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BYLAWS OF THE
WINDERMERE HOMEOWNERS ASSOCIATION, INC. – REVISED 2003

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BYLAWS OF
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Recitals

The previous Bylaws of the Windermere Homeowners Association, Inc., “Previous Bylaws,” were recorded in Volume 12837, Pages 1349 through 1354, of the Real Property Records of Travis County, Texas. The Previous Bylaws comprise pages thirty-one of forty-three through thirty-six of forty-three of the recorded Declaration of Covenants Conditions, and Restrictions for Windermere – Revised 1996.

On April 29, 2003, by a vote of a majority of a quorum of Members present in person or by proxy at a regular meeting of the Members as provided for in Section 12.1 of the Previous Bylaws, the Members of the Windermere Homeowners Association, Inc., totally revised and replaced such “Previous Bylaws” with these “Bylaws of the Windermere Homeowners Association, Inc. -- Revised 2003”, the latter being referred to hereafter as the “Revised Bylaws”. These Revised Bylaws totally supersede and replace the Previous Bylaws.

ARTICLE 1. NAME AND LOCATION

1.1 *Name and location.* The name of the corporation is Windermere Homeowners Association, Inc., hereinafter referred to as the "Association". The principal office of the corporation is located at 16804 Gower Street, Pflugerville, Texas 78660, and the permanent mailing address is P. O. Box 1158, Pflugerville, Texas 78691, but meetings of Members and directors may be held at such places within the State of Texas, Counties of Travis or Williamson, as may be designated by the Board of Directors.

ARTICLE 2. DEFINITIONS

2.1 *Definitions.* The definitions of terms used in these Bylaws shall have the same definitions as in the Declaration of Covenants, Conditions, and Restrictions for Windermere -- Revised 1996, as recorded in the Real Property Records of Travis County, Texas.

ARTICLE 3. MEETING OF MEMBERS

3.1 *Annual Meetings.* The annual meetings of the Members shall be held in April of each year, after mailing notices of the meeting to the Members at least 30 days prior to the meeting, stating the date, time, and place.

3.2 *Special Meetings.* Special meetings of the Members may be called at any time by the President, by a majority of the Board of Directors, or upon written request of one-fourth of the Members who are entitled to vote.

3.3 *Notice of Meetings.* Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association. Such notice shall specify the date, time, and place of the meeting, and, in the case of a special meeting the purpose of the meeting.

3.4 *Quorum.* The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth of the votes of membership who are entitled to vote shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Revised Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or be represented.

3.5 *Proxies.* At all meetings of Members, each Member who is entitled to vote may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot or upon the suspension or loss of the Member's voting rights. The clerical aspects of collecting and verifying proxies may be delegated to another officer or a manager, as deemed appropriate.

3.6 *Voting.* Members who are entitled to vote shall be limited to those Members who are not delinquent in any monies owed to the Association and who have begun construction of a dwelling on their Lot or have an existing dwelling on their Lot.

ARTICLE 4. BOARD OF DIRECTORS; TERM OF OFFICE

4.1 *Number.* The affairs of this Association shall be managed by a Board of seven directors, who must be Members of the Association.

4.2 *Term of Office.* The term of office for each director shall be three years or until the successor to the director is elected or, if a director is appointed by the Board of Directors, the remaining term of the director who is succeeded.

4.3 *Removal.* Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. Any director may be removed from the Board by a majority vote of the Board of Directors if the director:

- A. has been convicted of a felony;
- B. has been convicted of a class A or B misdemeanor theft;
- C. is listed in the Texas Sex-Offender Database available on the Internet;
- D. has been absent for three consecutive meetings as authorized by Article 7.1(D) of these Bylaws;
- E. becomes delinquent in any monies owed to the Association for more than 30 days; or
- F. ceases to be a Member of the Association.

In the event of death, resignation, or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

4.4 *Compensation.* No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

4.5 *Action Taken Without a Meeting.* The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE 5. NOMINATION AND ELECTION OF DIRECTORS

5.1 *Nomination.* Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and may include two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members who are entitled to vote at a meeting of Members, under section 3.6 of these Bylaws.

5.2 *Nominations from the Floor.* Members who are entitled to vote at a meeting of Members, under section 3.6 of these Bylaws, may nominate from the floor any Member entitled to vote at that meeting of Members.

5.3 *Election.* Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Revised Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE 6. MEETINGS OF DIRECTORS

6.1 *Regular Meetings.* Regular meetings of the Board of Directors may be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should the meeting fall upon a legal holiday, then that meeting may be held at the same time on the next day which is not a legal holiday.

6.2 *Special Meetings.* Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three days notice to each director. Notice may be by phone or email.

6.3 *Quorum.* A majority of the number of sitting directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present in person or by proxy at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

6.4 *Proxies.* At all meetings of the Board of Directors, each director may vote in person or by proxy, however, the attendance requirement of Section 7.1(D) of these Bylaws is not satisfied by submission of a proxy. All proxies shall be in writing and filed with the Secretary. Each proxy shall be void in the event that the director physically attends the subject meeting.

ARTICLE 7. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

7.1 *Powers.* In addition to the powers contained in the Revised Declaration, the Board of Directors shall have power to:

A. Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

B. Suspend the voting rights and right to use ~~of~~ the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;

C. Exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Revised Declaration;

D. Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three consecutive, regular meetings of the Board of Directors; and

E. Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

7.2 *Duties.* In addition to any duties contained in the Revised Declaration, it shall be the duty of the Board of Directors to:

A. Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or any special meeting when such statement is requested in writing by one-fourth of the Members who are entitled to vote;

B. Supervise all officers, agents, and employees of this Association, and to see that their duties are properly performed;

C. As more fully provided in the Revised Declaration, to:

(1) Fix the amount of the annual assessment against each Lot at least 30 days in advance of each annual assessment period, unless the amount is unchanged from the previous year;

(2) Send written notice of each assessment to every Owner subject thereto at least 30 days prior to the payment deadline stated therein, using the current address of record on the books of the Association; and

(3) Take all steps it deems appropriate and that are in compliance with the Texas Property Code to collect any assessments more than 30 days delinquent. The collection methods can include, but are not limited to, turning the delinquent account over to an outside collection attorney or agency, recording the lien on the subject property, bringing an action at law against the owner or former owner personally obligated to pay the delinquent assessments, foreclosing the lien against the property, and reporting the delinquency to credit bureaus;

- D. Issue, or to cause an appropriate entity to issue, statements of account and resale certificates in compliance with the Texas Property Code;
- E. Consider the liability exposure due to property owned by the Association, and adopt a strategy for minimizing that risk, as it may deem appropriate;
- F. Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- G. Cause the Common Area to be maintained.

ARTICLE 8. OFFICERS AND THEIR DUTIES

8.1 *Enumeration of Offices.* The officers of this Association shall be a President and Vice-president, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

8.2 *Election of Officers.* The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

8.3 *Term.* The officers of this Association shall be elected annually by the Board and each shall hold office for one year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

8.4 *Special Appointments.* The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

8.5 *Resignation and Removal.* Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time 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.

8.6 *Vacancies.* A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

8.7 *Multiple Offices.* The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 8.4.

8.8 *Duties.* The duties of the officers are as follows:

A. *President.* The President shall preside at all meetings of the Board of Directors and at all meetings of Members; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, and other written instruments.

B. *Vice-President.* The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

C. *Secretary.* The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Members; keep appropriate current records showing the Members of the Association together with their mailing addresses of record, and shall perform such other duties as required by the Board. The clerical aspects of these duties may be delegated to another officer or a manager, as deemed appropriate.

D. *Treasurer.* The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting. The clerical aspects of these duties may be delegated to another officer or a manager, as deemed appropriate.

ARTICLE 9. COMMITTEES

9.1 *Committees.* The Association shall appoint an Architectural Control Committee, as provided in the Revised Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purpose. Committees may consist of one person. Unless otherwise stated in the declaration, the Board reserves the right to disband committees and remove committee members, at its discretion.

ARTICLE 10. BOOKS AND RECORDS

10.1 *Books and Records.* The books and records of the Association shall be subject to inspection by any Member in compliance with the Texas Non-Profit Corporation Act. In this context, 'books' means the budget, budget versus actual, and balance sheet; 'records' means the minutes of the annual meetings of the Members, monthly Board meetings, and any committee meetings having any authority of the Board of Directors. The Revised Declaration, the Articles of Incorporation, and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE 11. ASSESSMENTS

11.1 *Assessments.* As more fully provided in the Revised Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within 30 days after the due date, the assessment may bear interest from the date of delinquency at the highest legal rate of interest, compounded annually, and the Association may bring an action at law against any Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

ARTICLE 12. AMENDMENTS

12.1 *Amendments to Bylaws.* These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy.

12.2 *Conflicts.* In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Revised Declaration and these Bylaws, the Revised Declaration shall control.

ARTICLE 13. MISCELLANEOUS

13.1 *Miscellaneous.* The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, the undersigned President of Windermere Homeowners Association, Inc. has set my hand this 29th day of April, 2003.

President

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly elected President of Windermere Homeowners Association, Inc., a Texas nonprofit corporation, and that the foregoing Bylaws were duly adopted at a meeting of the Association, held on the 29th day of April, 2003.

Date

President