d. Glass bottles;
- e. Public intoxication;
- f. Vehicles using the park and boat ramp must be parked in such a way as to allow unrestricted access to the boat ramp;
- g. Vehicles, boats, trailers left unattended for twenty-four (24) hours in the park and boat ramp area will be removed at the owner's expense; and
- h. Gates leading in and out of the Association's Park and boat ramp are to be locked at all times except for ingress or egress situations. In no case are the gates to be left unlocked when the park and boat ramp are not being used.

ARTICLE XVIII MEMBERSHIP, KEYS AND IDENTIFICATION

Members of the Association in Good Standing and full-time renters shall have the right to use the park and boat ramp ONLY IF all current assessments are paid in full for the current fiscal year.

Any/all guests residing with a member of the Association and/or a short-term renter must have the key holder present when using the Association Park/Boat Ramp. Guests are not permitted to use the Association Park and/or Boat Ramp unless accompanied by the key holder. The key holder is defined as the person who pays the annual assessment of the Association and remains in good standing.

Each key holder who pays the annual assessment shall be required each year to read, sign and abide by all Association Park Rules and Regulation. The key holder understands that the key is the property of Association and is subject to confiscation of said key if found the possession of a person unauthorized to use or be in the park or boat ramp area.

It is also understood that the Association assumes no liability for accidents or mishaps in the park or boat ramp area regardless of negligence or other circumstances. Simply stated, the Association's Park and boat ramp are deemed to be used "at your own risk".

Each key holder who pays the annual assessment shall receive one (1) single, non-duplicable entrance key to the Association's Park and boat ramp area along with a copy of these Association Rules and Regulations. Each year at the annual Association meeting (typically held in September), the key holder is responsible for turning in the current key and will be presented with a new key

for use during the ensuing calendar year. No person is granted or designated to have more than one key. Lost keys will be replaced for key holders in Good Standing with the Association for a fee of \$50.00.

Any person using the Association's Park and boat ramp must provide adequate identification when requested by an identifying Association Board Member or Association Trustee without any hesitation or provocation.

If any Association Board Member or Association Trustee finds an unauthorized person in the Association's Park and/or boat ramp, that person may be ejected from the Association's Park and boat ramp. If the person being ejected is in possession of a key to the Association's Park and boat ramp, the key will be immediately confiscated. Confiscated keys shall not be returned without specific discussion and agreement by the Association Board of Trustees and unauthorized users will be forbidden to use the Association's Park and boat ramp permanently.

Association Park and boat ramp are open from 7:00 AM until 10:00 PM all year round, except during routine maintenance or Association scheduled workdays.

ARTICLE XIX ASSOCIATION PARK USE AND GUESTS

Use of the Association's Pavilion for family reunions, weddings, or parties/gatherings of any kind is limited to Members in Good Standing. A deposit of \$100.00 along with a completed pavilion reservation request is required for reserving the pavilion. All park rules and regulations must be observed. The deposit of \$100.00 is refundable, if upon inspection after said event (within seven (7) days after the event) the park is cleaned of all refuse and returned to its original state.

Reserving the pavilion for an occasion does not limit the use of the fishing pier or boat ramp to any/all Members in Good Standing. Members in Good Standing must have access to the fishing pier and boat ramp at all times, including when the pavilion is reserved. Access is defined as being able to pull in and turn around in order to launch their watercraft on the boat ramp.

A property owner must be present with any guest(s) at the POA park. If a guest(s) is present at the POA park and damages the Park or leaves trash or has a party at the pavilion without the property owner(s) present or without reserving the pavilion, the property owner will be charged a clean-up fee of \$100.00. If the property owners continue to allow the guest(s) to be at the park without the property owners at the POA park, there will be a penalty as follows: 1) First infractions will result in a written warning, 2) the second infraction results in a \$250.00 fine, and 3) the third infraction results in the park key being confiscated, and, if the key is not returned, there will be a \$500.00 fine imposed on the property and a lien on the home owner's property filed with the Henderson County Clerk for said amount.

A property owner is responsible for any damage to the POA park and is responsible for seeing that the park is damage free when used by themselves or their guests.