

Henderson County
Mary Margaret Wright
County Clerk
Athens, TX 75751

Instrument Number: 2022-00021827

As

Recorded On: 12/05/2022 10:00 AM Recordings - Land

Parties: PARK HARBOR PROPERTY OWNERS ASSOCIATION

To: PUBLIC

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Comment:

(Parties listed above are for Clerks reference only)

****Examined and Charged as Follows:****

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Recorded By: Janice Hankins

*******DO NOT REMOVE. THIS PAGE IS PART OF THE INSTRUMENT*******

Any provision herein which restricts the Sale, Rental, or use of the described REAL PROPERTY
because of color or race is invalid and unenforceable under federal law.

I hereby certify that this instrument was filed and duly recorded
in the Official Records of Henderson County, Texas



Mary Margaret Wright

County Clerk
Henderson County, Texas

Record and Return To:

PARK HARBOR PROPERTY OWNERS
PO BOX 665

EUSTACE, TX 75124



AMENDED AND RESTATED
BYLAWS OF
PARK HARBOR PROPERTY OWNERS ASSOCIATION
A Texas Non-profit Corporation

ARTICLE I
Name and Address

Section 1.1 Name. The name of this non-profit corporation shall be PARK HARBOR PROPERTY OWNERS ASSOCIATION (the "Corporation").

Section 1.2 Address. The office of the Corporation shall be at the place(s) to be designated by the Board of Directors (as defined herein), as it may be changed from time to time by the Board of Directors.

Section 1.3 Registered Agent. The Corporation shall have and continuously maintain in the State of Texas a registered agent whose office is identical with such registered office, as required by the Texas Business Organizations Code ("TBOC"), applicable to non-profit corporations. The registered office may be, but need not be, identical to the principal office in the State of Texas, and the registered office may be changed from time to time by the Board of Directors.

ARTICLE II
Applicability

These Amended and Restated Bylaws of Park Harbor Property Owners Association (the "Bylaws"), shall be applicable to the Corporation, and amend and restate all bylaws of the Corporation entered into prior to the effective date of these Bylaws. In accordance with the terms of the Fifth Amended and Restated Restrictions for Park Harbor Subdivision (the "Declaration"), recorded or to be recorded in the real property records of Henderson County, Texas, all present and future Owners shall be Members of the Corporation. Ownership, rental, or occupancy of any Property shall be conclusively deemed to mean that the Owner, tenant, or occupant has accepted, ratified, and will comply with these Bylaws and any rules and regulations of the Corporation.

ARTICLE III
Purpose

The purpose of the Corporation is to protect and provide for the orderly development, maintenance, preservation, and security of the Park Harbor Subdivision; to manage the areas dedicated to the residents, including, without limitation, providing for the management, maintenance, repair, and replacement of the Common Areas and to coordinate the work of residents and property owners so as to promote the public welfare and betterment of all residents. The Corporation does not contemplate pecuniary gain or profit to its Members as a result of membership in the Corporation.

To meet this objective, the Corporation has delegated to the Board of Directors the primary responsibility of the oversight, management, operation, and administration of the Corporation. In fulfilling

its responsibilities, the Board shall conduct its activities in a manner that it believes are solely in the best interests of the Members of the Corporation. The Board carries out its responsibilities through specific actions that may include, but are not limited to, the following:

- Establishing policies and processes with respect to the day-to-day operation of the Corporation.
- Overseeing and directing the use, maintenance, and repair of the Common Areas of the Park Harbor Subdivision.
- Managing the Corporation in compliance with these Bylaws.
- Establishing a clearly defined review process regarding the oversight of these Bylaws and the Declaration.
- Overseeing the Declaration as approved by the Corporation. In doing so, the Board is authorized to make such variances as the Board deems reasonable.
- Maintaining relations with government agencies and common service providers to Park Harbor Subdivision.
- Promoting and coordinating the activities of the Members in a manner that will develop a spirit of unity, friendliness, and community involvement.
- Implementing those activities approved by the Corporation.

ARTICLE IV Definitions and Interpretation

Section 4.1 Definitions. The following terms shall have the meanings set forth below:

"TBOC" means the provisions of the Texas Business Organizations Code applicable to non-profit corporations, as amended from time to time.

"Assessment" or "Assessments" shall mean such monthly, annual, regular, or special assessments as may be levied by the Corporation under the terms and provisions of these Bylaws or the Declaration.

"Board of Directors" or "Board" means those persons serving as Directors pursuant to **Article VII** of these Bylaws and their successors as duly elected and qualified from time to time.

"Code" means the Internal Revenue Code of 1986, as amended.

"Common Areas" means all real property and improvements owned by the Corporation for the benefit and use of the Members, including, but not limited to any entry areas, entry gates, road systems, parks, and other recreational facilities (if so designated), pumps, landscaping, sprinkler systems, walkways, parking lots, pipes, wires, conduits, and other public utility lines situated thereon, to the extent not owned by appropriate governmental authorities or by local utility companies.

"Common Expenses" means all costs and expenses, including allocations to reserves, payable by or financial liabilities of the Corporation pursuant to the provisions of the Declaration, these Bylaws, or a resolution duly adopted by the Board of Directors or the Members.

"Declaration" means the Fifth Amended and Restated Restrictions for Park Harbor Subdivision, the document of which may also be referred to as Covenants, Conditions, and Restrictions, and any amendments thereto.

"Director" means a member of the Board of Directors.

"Land" and "Property" mean that certain lot, tract, or parcel of land located in Henderson County, Texas and more particularly described on Exhibit A attached hereto, and in the Declaration, and constituting Park Harbor Subdivision.

"Manager" means any experienced and professional manager with whom the Corporation contracts for the day-to-day management of the Property and/or the administration of the Corporation.

"Member" means each Owner of a portion of the Property, subject to the other terms and conditions of the Declaration and these Bylaws.

"Minute Book" means the record book which shall contain the minutes of all annual and special meetings of the Corporation and the Board of Directors and all resolutions of the Board of Directors.

"Owner" means any Person owning fee title to a portion of the Property, but does not include any person having an interest in a portion of the Property solely as security for an obligation.

"Person" or "Persons" shall mean any individual, individuals, entity, or entities having the legal right to hold title to real property.

Any capitalized term that is not defined in this **Section 4.1** shall have the meaning set forth in the Declaration.

Section 4.2 Interpretation. In the event of a conflict of interpretation between the provisions set forth in these Bylaws and the Declaration, the Declaration shall govern. In the event that the TBOC or the Code is hereafter amended or changed, both the Declaration and these Bylaws shall be interpreted in a manner which conforms to the provisions of the TBOC and the Code with respect to non-profit entities, it being the intention to preserve the status of the Corporation as a bona fide non-profit entity.

ARTICLE V Members

Section 5.1 Membership.

(a) Each Owner is a Member of the Corporation and possesses one vote for ownership of property, regardless of the number of lots owned. Any matter described herein as requiring approval by a stated percentage or a majority of the Members means a stated percentage or a majority of the allocated vote held by those Members who are then eligible to vote. A Member's access to the amenities that Park Harbor has to offer, including but not limited to the boat ramp, trailer parking, the pond, and the park, may be suspended during any period that such Member is delinquent in the payment of any assessment duly established pursuant to these Bylaws or the Declaration, or otherwise in default under the terms of these Bylaws or the Declaration.

(b) In cases where more than one party owns an interest in a lot(s) included within the overall Property, all such parties shall arrange among themselves for one of their number to exercise the voting rights herein established. In no event shall there be more than one vote for any such lot(s) within the Property. If only one of the parties is present at a meeting of the Corporation, that person may cast that vote. If more than one of the parties is present and after one party casts the vote, another party present makes

prompt protest to the person presiding over the meeting, such vote shall not be counted unless the parties can unanimously agree on such vote by the end of the meeting.

(c) **Privileges and Obligations.**

- (i) Members have the primary responsibility to safeguard and promote the standards, interest, and welfare of the Corporation and the Park Harbor Subdivision.
- (ii) Members are responsible to ensure the Bylaws and Declaration are upheld by anyone who may occupy their property, including tenants and guests.
- (iii) Members are responsible to keep the Corporation informed of their current contact information, including postal mailing address, e-mail address, and telephone number.

Section 5.2 Notices to Members. Notices to Members regarding regular and special meetings of the Corporation and regular and special meetings of the Board of Directors, unless otherwise specifically provided by these Bylaws or the Declaration, shall be:

(a) mailed to each Member not later than the 10th day or earlier than the 60th day before the date of the meeting to the most recent mailing address provided to the Corporation by such Member, as shown on the records of the Corporation, by regular mail, postage prepaid or delivered by hand to the Members; or

(b) posted on the Corporation's website at least 144 hours before the start of a regular meeting or 72 hours before the start of a special meeting; and sent by e-mail to each Member who has registered an e-mail address with the Corporation.

Section 5.3 Membership List. The Secretary is responsible for maintaining, or cause to be maintained, at the principal office of the Corporation, an updated list of Members and their last known mailing addresses and e-mail addresses as provided by each Member. The list shall also show opposite each Member's name the address of the lot(s) within the Property that they own. The list shall be revised by the Secretary to reflect changes in the ownership of said lot(s) of Property occurring prior to the date of the annual or any special meeting of the Corporation. The list shall be open to inspection by all Members and other persons lawfully entitled to inspect the list during regular business hours up to the date of the annual or special meeting. The Secretary shall also keep current and retain custody of the Minute Book.

Section 5.4 Affirmative Vote. Except as otherwise provided herein or in the Declaration, the Members shall be entitled to vote upon any decision or resolution placed before the Members for vote, and the majority of votes cast shall determine the passage of any such decision or resolution. Except as otherwise provided herein or in the Declaration, a vote may be cast either in person or by mail by Members of record who are entitled to vote. Notice and quorum requirements shall be as set forth herein. Voting by proxy is not allowed.

Section 5.5 Mail-in Voting. Votes cast by mail may be submitted by United States mail, delivered to the office of the Corporation, delivered directly to the Secretary of the Corporation, or delivered in such other manner as directed by the Corporation. A valid mail-in vote is defined as a written vote submitted by a Member which clearly states the specific vote of the Member with respect to the issues, resolutions or election being voted on by the Members at the annual or special meeting, signed by the Member and received by the Corporation on or before the time specified for mail-in votes to be returned. A mail-in vote shall be counted as a person present and voting for the purpose of establishing a quorum only for the items appearing on the ballot. A mail-in vote shall 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 mail-in ballot

provided, however, that a nomination taken from the floor in a board member election is not considered an amendment to the proposal for the election. Any vote cast at a meeting by a Member supersedes any vote they submitted by a mail-in vote for that proposal.

ARTICLE VI

Meetings of the Corporation

Section 6.1 Place of Annual and Special Meetings. All annual and special meetings of the Corporation shall be held at the principal office of the Corporation or at another suitable and convenient place permitted by law, determined by the Board of Directors from time to time, and designated in the notices of the meetings.

Section 6.2 Date of Annual Meetings. Annual meetings of the Corporation shall be held at least once each year on a date as shall be fixed by the Board of Directors by written notice to the Members. The Members may transact any business which may properly come before the meeting.

Section 6.3 Notice of Annual Meetings. The Secretary shall send notices of annual meetings to each Member as provided in **Section 5.2**. Such notice shall state the date, time, and place of the meeting, and the general purpose or purposes thereof, including the specific nature of any proposed amendment or change to the Declaration, the Articles of Incorporation, or these Bylaws.

Section 6.4 Special Meeting. A special meeting of the Corporation may be called by the President, a majority of the Directors, or upon presentation to the Secretary of a petition stating the specific purpose of the special meeting, which petition has been signed by the Members having not less than twenty-five percent (25%) of the votes entitled to be cast at such meeting.

Section 6.5 Notice of Special Meetings. The Secretary shall send notice of any special meeting of the Corporation to each Member in the manner provided in **Section 6.3**. The notice shall state the same items required by **Section 6.3** for notices of annual meetings. No business shall be transacted at any special meeting except as stated in the notice thereof unless by consent of two-thirds (2/3) of the Members present at the special meeting.

Section 6.6 Quorum. A majority of Members, present in person or by mail-in ballot as provided in **Section 5.5**, shall be requisite and shall constitute a quorum at all meetings of the Members for the transaction of business except as otherwise provided by statute or by these Bylaws. The act of the majority of the Members of the Corporation present at a meeting at which a quorum is present shall be the act of the Corporation, except where otherwise provided by law or by these Bylaws. If a quorum is not present at a meeting of the Members, the Members present in person entitled to vote thereat shall have power to adjourn the meeting from time to time, until a quorum is present, and at the 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 to any Member.

Section 6.7 Order of Business. The order of business at all meetings of the Corporation shall be as follows:

- (i) roll call;
- (ii) proof of notice of meeting;
- (iii) approval of the minutes of the preceding meeting;
- (iv) reports of officers and committees;

- (v) election of Directors, if applicable;
- (vi) unfinished business;
- (vii) new business; and
- (viii) adjournment.

Section 6.8 Election of Directors. The election of directors shall take place, by written ballot, at the annual meeting of the Corporation. Candidates receiving the highest number of votes, cast in person or received by mail in accordance with **Section 5.5**, will be elected in the order of the most votes received for the corresponding number of Director position(s) to be filled. In the event of a tie(s) and with a quorum of Members present, there will be another vote(s), by written ballot, consisting only of those candidates tied. A valid vote by written ballot is defined as a written vote submitted by a Member which clearly states the specific vote of the Member with respect to the election and signed by the Member. The election results will be presented to the President for announcement to the membership at that meeting.

If a quorum is not present at the annual meeting for either the initial election of Directors or for a tie-breaking vote, the related Director position(s) shall be considered vacant under the terms of **Section 7.4** of these Bylaws. In such case, the Board, consisting of those in the class of Directors whose terms are not presently expiring, shall choose a successor(s) to fill the presently expiring Director position(s) and serve in such position(s) for the two-year term.

Section 6.9 Action Without Meeting by Written Ballot. Any action which may be taken by the vote of the Members at a regular or special meeting, other than the election of Directors, may be taken without a meeting. If an action is taken without a meeting, the Board shall distribute a notice and a written ballot to every Member entitled to vote on the matter no later than the 20th day before the latest date on which a ballot may be submitted to be counted. The ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of any proposal, and provide a specific time within which to return the ballot to the Corporation. A vote by written ballot may be submitted by United States mail, delivered to the office of the Corporation, delivered directly to the Secretary of the Corporation, or delivered in such other manner as directed by the Corporation. A valid vote by written ballot is defined as a written vote submitted by a Member which clearly states the specific vote of the Member with respect to the issues, resolutions or election being voted on by the Members, signed by the Member, and received by the Corporation on or before the time specified for ballots to be returned. Approval by written ballot shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the proposal at a regular or special meeting authorizing the action.

Section 6.10 Administration of Affairs. Subject to the provisions of the TBOC, the Declaration and these Bylaws, the Corporation shall be governed by the Board of Directors.

ARTICLE VII Board of Directors

Section 7.1 Authority; Number of Directors. The affairs of the Corporation shall be governed by the Board of Directors, comprised of seven (7) Directors in total. Each Director shall be a Member, or in the case of corporate or partnership ownership of Property, a duly authorized agent or representative of the corporate or partnership Owner. The corporate or partnership Owner shall be designated as the Director in all correspondence or other documentation setting forth the names of the

Directors. In any election of Directors, the nominees receiving the highest number of votes shall be elected to the Board of Directors in accordance with **Section 6.8**.

Section 7.2 Term of Directors and Compensation. The term of office of the Directors shall be fixed at two (2) years. Each Director shall be classified into one of two classes to coordinate the expiration of terms on a rotating basis. The first class shall contain three (3) director positions and their terms shall expire in odd calendar years. The terms of the remaining four (4) director positions shall expire in even calendar years. At the expiration of the term of office of each respective Director, their successor shall be elected to serve a term of two (2) years. Each Director shall continue to hold office until their successor is elected and qualified, except by reason of death, resignation, retirement, disqualification, removal from office or otherwise as provided in **Section 7.5**. At the expiration of the term of their position on the Board of Directors, the successor Director may be re-elected or their successor may be elected in accordance with these Bylaws. The Directors shall serve without compensation for such service.

Section 7.3 Nominations to Board of Directors. Members may be nominated for election to the Board of Directors in any of the following ways:

(a) A Nominating Committee, consisting of three Members and appointed by the President at least 60 days before the annual election with approval of the Board of Directors, shall select at least one candidate for each place to be filled on the Board of Directors. Board members may also serve on this Committee. The Nominating Committee shall communicate with each candidate who is to appear on the ballot to ensure they understand the roles and duties of a member of the Board and that they meet the qualifications, as established by statute, to serve on the Board.

(b) At or near the same time as the appointment of the Nominating Committee, a letter to all Members shall be sent asking for Members who would like to be placed on the ballot. The letter can be sent electronically. A Member who is not a Director and who desires to run for election to that position shall be deemed to have been nominated for election upon their filing with the Secretary or President a written petition of nomination; or

(c) A Director shall be deemed to have been nominated for re-election to the position they hold by signifying their intention to seek re-election in writing addressed to the Secretary or President.

In order to appear on the ballot at the annual meeting for the election of Directors, all nominations must be received by the Secretary or President no later than 30 days prior to the date of the meeting. A ballot containing all the candidate names, along with space for write-in candidates, will be sent to each Member at least 10 days prior to the annual meeting to the most recent mailing address provided to the Corporation by such Member, as shown on the records of the Corporation, or delivered by hand to the Member.

Section 7.4 Vacancies on Board of Directors. If the office of any elected Director shall become vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, the remaining Directors, at a special meeting duly called for this purpose, shall choose a successor who shall fill the unexpired term of the directorship being vacated. A member of the Board of Directors elected to fill a vacancy shall be elected for the unexpired term of their predecessor in office.

Section 7.5 Removal of Directors. Elected Directors may be removed, with or without cause, by the affirmative vote of seventy-five (75%) of the acting Board of Directors or the affirmative vote of a majority of a quorum of Members voting at any regular or special meeting of the Members of which notice has been properly given as provided in these Bylaws; provided the same notice of this meeting has also

been given to the entire Board of Directors, including any individual Director whose removal is to be considered at this meeting.

Further, any Director(s) who is absent from three consecutive regular meetings without an excuse deemed valid by the Board of Directors, and which shall not be unreasonably withheld; is delinquent in the payment of any assessment duly established pursuant to the Declaration; or otherwise in default under the terms of the Declaration or these Bylaws is disqualified from actively serving on the Board of Directors upon notice of such by the Board, where upon their vote related to Board actions shall be immediately suspended. Such Director(s) shall be automatically removed from the board if they are unable to remedy, or begin to remedy, such disqualifying action(s) within 30 days of the Board's notice. The Director(s) may immediately resume service to the Board if the disqualifying action(s) is resolved within the 30 day notice period.

Section 7.6 Organizational Meeting of the Board of Directors. No later than 20 days following each annual meeting of the Members of the Corporation, the Board of Directors shall hold a regular meeting for the purposes of organization, election of officers, and transaction of other business.

Section 7.7 Place of Meetings. All meetings of the Board of Directors shall be held at the principal office of the Corporation or at any other place or places designated at any time by the President or the Board of Directors. Meetings of the Board of Directors may be held by any method of communication, including electronic and telephonic, by which each Director may hear and be heard by every other Director.

Section 7.8 Regular Board of Directors Meetings. Regular meetings of the Board of Directors may be held at any time and place permitted by law as from time to time may be determined by the President or the Board of Directors. Notice of regular meetings of the Board of Directors, except for an organizational meeting held immediately after an annual meeting of the Members as provided in **Section 7.6**, shall be given to each Director personally, by telephone, facsimile, by email, or any other method as provided for in **Section 5.2**, at least five (5) days before the date of the meeting. This notice shall state the date, time, and place of the meeting. At least four (4) board meetings, consisting of either regular meetings or special meetings, shall be held during each fiscal year. The business to be transacted at, or the purpose of, a regular or special meeting of the Board of Directors is not required to be specified in the notice, and any such meeting may involve consideration of any action, including, but not limited to, action involving a vote on a fine, damage assessment, or appeal from a denial of architectural review approval.

Section 7.9 Special Board of Directors Meetings. Special meetings of the Board of Directors may be called by the President or the Secretary of the Corporation upon the written request of any two Directors, on three (3) days prior notice to each Director. Notice of any special meeting shall be given in the same manner as notice of a regular meeting provided in **Section 7.8**. The notice shall state the same items required by **Section 7.8** for notices of regular meetings.

Section 7.10 Waiver of Notice. Before any meeting of the Board of Directors, whether regular or special, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to giving the required notice. All written waivers shall be filed in the Minute Book of the Corporation or made a part of the minutes of the meeting. Attendance by a Director at any meeting of the Board of Directors shall likewise constitute a waiver of the required notice. If all Directors are present at any meeting of the Board of Directors, no notice of the meeting shall be required and any business may be transacted at the meeting except as prohibited by law or these Bylaws.

Section 7.11 Quorum. At all duly convened meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, except as otherwise expressly

provided in these Bylaws. The acts of a majority of the Directors present at the meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, the Directors present may adjourn the meeting from time to time, and at the 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 to any Director.

Section 7.12 Action Outside of a Meeting. The Board of Directors may, without prior notice to Members, take action outside of a meeting, except for action involving a vote on a fine, damage assessment, initiation of certain enforcement actions, appeal from a denial of an architectural review approval, adoption of or amendment of a dedicatory instrument, approval of an annual budget, the election of an officer, or suspension of a right of a particular Member before the Member has an opportunity to attend a meeting of the Board of Directors to present the Member's position on the issue, as provided below:

(a) **Action by Vote.** The Board of Directors may take action outside of a meeting, including voting by electronic or telephonic means, if each board member is given a reasonable opportunity to express their opinion to all other board members; to hear and be heard by all other board members; and to vote. The affirmative vote of a majority of board members, unless otherwise required under these Bylaws or the Declaration, is the act of the Board of Directors.

(b) **Action by Unanimous Written Consent.** The Board of Directors may, by unanimous written consent, take action outside of a meeting and without taking a vote if each board member signs a written consent, by mail or electronic means, stating their consent to the action to be taken.

Any action taken outside of a meeting shall be documented in the minutes of the next regular or special board meeting.

Section 7.13 Records. The Board of Directors shall cause a record of all of its acts and the corporate affairs of the Corporation to be kept and to present a general report thereof to the Members at each annual meeting of the Corporation or at any special meeting where a general report is requested in writing by one-third (1/3) of Members entitled to vote.

Section 7.14 Powers and Duties. The Board of Directors shall have and exercise all powers and duties necessary for the proper administration of the affairs of the Corporation. In the performance of its duties as the governing body of the Corporation, the Corporation shall have all powers enumerated in the applicable sections of the TBOC, and in addition to those powers and duties set forth in the TBOC and the Declaration, the Board of Directors shall have the powers and duties including, but not limited to, the following:

(a) **Duties of Directors.** Each Director shall perform their duties as a member of the Board of Directors in good faith as a fiduciary of the Corporation, in a manner which the Director believes to be in the best interest of the Corporation and with the care of a person of ordinary prudence under similar circumstances, including, but not limited to, reasonable inquiry, skill, and diligence.

(b) **Duties of the Board of Directors.** The Board of Directors shall:

- (i) provide for the operation, maintenance, management, insurance, cleaning, sanitation, renewal, replacement, and the care and upkeep of the Common Areas and all property, real, or personal of the Corporation;
- (ii) determine the Common Expenses and any other charges comprising the operating expenses of the Corporation, establish the amount of assessments, as the same may

increase or decrease, and assess the same against the Members in accordance with the provisions of the Declaration and these Bylaws;

- (iii) subject to these Bylaws (**Sections 10.1 and 10.2**) and the provisions of the Declaration, levy and collect, in addition to regular annual or monthly assessments, special assessments (collectively, "Assessments") in amounts which the Board of Directors deems proper, whenever the Board of Directors is of the opinion it is necessary to do so in order to meet operating or maintenance costs, additional capital expenses or because of emergencies;
 - (iv) use and expend any sums collected from Assessments for the operation, maintenance, renewal, and the care and upkeep of the Common Areas;
 - (v) pay all taxes and assessments levied or assessed against any property that may be owned by the Corporation, exclusive of any taxes or assessments levied against any Member or otherwise properly chargeable to the Member;
 - (vi) collect delinquent Assessments against any Member thereof, whether by suit or otherwise and to abate any nuisance and enforce the terms of the Declaration and the observance of the Bylaws by injunction or other legal action or means which the Board of Directors may deem necessary or appropriate;
 - (vii) establish operating, escrow, and other accounts in the name of the Corporation as the Board of Directors may deem appropriate from time to time and as may be consistent with generally accepted accounting practices;
 - (viii) adopt a budget for each fiscal year which shall contain estimates of the costs and expenses of the Corporation and the proposed Assessments;
 - (ix) maintain accounting records in accordance with generally accepted accounting principles; and
 - (x) make and enforce compliance with the Bylaws relative to the operation, use and occupancy of the Property, including, but not limited to, penalties to be levied for violations of these Bylaws and the Declaration, the same of which shall be adopted and amended from time to time as and when approved by appropriate resolutions which shall be binding on the occupants, tenants and the Owners, their successors in title and assigns.
- (c) **Powers of the Board of Directors.** The Board of Directors is empowered to:
- (i) employ and dismiss personnel of the Corporation, and purchase or arrange for those services, machinery, equipment, tools, materials, and supplies as, in the opinion of the Board of Directors, may from time to time be necessary for the proper operation and maintenance of the Common Areas;
 - (ii) enter into contracts for professional management of the Property and the Corporation, as provided in **Section 7.17**, at such prices and upon such terms as may be determined by the Board of Directors, to perform those duties and services which the Board of Directors may lawfully delegate;

- (iii) employ or retain and receive advice from professional counsel and consultants, including, but not limited to, landscape architects, architects, engineers, planners, biologists, lawyers, and accountants, which the Board of Directors may deem necessary for any proper purposes of the Corporation, and to fix the compensation for professional advice or services, including, but not limited to, those hereinbefore or hereinafter referred to in these Bylaws. The Board of Directors shall be entitled to rely in good faith on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by any of the following: (A) one or more officers or employees of the Corporation whom the Board of Directors reasonably believes to be reliable and competent in the matter presented; (B) counsel, public accountants or other persons as to the matters which the Board of Directors reasonably believes to be within the professional or expert competence of this person; and (C) a committee of the Board of Directors duly designated in accordance with law, as to matters within its designated authority, which committee the Board reasonably believes to merit confidence. The Board of Directors shall not be considered to be acting in good faith if it has knowledge concerning the matter in question that would cause this reliance to be unwarranted;
- (iv) name as an insured, on behalf of the Corporation, the Corporation's authorized representative, including any trustee with whom the Corporation may enter into any insurance trust agreement or any successor to this trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall be given exclusive authority to negotiate losses under any policy providing property or liability insurance coverage. The Corporation or any Insurance Trustee or substitute Insurance Trustee designated by the Corporation shall have the power to act as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including the collection and appropriate disposition of the proceeds thereof, the negotiation of losses, execution of releases of liability, and the execution of all documents and the performance of all other acts necessary to accomplish these purposes;
- (v) establish depositories for the funds of the Corporation with the bank or banks as shall be designated from time to time by the Board of Directors and in which monies of the Corporation shall be deposited. Withdrawal of monies shall be only by check signed by, or electronic mean handled by, those persons who are authorized by the Board of Directors to withdrawal monies on behalf of the Corporation;
- (vi) invest monies of the Corporation in any investments which the Board of Directors deems to be reasonably prudent;
- (vii) subject to these Bylaws (**Section 14.1**) and the provisions of the Declaration, borrow and repay monies and give notes, mortgages, or other security upon the terms which are deemed reasonable by the Board of Directors;
- (viii) subject to these Bylaws (**Section 16.3**) and the provisions of the Declaration, dispose of or acquire by purchase, sell, annexation, or lease any real property, upon the terms which are deemed reasonable by the Board of Directors;

- (ix) subject to these Bylaws (**Section 10.3**) and the Declaration as it may apply, levy and collect fees for administrative matters associated with or requested by Members, non-Members, and third parties;
- (x) acquire by gift, real or personal property, if, the Board of Directors deems it to be proper and not inconsistent with the terms hereof to do so;
- (xi) grant and reserve easements, leases, licenses, rights, or concessions where necessary or desirable for utilities, routes of ingress and egress, or any other purpose, over the Common Areas and to amend the Property map to show such interests; and
- (xii) do all things incidental and necessary to the accomplishment of the above.

(d) The duties and powers imposed on the Board of Directors by this **Section 7.14** shall not be amended so as to reduce or eliminate any duties or powers of the Board of Directors without the affirmative vote of not less than two-thirds (2/3) of a quorum of Members voting in a manner as provided in **Article VI**.

Section 7.15 Annual Budget and Assessments. An annual budget setting forth the estimated annual Common Expenses, reserves, and Assessments for the next fiscal year of the Corporation shall be prepared by the Board of Directors and shall be available to all Members for inspection as provided in **Section 11.1**. Annual Common Expenses shall include, without limiting the generality of the foregoing, the estimated amounts necessary for maintenance and operation of the Common Areas and any and all other expenses related to the operation thereof, including, but not limited to, the cost of common utility services, casualty and liability insurance, professional management expenses, administrative and office expenses, reserves, and costs associated with the administration of the Corporation, including the cost of all social activities, events, and other programs of the Corporation. Reserves shall include reasonable amounts to be credited, allocated or accumulated for replacement of those Common Area improvements or facilities that require replacement, renovation or rehabilitation periodically. Subject to the provisions of **Section 7.14(b)(iii)**, nothing herein contained shall be construed as restricting the right of the Board of Directors, at any time and in its sole discretion, to levy a Special Assessment, as set forth in **Section 10.2**, in the event that the budget as originally adopted shall appear to be insufficient to pay the cost of the operation or management of the Property or in the event of emergencies. Further, subject to the provisions of **Sections 7.14(b)(i) and 7.14(b)(iv)**, nothing herein contained shall be construed as restricting the right of the Board of Directors to use and expend, at any time and in its sole discretion, any sums collected from Assessments or held in reserves for the operation, maintenance, renewal, and care and upkeep of the Common Areas.

Section 7.16 Management Certificate. The Corporation shall record in Henderson County, Texas a certificate, signed and acknowledged by an officer of the Corporation stating:

- (i) the name of the subdivision;
- (ii) the name of the Corporation;
- (iii) the recording data for the subdivision, including the Declaration and any amendments to the Declaration;
- (iv) the name and mailing address of the Corporation;
- (v) the name, mailing address, telephone number and e-mail address of the person managing the Corporation or the Corporation's designated representative;

- (vi) the website address of any internet website on which the Corporation's dedicatory instruments are available;
- (vii) the amount and description of a fee or fees charged by the Corporation relating to a property transfer in the subdivision; and
- (viii) other information the Corporation considers appropriate.

Such certificate shall be recorded within thirty (30) days after the Corporation receives notice of a change in any of the information listed in the items above.

Additionally, not later than the seventh (7) day after the date the Corporation files a management certificate or amends a management certificate, the Corporation shall electronically file the management certificate or amended management certificate with the Texas Real Estate Commission.

Section 7.17 Manager. To facilitate management of the Property and the administration of the Corporation, the Board of Directors may delegate to a Manager responsibility for matters of a routine nature, provided only that an agreement evidencing such relationship shall in no event exceed a period of three years, renewable by agreement of the parties thereto for successive one year periods only, and shall be subject to termination by either party without cause and without payment of a termination fee upon not more than ninety (90) days prior written notice and for cause upon not more than thirty (30) days prior written notice. In addition to the foregoing, no decision by the Corporation to establish self-management of the Property after a Manager has been appointed shall be effective unless and until approved by the affirmative vote of not less than two-thirds (2/3) of a quorum of Members voting in a manner as provided in **Article VI**.

Section 7.18 Open Meetings. Regular and special meetings of the Board shall be open to all Members. Unless the nature or timeliness of the business to be considered demands an otherwise shorter notice period to Members, the Secretary shall give notice to all Members in a manner provided in **Section 5.2**, along with the general purpose(s) of the meeting if such purposes, while not required to be specified, have been specified in the notice to Board members as provided in **Section 7.8**. Members who are not on the Board may only participate in deliberations or discussions if expressly authorized to do so by the affirmative vote of a majority of a quorum of the Board. The Board shall have the right to adjourn a meeting and reconvene in private, closed executive session to consider any actions involving personnel; pending or threatened litigation; contract negotiations; enforcement actions; matters related to the invasion of privacy of individual Members or upon the request of an affected party; or matters that are confidential in the opinion of the Board, provided, however, the Board shall announce the general nature of the business to be considered in such executive session prior to adjourning the meeting. Notwithstanding the above, the Board may take action outside of a meeting as provided in **Section 7.12**.

ARTICLE VIII

Officers

Section 8.1 Officers. The officers of the Corporation shall be a President, Vice President, Secretary, and Treasurer. The offices of President and Secretary may not be held by the same person. The Secretary may be eligible to hold the office of Treasurer.

Section 8.2 Election. Except as set forth herein, the officers of the Corporation shall be elected annually by the Board of Directors at the organizational meeting held pursuant to **Section 7.6** of these Bylaws and shall hold office until their successors are elected by the Board of Directors; provided that each officer may be removed, either with or without cause, and their successor elected by the

affirmative vote of a majority of a quorum of Directors at any regular or special meeting of the Board of Directors called for that purpose. Officers of the Corporation shall serve for one-year terms and may be re-elected for continuous terms. The Board of Directors may, from time to time, elect other officers which, in its judgment, are necessary. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary of the Corporation. Any resignation shall take effect as of the date of the receipt of such notice or any later time specified therein. Unless specified therein, the acceptance of a written resignation shall not be necessary to make it effective.

Section 8.3 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in **Section 8.2**.

Section 8.4 President. The President shall be the chief executive officer of the Corporation and shall preside at all meetings of the Corporation and the Board of Directors. The President shall have the general powers and duties usually vested in the office of the president of a community association, including, but not limited to, the power to appoint a committee(s) from the Members, from time to time, as the President may deem appropriate to assist in the conduct of the affairs of the Corporation provided, however, such committee is subject to the confirmation of the Board of Directors and no such committee shall have the right to exercise the full authority of the Board of Directors. The President shall be an ex-officio member of all standing committees, if any. The President shall execute deeds, contracts, and other instruments in the name and on behalf of the Corporation and under its corporate seal when a seal is required, except when these documents are required or permitted by law to be otherwise executed, and except when the signing and execution thereof shall be delegated by the Board of Directors to another officer or agent of the Corporation.

Section 8.5 Vice President. In the absence or inability to act of the President, the Vice President shall perform the duties and powers of the President, and shall perform such other duties as may from time to time be assigned to such person by the President.

Section 8.6 Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of the Members and record all votes and the minutes of all meetings and proceedings, including resolutions, in the Minute Book. The Secretary shall perform the same duties for any committees when required. The Secretary shall have charge of the Minute Book, the records of the Corporation, and any papers which the Board of Directors shall direct the Secretary to keep; shall perform all duties incident to the office of Secretary, including, but not limited to, the sending of notice of meetings to the Members, the Directors, and members of any committees; maintain a record of the rotational position of each Board member's term in office; and shall perform any other duties which may be prescribed by these Bylaws, the Board of Directors, or the President. The Secretary shall also have custody of the corporate seal, shall affix the same to any instrument requiring it when authorized by the Board of Directors, and shall attest or certify the same when appropriate. The Secretary shall keep, or cause to be kept, at the principal office of the Corporation, a membership register showing the following: (a) the names and addresses of all Directors; (b) the names and addresses of all Members as provided by the Members; and (c) the lot(s) within the Property that is owned by each Member. The Secretary shall prepare, execute, and cause the recordation of amendments to the Declaration on behalf of the Corporation except when the preparation, execution, and recordation thereof shall be delegated by the Board of Directors to another officer or agent of the Corporation.

Section 8.7 Treasurer. The Treasurer shall have the responsibility for the Corporation's funds and securities, shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation, and shall deposit all monies, checks, and other valuable effects in the name of and to the credit of the Corporation in those depositories which may be designated from time to time by the Board of Directors. The Treasurer shall disburse the funds of the Corporation, as the Treasurer may be ordered to do

from time to time by the Board of Directors or by the President, and shall render to the President and the Directors at the regular meetings of the Board of Directors, or whenever they or either of them shall require, an account of any and all transactions and of the financial condition of the Corporation. Nothing shall prohibit the functions of the Treasurer to be delegated to an agent of the Corporation provided this delegation is approved by resolution of the Board of Directors. The delegation of the duties of the Treasurer shall not relieve the Treasurer from any responsibility related to overseeing and reviewing any duties performed by the agent.

Section 8.8 Compensation. The officers of the Corporation shall serve without compensation except that they shall be entitled to reimbursement for all expenses reasonably incurred in the discharge of their duties.

ARTICLE IX

Indemnification of Directors, Officers, and Other Authorized Representatives

The Corporation shall indemnify any person, acting solely out of their duties on behalf of the Corporation, 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 by reason of the fact that they are or were a director, officer, committee member, employee, or volunteer of the Corporation ("Covered Individuals") against expenses, including all liabilities, costs, and expenses incurred in connection with the duties of such Covered Individuals and any actions taken or omitted in such capacity to the greatest extent permitted under the TBOC and all other applicable laws at the time of such indemnification, reimbursement, or advance payment; provided, however, no Covered Individual shall be indemnified for:

- (i) a breach of the Covered Individual's duty of loyalty to the Corporation or its Members;
- (ii) an act or omission not in good faith that constitutes a breach of duty or that involves intentional misconduct or a knowing violation of the law;
- (iii) a transaction from which such Covered Individual received an improper benefit, whether or not the benefit resulted from an action taken within the scope of their duties; or
- (iv) an act or omission for which the liability of such Covered Individual is expressly provided for by statute.

ARTICLE X

Assessments and Administrative Fees

Section 10.1 Regular Assessments. The Corporation may, subject to the provisions of the Declaration, as may be amended from time to time as therein provided, levy regular assessments against Members of the Corporation.

Section 10.2 Special Assessments. Special assessments against Members are permitted upon the affirmative vote of a majority of a quorum of the Board of Directors and the affirmative vote of not less than two-thirds (2/3) of a quorum of Members voting in a manner as provided in Article VI.

Section 10.3. Administrative Fees. The Corporation may, subject to the affirmative vote of a majority of a quorum of the Board of Directors and subject to any provision(s) of the Declaration as it

may apply, levy and collect fees against Members, non-Members, and third parties associated with administrative matters, including, but not limited to: the transfer of property, the completion of Resale Certificates, and the compilation, production, and reproduction of information and records.

ARTICLE XI Corporation Books and Records

- Section 11.1 Corporation Books and Records.** The Corporation shall keep or cause to be kept:
- (i) detailed financial records of the Corporation;
 - (ii) the name and mailing address of each Member;
 - (iii) each Member's name and the address of the lot(s) within the Property that they own;
 - (iv) voting records and correspondence relating to all amendments to the Declaration; and
 - (v) minutes of all meetings of the Corporation and the Board of Directors.

All books and records of the Corporation shall be available for inspection by the Members, and their respective agents and representatives, during normal business hours. All books and records of the Corporation shall be kept in accordance with generally accepted accounting principles, consistently applied. The Corporation shall furnish each Member requesting same in writing copies of the financial statements of the Corporation within ninety (90) days following the end of each fiscal year of the Corporation. The Board of Directors shall further make available, during normal business hours, for the inspection by Members and their respective agents and representatives the current version of the Declaration, these Bylaws, Articles of Incorporation, and all other documents affecting the Corporation, the Members, or the Property, as well as all amendments thereto and revisions thereof. For purposes of this paragraph, "available" shall mean available for inspection, upon reasonable advance request of not less than ten (10) business days, during normal business hours, at the office of the Corporation or the office of the Manager of the Corporation.

The Corporation is not required to release or allow inspection of any books or records, including the meeting minutes of the Corporation or the Board of Directors, that identify the dedicatory instrument violation history of an individual Member; a Member's personal financial information, including records of payment or nonpayment of amounts due the Corporation; or a Member's contact information other than the Member's address, unless by court order or the Corporation has received express written approval of the Member whose records are the subject of the request for inspection.

Section 11.2 Documents and Records Retention. The Corporation shall store, preserve, and maintain certain documents and records for minimum time periods as follows:

- (a) Permanent Retention. Articles of Incorporation; Bylaws; Covenants, Conditions, and Restrictions; plat maps; other governance documents; and all amendments thereof.
- (b) Seven-Year Retention. Financial books and records; tax returns and government filings; and minutes of meetings of the Corporation and Board of Directors.
- (c) Five-Year Retention. Account records of current Members
- (d) Four-Year Retention. Contracts with a term of one year or more after the expiration of the contract term.

Section 11.3 Records Production and Copying. The Corporation may charge Members for the costs related to the compilation, production, and reproduction of requested information in amounts not to exceed those as set forth in Texas Administrative Code, Title 1, Part 3 § 70.3, included within which is the following schedule.

- (a) Standard Paper Copy - \$.10 per page, single sided
- (b) Oversized Paper Copy - \$.50
- (c) Specialty Paper – actual cost
- (d) Non-standard Copy - \$1.00 per diskette and CD
- (e) Labor - \$25.00 per hour related to locating, compiling, manipulating data, redacting data, and reproducing the requested information
- (f) Miscellaneous Supplies – actual cost related to supplies, such as labels and boxes
- (g) Postage and Shipping – actual cost

If the charges for records production and copying are not paid within 30 business days of the date the invoice is sent to the Member, the Corporation may add such amount to the Member's account as an Assessment.

ARTICLE XII Dissolution and Termination

Upon dissolution of the Corporation, the real and personal property of the Corporation shall be distributed pursuant to the provision of the Articles of Incorporation of the Corporation, or, if no such provision is made, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets within its discretion to any improvements for the betterment of all Members of the Corporation.

ARTICLE XIII Insurance

The Corporation shall obtain and maintain, as a Common Expense, insurance coverages determined appropriate by the Board of Directors.

ARTICLE XIV Debt

The Corporation shall not incur an obligation in excess of the available cash on hand without the affirmative vote of a majority of a quorum of the Board of Directors and the affirmative vote of not less than two-thirds (2/3) of a quorum of Members voting in a manner as provided in **Article VI**.

ARTICLE XV
Fiscal Accountability

Section 15.1 Bank Withdrawals. The Board of Directors may only grant authority to sign checks from among the officers of the Corporation. Any withdrawal or disbursement of funds in an amount greater than \$750 requires written approval (by physical or electronic means) by another person who is authorized by the Board of Directors to sign checks on behalf of the Corporation.

Section 15.2 Expenditures. Any expenditure in excess of \$1,500 requires approval of the Board of Directors. All request(s) for payment should be accompanied by an itemized invoice from the service provider or vendor for the work or supplies purchased.

Section 15.3 Financial Review.

(a) A Financial Review Committee consisting of at least (2) Members, including at least one (1) Board member, shall be appointed by the President, subject to the approval of the Board of Directors. No member of the Financial Review Committee may be authorized to sign checks on behalf of the Corporation nor related by blood or marriage, or reside in the same household to anyone that is so authorized.

(b) No less often than annually, a review of the Corporation's financial administration shall be conducted by the Financial Review Committee. Such review may, at the Committee's discretion, include but is not limited to: observing if appropriate procedures regarding the recording of income and expenditures have been followed; verifying bank balances and reconciliation processes; and determining if mandatory financial related filings with government entities have been appropriately submitted. The Committee shall have full access to the Corporation's financial books and records.

(c) A financial review shall be performed within 90 days following the end of each fiscal year and at any time deemed necessary by the President or the majority of the Board of Directors.

(d) The Financial Review Committee reports to the Board of Directors at such times as the Board requests or the Committee considers necessary.

ARTICLE XVI
Miscellaneous

Section 16.1 Fiscal Year. The fiscal year of the Corporation shall be the calendar year unless the Board of Directors shall determine otherwise.

Section 16.2 Amendments to Bylaws. These Bylaws may be amended from time to time by:

(a) the affirmative vote of seventy-five percent (75%) of a quorum of the Board of Directors at any regular meeting or at any special meeting provided that no such alteration or amendment by the Board shall increase the powers of the Board; or

(b) the affirmative vote of not less than two-thirds (2/3) of a quorum of Members voting in a manner as provided in **Article VI**.

Section 16.3 Disposal or Acquisition of Property. The Corporation may dispose of or acquire by purchase, sell, annexation, or lease any real property of the Corporation, subject to the affirmative vote of a majority of a quorum of the Board of Directors and the affirmative vote of not less than two-thirds (2/3) of a quorum of Members voting in a manner as provided in **Article VI**.

Section 16.4 Inspection of Bylaws. The Corporation shall keep in its principal office the original or a copy of these Bylaws, as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the Members during normal business hours.

Section 16.5 Membership Minutes. The membership register and the Minute Book shall be open to inspection upon demand of any Member during the normal business hours of the Corporation, for purposes reasonably related to their interest as a Member.

Section 16.6 Construction. Number and gender as used in these Bylaws shall extend to and include both singular and plural and all genders as the context and construction require.

Section 16.7 Rules of Order. Robert's Rules of Order, latest edition, shall be recognized as the governing procedural authority when conducting the meetings of the Corporation, its Board of Directors, and committees, in all instances wherein its provisions do not conflict with these Bylaws.

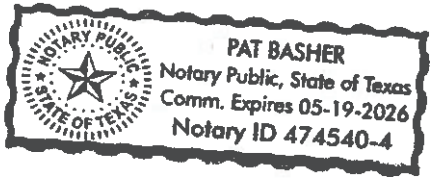
Approved by the affirmative vote of a majority of a quorum of Members of the Corporation present on Dec 5, 2022 and executed by the undersigned Secretary of the Corporation on Dec 5, 2022, attesting to the affirmative vote of the Members.

[Signature]
Secretary

THE STATE OF TEXAS
COUNTY OF Henderson

This instrument was acknowledged before me on the 5 day of Dec, 2022, by Francise Miller, Secretary of Park Harbor Property Owners Association.

[Signature]
Notary Public for the State of Texas



**EXHIBIT A
Legal Description**

**Park Harbor, a subdivision of Henderson County, Texas, according to the Plat thereof recorded in
Volume 6, Page 21 of the Plat Records of Henderson County, Texas**

