

Mary Louise Nicholson

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**SECOND SUPPLEMENT
TO
NOTICE OF FILING OF DEDICATORY INSTRUMENTS
FOR
WALNUT CREEK NORTH
PURSUANT TO SECTION 202.006 OF THE TEXAS PROPERTY CODE
[First Amended and Restated Bylaws]**

**STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF TARRANT §**

THIS SECOND SUPPLEMENT TO NOTICE OF FILING OF DEDICATORY INSTRUMENTS FOR WALNUT CREEK NORTH PURSUANT TO SECTION 202.006 OF THE TEXAS PROPERTY CODE (this "Second Supplement") is made this ____ day of _____, 2019 by the Walnut Creek North Homeowner's Association, Inc. (the "Association").

WITNESSETH:

WHEREAS, Nathan A. Watson Company, a Texas Corporation, and Eldorado Development Corporation, a Texas Corporation, (collectively the "Declarant"), prepared and recorded an instrument entitled "Declaration of Restrictions, Covenants and Conditions of Walnut Creek North Addition" on or about February 11, 1999 as Instrument No. D199036513 of the Real Property Records of Tarrant County, Texas (the "Declaration"); and

WHEREAS, the Association is the property owners' association created by the Declarant to manage or regulate the planned development covered by the Declaration, which development is more particularly described in the Declaration; and

WHEREAS, Section 202.006 of the Texas Property Code provides that a property owners' association must file each dedicatory instrument governing the association that has not been previously recorded in the real property records of the county in which the planned development is located; and

WHEREAS, on or about the 4th day of December, 2012, the Association filed a Notice of Filing of Dedicatory Instruments as Document No. 212296062 of the Real Property Records of Tarrant County, Texas (the "Notice"); and

WHEREAS, on or about the 26th day of March, 2013, the Association filed a First Supplement to Notice of Filing of Dedicatory Instruments for Walnut Creek North as Document No. D213074777 of the Real Property Records of Tarrant County, Texas (the "First Supplement"); and

WHEREAS, the Association desires to supplement the First Supplement to record the attached dedicatory instruments attached as Exhibit "A" in the Real Property Records of Tarrant

County, Texas, pursuant to and in accordance with Section 202.006 of the Texas Property Code.

NOW, THEREFORE, the dedicatory instruments attached hereto as Exhibit "A" are true and correct copies of the originals and are hereby filed of record in the Real Property Records of Tarrant County, Texas, in accordance with the requirements of Section 202.006 of the Texas Property Code.

IN WITNESS WHEREOF, the Association has caused this Second Supplement to be executed by its duly authorized agent as of the date first above written.

WALNUT CREEK NORTH
HOMEOWNER'S ASSOCIATION, INC.,
a Texas non-profit corporation

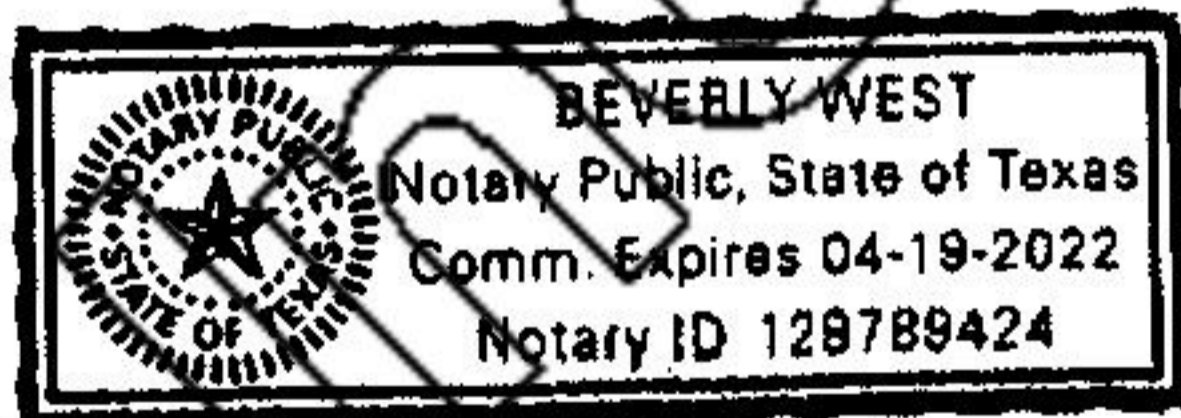
By: Kevin D. Blankenship
Its: Walnut Creek North HOA - President

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

BEFORE ME, the undersigned authority, on this day personally appeared Kevin Blankenship, President of Walnut Creek North Homeowner's Association, Inc., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed on behalf of said corporation.

SUBSCRIBED AND SWORN TO BEFORE ME on this 29th day of March 2019.



Beverly West
Notary Public, State of Texas
4/19/22
My Commission Expires

EXHIBIT "A"

A-1 First Amended and Restated Bylaws of Walnut Creek North Homeowner's Association, Inc.

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**FIRST AMENDED AND RESTATED BYLAWS
OF
WALNUT CREEK NORTH HOMEOWNER'S
ASSOCIATION, INC.**

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Table of Contents

	Page
ARTICLE ONE - OFFICES	
Section 1.1 Principal Office	2
Section 1.2 Registered Office and Registered Agent	2
ARTICLE TWO - DEFINITIONS	2
ARTICLE THREE - MEMBERSHIP AND VOTING RIGHTS	
Section 3.1 Membership	3
Section 3.2 Members	8
ARTICLE FOUR - MEETINGS OF MEMBERS	
Section 4.1 Annual Meetings	3
Section 4.2 Special Meetings	3
Section 4.3 Place of Meetings	3
Section 4.4 Notice of Meetings	3
Section 4.5 Quorum and Manner of Action	4
Section 4.6 Voting Methods	4
Section 4.7 Conduct of Meetings	5
Section 4.8 Telephonic and Electronic Meetings	5
Section 4.9 Action Without Meeting	5
Section 4.10 Recount of Votes	5
ARTICLE FIVE - BOARD OF DIRECTORS	
Section 5.1 General and Election	6
Section 5.2 Number and Tenure	6
Section 5.3 Nomination and Election Procedures	7
Section 5.4 Removal	7
Section 5.5 Vacancies	8
Section 5.6 Regular Meetings	8
Section 5.7 Annual Meetings	8
Section 5.8 Special Meetings	8
Section 5.9 Notice	8
Section 5.10 Notice to Members	8
Section 5.11 Telephonic and Electronic Voting	9
Section 5.12 Quorum and Manner of Action	9
Section 5.13 Telephonic and Electronic Meetings	9
Section 5.14 Compensation	10
Section 5.15 Action Without Meeting	10
Section 5.16 Open Meetings	10

Table of Contents (Cont'd)

	Page
ARTICLE SIX – POWERS AND DUTIES OF THE BOARD OF DIRECTORS	
Section 6.1 Generally	10
Section 6.2 Powers	10
Section 6.3 Duties	12
Section 6.4 Enforcement	13
ARTICLE SEVEN - OFFICERS	
Section 7.1 Officers	14
Section 7.2 Election and Term of Office	14
Section 7.3 Removal	14
Section 7.4 Vacancies	14
Section 7.5 President	14
Section 7.6 Vice-President	14
Section 7.7 Treasurer	14
Section 7.8 Secretary	15
ARTICLE EIGHT - COMMITTEES	
Section 8.1 Architectural Control Committee	15
Section 8.2 Other Committees	15
ARTICLE NINE - CONTRACTS, CHECKS, FUNDS AND GIFTS	
Section 9.1 Contracts and Documents	16
Section 9.2 Checks and Drafts	16
Section 9.3 Funds	16
Section 9.4 Gifts	16
ARTICLE TEN - MISCELLANEOUS	
Section 10.1 Books and Records	16
Section 10.2 Fiscal Year	17
Section 10.3 Corporate Seal	18
Section 10.4 Waiver of Notice	18
Section 10.5 No Loans to Directors	18
ARTICLE ELEVEN - INDEMNIFICATION OF OFFICERS, DIRECTORS AND OTHERS	
Section 11.1 Definitions	18
Section 11.2 Persons	19
Section 11.3 Standards	19
Section 11.4 Extent	20
Section 11.5 Determination That Standards Have Been Met	20
Section 11.6 Authorization of Indemnification; Determination As to Reasonableness of Expenses	20

Section 11.7	Mandatory Indemnification	20
Section 11.8	Advance Payment	21
Section 11.9	Reimbursement of Other Expenses	21
Section 11.10	Insurance	21
Section 11.11	Reports	21
ARTICLE TWELVE -- SURETY BONDS		22
ARTICLE THIRTEEN -- AMENDMENTS AND INTERPRETATION		
Section 14.1	Amendments	22
Section 14.2	Conflicts	22
Section 14.3	Severability	22
ARTICLE FOURTEEN -- NONPROFIT CORPORATION		22
Signature Page		23

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FIRST AMENDED AND RESTATED BYLAWS

OF

WALNUT CREEK NORTH HOMEOWNER'S ASSOCIATION, INC.

STATE OF TEXAS §
COUNTY OF TARRANT §
KNOW ALL PERSONS BY THESE PRESENTS;

THESE FIRST AMENDED AND RESTATED BYLAWS OF WALNUT CREEK NORTH HOMEOWNER'S ASSOCIATION, INC. (these "Bylaws") are adopted as of the 13th day of February, 2019, by the Board of Directors (the "Board") of WALNUT CREEK NORTH HOMEOWNER'S ASSOCIATION, INC., a Texas nonprofit corporation (hereinafter referred to as the "Association").

WITNESSETH:

WHEREAS, Nathan A. Watson Company, a Texas Corporation and Eldorado Development Corporation, a Texas Corporation (collectively referred to hereinafter as the "Developer"), prepared and recorded an instrument entitled "Declaration of Restrictions, Covenants, and Conditions of Walnut Creek North Addition" on February 11, 1999, as Document No. D199036513 of the Real Property Records of Tarrant County, Texas (the "Declaration"); and

WHEREAS, the Bylaws of Walnut Creek North Homeowner's Association, Inc., a Texas nonprofit corporation, were adopted as the Bylaws of the Association on or about January 20, 1999 (the "Original Bylaws"); and

WHEREAS, the Amendment to Bylaws of Walnut Creek North Homeowner's Association, Inc. was recorded by a Notice of Filing of Dedicatory Instruments on December 4, 2012, as Document No. D212296062 of the Real Property Records of Tarrant County, Texas (the "First Amendment"); and

WHEREAS, Article I, Section 1.04 of the Bylaws provides that the Board of Directors may alter, amend, or repeal these Bylaws, and adopt new Bylaws; and

WHEREAS, the Walnut Creek North Homeowner's Association was created as a Texas nonprofit corporation, and the Board desires to adopt these Bylaws in place of the Original Bylaws (as amended by the First Amendment) to govern the administration of the Association, including the election of directors and officers, the noticing of meetings of the Association, and such other matters as set forth in these Bylaws.

WHEREAS, at a meeting of the Board held on February 13, 2019, Board Members representing at least a majority of the Board approved of the adoption of the following First Amended and Restated Bylaws of the Association:

[remainder of page intentionally left blank]

**FIRST AMENDED AND RESTATED BYLAWS
OF
WALNUT CREEK NORTH HOMEOWNER'S ASSOCIATION, INC.**

These **FIRST AMENDED AND RESTATED BYLAWS OF WALNUT CREEK NORTH HOMEOWNER'S ASSOCIATION, INC.** (hereinafter called the "**Bylaws**") govern the affairs of **WALNUT CREEK NORTH HOMEOWNER'S ASSOCIATION, INC.**, a nonprofit corporation (hereinafter called the "**Association**") that is organized under the Texas Business Organizations Code (hereinafter called the "**Code**").

**ARTICLE ONE
OFFICES**

1.1. **PRINCIPAL OFFICE.** The principal office of the Association in the State of Texas shall be located in the City of Mansfield, Tarrant County, Texas. The Association may have such other offices, either within or without the State of Texas, as the Board of Directors may determine or as the affairs of the Association may require from time to time. The Board of Directors may change the location of any office of the Association.

1.2. **REGISTERED OFFICE AND REGISTERED AGENT.** The Association shall have and continuously maintain in the State of Texas a Registered Office and a Registered Agent as required by the Code. The Registered Office may be, but need not be, the same as the principal office of the Association. The Board of Directors may change the Registered Office or the Registered Agent, or both, from time to time.

**ARTICLE TWO
DEFINITIONS**

The terms that are defined in that certain Declaration of Restrictions, Covenants, and Conditions of Walnut Creek North, recorded on February 11, 1999, as Document No. D199036513 of the Real Property Records of Tarrant County, Texas (the "**Declaration**"), with respect to the Walnut Creek North planned development that is located in the City of Mansfield, Tarrant County, Texas, as the Declaration may be amended, changed or modified from time to time, shall have the same meanings in these Bylaws.

ARTICLE THREE
MEMBERSHIP AND VOTING RIGHTS

3.1. **MEMBERSHIP.** Each person and/or entity who owns a fee or undivided fee interest in a Lot that is a part of the Property, shall be a Member of the Association. Persons or entities who hold an interest in a Lot merely as security for the performance of an obligation shall not be a Member of the Association; provided, however, that the purchaser at a foreclosure sale or trustee's sale shall be a Member of the Association. Membership shall be appurtenant to and shall not be separated from ownership of any Lot that is a part of the Property.

3.2. **MEMBERS.** The Association shall have one class of voting membership. The Members shall be all Owners and shall be entitled to one (1) vote for each Lot owned by a Member. When more than one person or entity owns an interest in any Lot, all such persons and entities shall be Members of the Association, but the vote for that Lot shall be exercised as the owners of the Lot shall among themselves determine. In no event shall more than one (1) vote be cast with respect to any Lot owned by one or more Members.

ARTICLE FOUR
MEETINGS OF MEMBERS

4.1. **ANNUAL MEETINGS.** An annual meeting of the Members shall be held each year for the purpose of electing Directors and for the transaction of other business as may come before the meeting. The time, place, and date of the annual meeting shall be set by a majority vote of the Board of Directors. If the day fixed for the annual meeting shall be on a legal holiday in the State of Texas, the meeting shall be held on the next succeeding business day. If the election of Directors is not held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Members as soon as reasonably possible.

4.2. **SPECIAL MEETINGS.** Special meetings of the Members may be called by the President, the Board of Directors or upon written request of Members representing at least ten percent (10%) of the total votes of the Association.

4.3. **PLACE OF MEETINGS.** The Board of Directors may designate any place as the place of meeting for any annual meeting or for any special meeting.

4.4. **NOTICE OF MEETINGS.** Written or printed notice stating the place, day and hour of any meeting of Members shall be delivered, either personally, by mail or by electronic mail, to each Member entitled to vote at the meeting, not less than ten (10) nor more than sixty (60) days before the date of the meeting, by or at the direction of the President, the Secretary or the Officers or persons calling the meeting. In case of a special meeting, the purpose or purposes for which the meeting is called shall also be stated in the notice. If personally delivered, the notice of a meeting shall be deemed to be delivered when actually received by the recipient thereof. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail, postage prepaid and addressed to the Member at his or her address as

it appears on the books of the Association. If electronically mailed, the notice of a meeting shall be deemed to be delivered when the Association electronically transmits the notice to the Member's registered electronic mail address as it appears on the records of the Association. Each Member must keep an updated electronic mail address registered with the Association.

4.5. QUORUM AND MANNER OF ACTION. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, ten percent (10%) of all the votes of the Members shall constitute a quorum. If a quorum is not present or represented at any meeting of Members, Members holding a majority of the votes present or represented at the meeting may adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum shall be present. At a reconvened meeting at which a quorum is present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. When a quorum is present or represented at any meeting, the vote of the majority of the votes entitled to be cast by the Members present or represented at the meeting shall be required to decide any question brought before the meeting, unless the question is one upon which a different vote is required by express provision of the Code.

4.6. VOTING METHODS. Members may vote in person, by proxy, by absentee ballot or by electronic ballot except as specifically provided otherwise in the Declaration, these Bylaws, the Certificate of Formation or any rules and regulations promulgated thereunder (collectively, the "Governing Documents"). The available methods of voting need not include all four methods, but must include voting by proxy and absentee ballot. An electronic ballot means a ballot given by (i) electronic mail, (ii) facsimile, or (iii) posting on an Internet website, for which the identity of the Member can be confirmed and for which the Member may receive a receipt of the transmission and receipt of the Member's ballot. All proxies, absentee ballots and electronic ballots shall be in writing, dated, signed by the Member and filed with the Secretary or other person designated by the Board to receive proxies/ballots before the appointed time of each meeting. The Board may elect to allow Members to cast their votes by secret ballot unless the vote is cast for those items listed in Section 209.0058(a) of the Code. If so elected, the Board shall take measures to reasonably ensure that (i) a Member cannot cast more votes than the Member is eligible to cast in an election or vote; (ii) the Association counts each vote cast by a Member that the Member is eligible to cast; and (iii) in any election for the Board, each candidate may name one person to observe the counting of the ballots, provided that this does not entitle any observer to see the name of the person who cast any ballot, and that any disruptive observer may be removed from the area where the ballots are being counted. If an electronic ballot is posted on an Internet website, a notice of the posting shall be sent to each Member that contains instructions on obtaining access to the website posting.

Proxies and absentee ballots shall be deemed to have been filed upon the Secretary's or other designated person's receipt of the proxy/absentee ballot by mail, facsimile or hand delivery. Ballots cast electronically shall be deemed to have been filed upon the Secretary's or other designated person's receipt of the electronic ballot as evidenced by a facsimile confirmation receipt or an electronic transmission receipt. Electronic ballots must be filed at least one (1) hour prior to the time of the meeting. Electronic ballots which are electronically mailed from the Member's registered electronic mail address shall be deemed to be signed by the Member.

Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of such Member's Lot, or upon receipt of notice by the Secretary of the death or judicially declared incompetence of a Member, or of written revocation, or upon the expiration of eleven (11) months from the date of the proxy. Any proxy designated for a meeting which is adjourned, recessed or rescheduled, is valid for the reconvened meeting unless the proxy is revoked in writing prior thereto.

4.7. CONDUCT OF MEETING. At every meeting of the Members, the President, or in his or her absence, the Vice President, shall act as Chair. The Secretary of the Association, or in his or her absence, any person appointed by the Chair, shall act as Secretary at all meetings of the Members.

4.8. TELEPHONIC AND ELECTRONIC MEETINGS. Subject to Board approval, Members of the Association may participate in and hold meetings of the Association by means of conference telephone or similar communications equipment, or another suitable electronic communications system, including videoconferencing technology or the Internet, or any combination, if the telephone or other equipment or system permits each person participating in the meeting to communicate with all other persons participating in the meeting. If voting or an election is to take place outside of a meeting, including voting by electronic or telephonic means, the Board must (i) provide notice of the election or vote to all Members entitled to vote on any matter under consideration not later than the 20th day before the latest date on which a ballot may be submitted to be counted, (ii) implement reasonable measures to verify that every person voting at the meeting by means of remote communications is sufficiently identified; and (iii) keep a record of any vote or other action taken. Participation in the meeting constitutes presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

4.9. ACTION WITHOUT MEETING. Any action required or permitted to be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by a sufficient number of Members as would be necessary to take that action at a meeting at which all of the Members were present and voted. The written consents of the Members shall be placed in the corporate books and records of the Association.

4.10. RECOUNT OF VOTES. A Member may request a recount of the votes cast by the Members at a meeting no later than the 15th day after the later of (i) the date of the meeting of Members at which the election or vote was held, or (ii) the date of the announcement of the results of the election or vote. A demand for a recount must be submitted in writing either by verified mail or by delivery by the United States Postal Service with signature confirmation service to the Association's mailing address as reflected on the certificate required to be recorded pursuant to Section 209.004 of the Texas Property Code (the "Management Certificate"); or in person to the managing agent as reflected on the latest Management Certificate or to the address to which absentee and proxy ballots are mailed. Upon the Board's timely receipt of a written request for a recount, the Board shall estimate the costs for performance of the recount by a person qualified to tabulate votes under the Code and must send an invoice for the estimated costs to the requesting Member at the Member's last known address according to the Association's records not later than the 20th day after the date the Association receives the Member's demand for the recount. The Member demanding a recount must pay the invoice in full to the Association on or before the 30th day after the date the invoice is sent to the Member. If the invoice is not paid by the deadline prescribed above, the Member's

demand for a recount is considered withdrawn and a recount is not required. If the estimated costs are lesser or greater than the actual costs, the Association shall send a final invoice to the Member on or before the 30th business day after the date the results of the recount are provided. If the final invoice includes additional amounts owed by the Member, any additional amounts not paid to the Association before the 30th business day after the date the invoice is sent to the Member may be added to the Member's account as an assessment. If the estimated costs exceed the final invoice amount, the Member is entitled to a refund. The refund shall be paid to the Member at the time the final invoice is sent under this Section 4.10.

Following receipt of payment of the invoice for the cost of the recount, the Association shall engage the services of a person qualified to tabulate the votes. This person must (i) not be a Member of the Association or related to a Member of the Board; and (ii) be a current or former county judge, county elections administrator, justice of the peace, county voter registrar, or a person mutually agreed upon by the Board and each requesting Member. On or before the 30th day after the date of receipt of payment for the recount the recount must be completed and the Association shall provide written notice of the results of the recount to each Member who requested the recount. If the recount changes the results of the election, the Association shall reimburse the requesting Member for the cost paid by the Member for the recount not later than the 30th day after the date the results of the recount are provided. Any action taken by the Board in the period between the initial election vote tally and the completion of the recount is not affected by any recount.

ARTICLE FIVE BOARD OF DIRECTORS

5.1. **GENERAL AND ELECTION.** The Board of Directors shall manage the affairs of the Association. The Directors shall be elected by the Members, which election may be conducted by mail. Directors must be Members of the Association. If the Board is presented with written, documented evidence from a database or other record maintained by a governmental law enforcement authority that a Director was convicted of a felony or crime involving moral turpitude not more than twenty (20) years before the date the Board is presented with the evidence, the Director is immediately ineligible to serve on the Board, automatically considered removed from the Board if a Director, and prohibited from future service on the Board until such time as twenty (20) years has passed since the conviction of any of the above crimes.

5.2. **NUMBER AND TENURE.** The Board of Directors shall consist of no less than five (5) Directors. The number of Directors may be increased or decreased from time to time by amendment of these Bylaws. Any decrease in the total number of Directors shall not have the effect of reducing the total number of Directors below three (3), nor of shortening the tenure which any incumbent Director would otherwise enjoy. Only one person per household of the Walnut Creek North Homeowner's Association, Inc. may be elected Director at any moment in time. Each Director shall serve for a term of two (2) years unless revised by a resolution of the Board of Directors before the commencement of any given term and until their successors shall have been elected and qualified. Board terms shall be staggered so that two (2) and three (3) Directors are elected every other year. At the annual Members' meeting in 2006, two Director positions were elected and began their two-year terms. The three existing Directors at the 2006 Members' meeting were not up for election until the Members' meeting in 2007, at which time those three Director positions were up for election for a new two-year term. There shall be no term limits unless the Board of Directors provides otherwise by resolution passed prior to the commencement of any election. Any Member

may run for the Board of Directors. At the annual meeting of the Members, the Members shall elect the Directors.

5.3. NOMINATION AND ELECTION PROCEDURES.

(A) Nominations. Nominations for election to the Board may be made from the floor, by written request of a Member to the Secretary or other person, or by a committee designated by the Board to accept nominations, such as a Nominating Committee. The Nominating Committee, if created, shall consist of a chairman, who shall be a director, and two (2) or more Members. The Nominating Committee shall be appointed, if at all, by the Board not less than thirty (30) days prior to each annual meeting of the Members to serve a term of one (1) year or until their successors are appointed.

Prior to sending out ballots for purposes of electing directors, the Association will send notice to the Members soliciting candidates interested in running for a position on the Board. The notice will give owners at least ten (10) days to submit a request to be added to the ballot, and will be sent in the same manner as the notice of Board meetings—by mail, or by posting notice on the Common Properties or Association website and sending notice via email. Any Member whose nomination is received by the Secretary or other designated person or committee by the deadline provided in the notice shall be included on the proxy/absentee ballot of the Association provided with the notice of the annual meeting. Any Member whose nomination is received after this period as well as any Member nominated from the floor at the annual meeting shall be included among the nominees running for election to the Board. A change in the list of nominees after the date that the annual meeting notice is sent shall not constitute an amendment to the motion to elect directors. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes. The Board may adopt additional rules governing the procedures for the nomination of directors.

(B) Election Procedures. Each Member may cast all votes attributed to the Lots which such Member represents for each vacancy to be filled. A candidate, or his or her parent, child, brother, sister, grandparent, grandchild, great grandparent, great grandchild, aunt, or uncle may not count the votes for an election. A person who is authorized to count votes may not disclose to any other person how a Member voted; provided, however, that in the event of a recount, the person conducting the recount may be provided access to the ballots for purposes of the recount. There shall be no cumulative voting. That number of candidates equal to the number of positions to be filled and who receive the greatest number of votes shall be elected. The directors elected by the Members shall hold office until the expiration of his or her term and until his or her successor is duly elected and qualified. Directors may be elected to serve any number of consecutive terms.

5.4. REMOVAL. Any Director may be removed either for or without cause at any special or annual meeting of Members, by the affirmative vote of a majority of the Members present, in person or by proxy, at such meeting if notice of intention to act upon such matter shall have been given in the notice calling such meeting. Upon removal of a Director, a successor shall then and there be elected by the Members to fill the vacancy for the remainder of the term of such Director.

5.5. VACANCIES. In the event of the death, disability, ineligibility or resignation of a Director, a vacancy may be declared by the Board, and it may appoint a successor to serve for the remainder of the term of such Director. Alternatively, the Board may call for an election for the purpose of electing a successor to fill any such vacancy on the Board. In such case, the Members shall be entitled to elect a successor to serve for the remainder of the term of such predecessor Director. Any directorship to be filled by reason of an increase in the number of Directors shall be filled by election at an annual meeting of Members or at a special meeting of the Members called for that purpose.

5.6. REGULAR MEETINGS. Regular meetings of the Board of Directors shall be held at the times and at the places as shall be fixed from time to time by resolution of the Board of Directors. In the event that the date of any meeting falls upon a legal holiday, then that meeting shall be held at the same time on the next business day that is not a legal holiday.

5.7. ANNUAL MEETINGS. Annual meetings of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of the Members.

5.8. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by or at the request of the President or any Director. The person authorized to call special meetings of the Board of Directors may fix any place as the place for holding the special meeting of the Board of Directors called by that person. When a quorum is present or represented at any meeting as set forth in Section 5.12 below, the vote of the majority of the Directors present at the meeting shall be required to decide any question brought before the meeting.

5.9. NOTICE. Notice of any meeting of the Board of Directors shall be given to each Director by one of the following methods: (i) by personal delivery; (ii) written notice by first-class mail, postage prepaid; (iii) by telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or (iv) by electronic mail, facsimile, computer, fiber-optics or other communication device. All such notices shall be given at the Director's telephone number, facsimile number, registered electronic mail address, or sent to the Director's address as shown on the records of the Association. Notices sent by first-class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, text message, electronic mail or other device shall be delivered or transmitted at least seventy-two (72) hours before the time set for the meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. The notice shall specify the date and time of the meeting, and if the meeting is held solely by using a conference telephone or other communication system, the location of the meeting, and, for special meetings, the nature of any special business to be considered.

5.10. NOTICE TO MEMBERS. Except as provided in Section 5.11, notice of the date, time, place, and general subject matter, including a general description of matters to be considered in executive session, of each Board meeting shall be given to each Member by one of the following methods: (i) by personal delivery of written notice; (ii) written notice by first-class mail, postage prepaid; (iii) by posting notice in a conspicuous manner in the community on the Common Properties or on privately-owned

property with the property owner's consent and by electronic mail to each Member who maintains a registered electronic mail address with the Association; or (iv) by posting notice on a website, if any, maintained by or on behalf of the Association and by electronic mail to each Member who maintains a registered electronic mail address with the Association. It is each Member's duty to keep an updated electronic mail address registered with the Association at all times. All such notices shall be given at the Member's mailing address or registered electronic mail address as shown on the records of the Association. Notices sent by personal delivery or by first-class mail shall be delivered or sent at least ten (10) days before the date of the meeting but not more than sixty (60) days before the date of the meeting. Notices posted in the conspicuous community location or on the Association's website shall be posted at least seventy-two (72) hours before the start of the meeting. Notices given by electronic mail shall be transmitted at least seventy-two (72) hours before the time set for the meeting. For electronic and telephonic meetings, Members must be given notice of the meeting, along with instructions on how to participate in the meeting via electronic or telephonic means, and Members must be able to hear all Board members except for those portions held in executive session.

5.11. TELEPHONIC AND ELECTRONIC VOTING. The Board may take action outside a meeting, including voting by electronic or telephonic means, without prior notice to Members under Section 5.10, if each Board member is given a reasonable opportunity to express the Board member's opinion to all other Directors and is able to vote. Any action taken without notice to Members must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting, and documented in the minutes of the next regular or special Board meeting.

The Board may not, unless done in an open meeting for which prior notice was given to Members under Section 5.10, consider or vote on any of the following matters: (i) fines; (ii) damage assessments; (iii) initiation of foreclosure actions; (iv) initiation of enforcement actions (except actions that seek the issuance of a temporary restraining order or that relate to violations involving a threat to health or safety); (v) increases in assessments; (vi) levying of special assessments; (vii) appeals from a denial of architectural review approval; (viii) a suspension of a right of a particular Member before the Member has an opportunity to attend a Board meeting to present the Owner's position, including any defense, on the issue; (ix) lending or borrowing money; (x) the adoption or amendment of a Governing Document; (xi) the approval of an annual budget or amendment thereto which would increase the budget by more than 10%; (xii) the sale or purchase of real property; (xiii) filling a vacancy on the Board; (xiv) construction of capital improvements other than the repair, replacement, or enhancement of existing capital improvements; or (xv) the election of an officer.

5.12. QUORUM AND MANNER OF ACTION. A majority of the members of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

5.13. TELEPHONIC AND ELECTRONIC MEETINGS. Members of the Board or any committee may participate in a meeting of the Board or committee by means of conference telephone, or similar communications equipment, by means of which all persons participating in the meeting can simultaneously communicate with one another, so long as each Board member or committee member can

voice his or her opinion to the other Directors or committee members and is able to vote. Participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.

5.14. COMPENSATION. No Director shall receive compensation for serving as Director. Each Director shall be reimbursed for his or her actual expenses incurred in the performance of a Director's duties.

5.15. ACTION WITHOUT MEETING. Except as provided in Section 5.11, any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all of the Directors.

5.16. OPEN MEETINGS. All meetings of the Board shall be open to all Members, but Members other than directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director. In such case, the President may limit the time any Member may speak. Notwithstanding the above, the Board may adjourn any meeting of the Board and reconvene in executive session, excluding Members, to discuss the following matters: (i) personnel matters; (ii) pending or threatened litigation; (iii) contract negotiations; (iv) enforcement actions; (v) confidential communications with attorneys; (vi) matters involving the invasion of privacy of individual Members; or (vii) matters that are to remain confidential by request of the affected parties and agreement of the Board. The general nature of any business to be considered in executive session must first be announced at the open meeting. Any decision made or expenditure approved shall be orally summarized (including a general explanation of expenditures) at the meeting and recorded in the minutes of the meeting in such a manner as to protect the sensitive or confidential nature of the information discussed.

ARTICLE SIX

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

6.1. GENERALLY. The Board of Directors shall have the powers and duties that are necessary for the performance and administration of the purposes of the Association as set forth in the Governing Documents.

6.2. POWERS. In addition to any powers granted to the Board of Directors by the Declaration, the Articles of Incorporation or the other provisions of these Bylaws, the powers of the Board of Directors shall include, but shall not be limited to, the following:

(A) To amend and/or vary rules and regulations established by the Declarant to insure maintenance of the character and quality of the Walnut Creek North Addition to be in harmony with the guidelines set forth in the Declaration;

(B) To suspend a Member's or his or her family and guests' right to the use of the Common Properties, impose fines and otherwise enforce the provisions of the Governing Documents, and seek damages and/or equitable relief or other remedial action for violations of the terms of the Governing Documents of the Association in accordance with the procedures set forth in the Governing Documents;

(C) To levy annual assessments and special assessments upon the Owners of the Lots, to charge interest on past-due assessments, and to establish and maintain maintenance funds, all in accordance with the terms of the Governing Documents, and to enforce liens for payment of assessments in accordance with the procedures set forth in the Governing Documents;

(D) To establish and levy late charges in the event of non-payment of any annual assessments and special assessments levied upon the Owners of the Lots.

(E) To be self-managed or to employ the services of a Manager, and to delegate any of the powers, duties or functions of the Board of Directors to the Manager, and to employ those other persons as the Board of Directors shall from time to time determine to be necessary or proper to the daily management, operation and maintenance of the Common Properties;

(F) To enter into contracts on behalf of the Association with utility companies with respect to utility installation, consumption and service matters;

(G) To borrow funds on behalf of the Association to pay any costs of operation, secured by assignment or pledge of rights against owners for current, delinquent and/or future assessments, as the Board of Directors may determine, in its sole judgment and discretion, to be necessary and appropriate;

(H) To enter into contracts on behalf of the Association 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;

(I) To sue or to defend in any court of law on behalf of the Association;

(J) To exercise those powers which the Board of Directors deems appropriate and proper in fulfilling its obligations and responsibilities under the terms of the Governing Documents 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 Governing Documents;

(K) To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association. At least 30 days prior to any acquisition of property by the Board, the Board will notify all Owners of the possible acquisition. The Board is automatically authorized to acquire such property unless Owners of at least a majority of the lots disapprove the acquisition by petition or at a meeting of the Association within fifteen (15) days after the effective date of the Assessment;

(L) To borrow money, and as provided in the Declaration, mortgage, pledge, encumber, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(M) To exercise any and all powers, rights, and privileges which a corporation organized under the Texas Business Organizations Code of the State of Texas may now or hereafter have or exercise; and

(N) To exercise for and on behalf of the Association all powers, duties and authority vested in or delegated to the Association not otherwise reserved to the Membership by the provisions of these Amended Bylaws, the Articles of Incorporation or the Declaration.

6.3. DUTIES. The duties of the Board of Directors shall include, but shall not be limited to, the following:

(A) To 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;

(B) To maintain or cause to be maintained detailed books of account for the business and affairs of the Association;

(C) To elect, appoint and/or hire and supervise all Officers, agents and employees of the Association;

(D) To levy and enforce the assessments and lien for assessments and other remedial measures provided in the Governing Documents;

(E) To issue, or to cause an appropriate Officer to issue, upon reasonable demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board of Directors for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(F) To pay or cause to be paid all taxes and assessments of whatever type duly assessed against all or any portion of the Common Properties or the Association which are not separately assessed to the owners;

(G) To procure and maintain adequate general liability insurance and liability and hazard insurance on property that is owned by the Association;

(H) To cause Officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(I) To maintain or provide for the maintenance of the Common Properties and other areas of the Property required to be maintained by the Association; and

(J) To perform all other duties required of the Association not otherwise required to be performed by the Members by other provisions of the Governing Documents.

6.4. ENFORCEMENT. The Association shall have the power to impose sanctions, including the levying of fines, for violations of the rules and regulations adopted by the Declarant, and amended or varied by the Board of Directors from time to time as provide for herein. The failure of the Board to enforce any provision of the Governing Documents shall not be deemed a waiver of the right of the Board to do so thereafter or of the right to enforce any other violation.

(A) Notice. Except as provided below, prior to suspending an Owner's right to use the Common Properties, filing suit against an Owner (other than a lawsuit to collect an assessment or related charge or to foreclose the Association's assessment lien), charging an Owner for property damage, or levying a fine for a violation of the Governing Documents, the Board or its delegate shall serve the alleged violator with written notice by certified mail, notifying the Owner of the following: (i) the nature of the alleged violation or property damage and the amount, if any, due the Association from the Member, (ii) a reasonable time period in which the violator may cure the violation and avoid the proposed sanction (unless the violator was given notice and a reasonable opportunity to cure a similar violation within the preceding six months, or unless the violation is incurable or poses a threat to public health or safety), (iii) that the Owner may present a written request for a hearing on or before the 30th day after the date the notice was mailed to the Owner, and (iv) notice that the owner "may have special rights or relief related to the enforcement action under federal law, including the Servicemembers Civil Relief Act (50 U.S.C. app. Section 501 *et seq.*), if the owner is serving on active military duty."

The notice and hearing provisions of this Section 6.4 do not apply if the Association files a suit seeking a temporary restraining order or temporary injunctive relief or files a suit that includes foreclosure as a cause of action.

(B) Hearing. If a hearing is requested within the allotted thirty (30) day period, the hearing shall be held before the Board in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the person who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

(C) Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Board may elect to enforce any provision of the Governing Documents by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the notice and hearing procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

ARTICLE SEVEN
OFFICERS

7.1. **OFFICERS.** The Officers of the Association shall consist of a President, Vice President, a Secretary, a Treasurer and such other Officers as may be elected in accordance with the provisions of this Article Seven. The Board of Directors may elect or appoint such other Officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such Officers to have the authority and perform the duties as prescribed, from time to time, by the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

7.2. **ELECTION AND TERM OF OFFICE.** The Officers of the Association shall be elected annually by the Board of Directors at the annual meeting of the Board of Directors. If the election of Officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. New offices may be created and filled at any meeting of the Board of Directors. Each Officer shall hold office until his or her successor shall have been duly elected and qualified.

7.3. **REMOVAL.** Any Officer elected or appointed by the Board of Directors may be removed by a vote of the majority of the Board of Directors whenever in its judgment the best interests of the Association will be served thereby, including the repeated failure to attend Board meetings. The removal of an Officer shall be without prejudice to the contract rights, if any, of the Officer so removed. Election or appointment of an Officer shall not of itself create contract rights. Any Officer who has three (3) unexcused absences from Board meetings in a calendar year may be removed and replaced by the Board of Directors.

7.4. **VACANCIES.** A vacancy in any office because of death, resignation, disqualification, removal or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

7.5. **PRESIDENT.** The President shall be the Chief Executive Officer of the Association and shall, in general, supervise and control all of the business and affairs of the Association. S/he shall preside at all meetings of the Members and the Board of Directors. S/he may sign, with the Secretary or any other proper Officer of the Association authorized by the Board of Directors, any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors have authorized to be executed, except in cases where signing and execution thereof shall be expressly delegated by the Board of Directors to some other Officer. In general, the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

7.6. **VICE-PRESIDENT.** In the absence of the President or in the event of his/her inability or refusal to act, the Vice President(s) in the order of their seniority, if there is more than one, unless otherwise determined by the Board of Directors, shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such other duties as from time to time may be assigned to him or her by the President or the Board of Directors.

7.7. **TREASURER.** If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of

Directors shall determine. S/he shall have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such banks, trust companies or other depositories as shall be selected in accordance with these Amended Bylaws; and, in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.

7.8. **SECRETARY.** The Secretary shall keep the minutes of the meetings of the Members and the Board of Directors in one or more books provided for that purpose; give all notices in accordance with the provisions of these Amended Bylaws, the Declaration, or as required by the Code; be custodian of the records and of the seal of the Association, and affix the seal of the Association to documents when directed by the Board of Directors; keep a register of the mailing address of each Member which shall be furnished to the Secretary by each Member; and, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.

ARTICLE EIGHT COMMITTEES

8.1. **ARCHITECTURAL CONTROL COMMITTEE.** The Board of Directors shall appoint an Architectural Control Committee composed of three (3) or more Members who shall carry on the functions of the Architectural Control Committee in accordance with and subject to the terms and conditions of the Declaration. The Architectural Control Committee shall have the authority and perform the duties as are set forth in the Declaration. Members of the Architectural Control Committee shall serve at the discretion of the Board until removal by the Board and appointment of a successor.

8.2. **OTHER COMMITTEES.** In addition to the Architectural Control Committee previously authorized, other committees may be designated by a resolution adopted by the Board of Directors. Except as otherwise provided in such resolution, members of each such committee shall be Members of the Association, and the President of the Association shall appoint the members thereof. Any members thereof may be removed by the person or persons authorized to appoint such members, whenever in their judgment the best interests of the Association shall be served by such removal. Each member of a committee shall continue as such until the next annual meeting of the Members of the Association and until his/her successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof. One member of each committee shall be appointed Chair by the person or persons authorized to appoint the members thereof. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee. Each committee may adopt rules for its own government not inconsistent with these Amended Bylaws, the Declaration or with rules adopted by the Board of Directors.

ARTICLE NINE
CONTRACTS, CHECKS, FUNDS AND GIFTS

9.1. **CONTRACTS AND DOCUMENTS.** The Board of Directors may authorize an Officer(s) or agent(s) of the Association, in addition to the Officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument or other document in the name of and on behalf of the Association. The authority may be general or confined to specific instances.

9.2. **CHECKS AND DRAFTS.** All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by the Officer(s) or agent(s) of the Association and in the manner as shall from time to time be determined by resolution of the Board of Directors.

9.3. **FUNDS.** All funds of the Association shall be deposited from time to time to the credit of the Association in the banks or other depositories as the Board of Directors may select.

9.4. **GIFTS.** The Board of Directors may accept on behalf of the Association any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Association.

ARTICLE TEN
MISCELLANEOUS

10.1. **BOOKS AND RECORDS.**

(A) **Inspection by Mortgagees.** Except for Confidential Records (as defined in Section 10.1(E) below), the books and records of the Association (including financial records) shall be made available for inspection and copying by any holder, insurer or guarantor of a First Mortgage on a Lot, or by the duly appointed representative of any of the foregoing, upon written request stating a proper purpose for the request. Such inspection shall take place during normal business hours at the office of the Association or at such other place within the Property as the Board shall prescribe. The cost, including copy charges, document retrieval charges and a reasonable administrative fee, shall be at the expense of the requesting party and may be required to be paid in advance of the inspection.

(B) **Inspection or Production of Records.** Each Member of the Association may submit a written request to the Board or its representative by certified mail to the address of the Association or authorized representative as listed on the most current management certificate filed of record, to either inspect the books and records of the Association (including financial records) identified in the request or to have the Association deliver those books and records identified in the request to the Member or to a person designated in a writing signed by the Member as the Member's agent, attorney or certified public accountant. Except for Confidential Records (as defined in Section 10.1(E) below), the Member may inspect or the Association must produce the books and records identified in the request. If the Member requests to inspect the Association's books and records, the Association must, on or before ten (10) business days of receipt of a request, send written notice of the dates and times during normal business hours that the Member may perform the inspection to the extent that those books and records are in the possession,

custody or control of the Association. If the Member requests that the Association produce the books and records, the Association must, to the extent that those books and records are in the possession, custody or control of the Association, either (i) produce the records requested on or before ten (10) business days from the date of receipt of the request; or (ii) if the Association cannot produce records on or before ten (10) business days, inform the Member of that fact on or before the ten (10) business day time period and then produce the records on or before fifteen (15) business days of providing that notice.

(C) Inspection and Production Costs. The Association shall adopt and record a records production and copying policy that prescribes the costs for compilation, production and copying of Association records in response to a Member's records request. Upon adoption and recordation of this policy, the Association may require the Member to pay, in advance, the estimated costs of the records inspection or production (subject to the cost limitations set forth under law). On or before the thirtieth (30th) business day following the completion of the document inspection or production, the Association shall send the Member a final accounting invoice for the inspection or production. If the actual costs exceed the estimated costs of the inspection or production, the Member must reimburse the Association on or before thirty (30) business days of the final accounting invoice. In the event that the Member fails to timely reimburse the Association, the unpaid balance of the invoice shall be added to and become a part of the Member's assessment obligation to the Association and a lien against the Member's Lot, and may be collected in the same manner as any other assessment payable to the Association. If the actual costs are less than the estimated costs of the inspection or production of records, the Association shall refund the excess amount to the Member on or before the thirtieth (30th) business day after the date that the Association sends the final accounting invoice.

(d) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical Property owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and a copy of relevant documents at the expense of the Association.

(E) Confidential Records. Except as hereinafter provided, Members are not entitled to inspect or to have produced to them Confidential Records. For purposes of these Bylaws, "Confidential Records" shall mean and include records that identify a Member's covenant violation history, a Member's personal financial information (including payment and delinquency information) with the Association, a Member's contact information (other than the Member's address in the development), employee records, attorney's files and records relating to the Association (excluding invoices requested by a Member under Section 209.008(d) of the Texas Property Code), or documents constituting attorney work product or attorney client communications. If a Member whose records are the subject of another Member's inspection or production request consents in writing to the release of his or her Confidential Records, the Association must allow the requesting Member to inspect the Confidential Records or the Association must produce the Confidential Records. In addition, the Association must allow an inspection or must produce Confidential Records if so ordered by a court of competent jurisdiction.

10.2. FISCAL YEAR. The fiscal year of the Association shall be determined by the Board of Directors.

10.3. CORPORATE SEAL. The Board of Directors may adopt, use and thereafter alter a corporate seal.

10.4. WAIVER OF NOTICE. Whenever any notice is required to be given to any Member or Director under the provisions of the Code or under the provisions of the Governing Documents, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated in the notice, shall be equivalent to the giving of such notice.

10.5. NO LOANS TO DIRECTORS. The Association shall make no loans to its Directors.

ARTICLE ELEVEN
INDEMNIFICATION OF OFFICERS, DIRECTORS AND OTHERS

The Association shall indemnify, hold harmless and defend any person who is or was a Director, Officer, agent or employee of the Association and any nominee or designee of the Association who is not or was not an Officer, agent or employee of the Association but who is or was serving at the Association's request as a Director, Officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust other enterprise or employee benefit plan as provided in this Article Twelve.

11.1. DEFINITIONS. For purposes of this Article Twelve, the following terms shall have the following meanings:

(A) "Director" means any person who is or was a Director of the Association and any person who, while a Director of the Association, is or was serving at the request of the Association as a Director, Officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise.

(B) "Expenses" include court costs and attorneys' fees.

(C) "Official Capacity" means as follows:

(i) When used with respect to a Director, the office of Director in the Association;
and

(ii) When used with respect to a person other than a Director, the elective or appointive office in the Association held by the officer or the employment or agency relationship undertaken by the employee or agent on behalf of the Association, including a managing agent; but

- (iii) In both subsections (i) and (ii) above, Official Capacity does not include service for any other foreign or domestic corporation or any partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise.

(D) **"Proceeding"** means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative, any appeal in such an action, suit or proceeding and any inquiry or investigation that could lead to such an action, suit or proceeding.

11.2. **PERSONS.** The Association shall indemnify, to the extent provided in Section 11.4, the following:

(A) Any person who is or was a Director, Officer, employee or agent of the Association, and

(B) Any person who is not or was not an Officer, employee or agent of the Association but who is or was serving at the request of the Association as a Director, Officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise.

11.3. **STANDARDS.** The following standards shall govern the indemnification provided by this Article Twelve:

(A) The Association shall indemnify a person named in 11.2 who was, is or is threatened to be made a named defendant or respondent in a Proceeding because the person holds or has held a position named in 11.2 only if it is determined, in accordance with 11.5, that the person:

- (i) Conducted him/herself in good faith;
- (ii) Reasonably believed the following:
 - (a) In the case of conduct in his or her Official Capacity, that his/her conduct was in the Association's best interests; and
 - (b) In all other cases, that his/her conduct was at least not opposed to the Association's best interests; and
- (iii) In the case of any criminal Proceeding, had no reasonable cause to believe his or her conduct was unlawful.

(B) Notwithstanding Subsection (A) of this Section 11.3, a person named in 11.2 shall not be indemnified for obligations from a Proceeding as follows:

- (i) In which the person is found liable on the basis that personal benefit was improperly received by him or her, whether or not the benefit resulted from an action taken in the persons Official Capacity; or

(ii) In which the person is found liable to the Association.

(C) The termination of a Proceeding by judgment, order, settlement or conviction, or on a plea of nolo contendere or its equivalent shall not of itself be determinative that the person did not meet the requirements set forth in this Section 11.3. A person shall be deemed to have been found liable in respect of any claim, issue or matter only after the person shall have been so adjudged by a court of competent jurisdiction after exhaustion of all appeals therefrom.

11.4. EXTENT. A person shall be indemnified under Section 11.3 against judgments, penalties (including excise and similar taxes), fines, settlements and reasonable Expenses actually incurred by the person in connection with the Proceeding, but, if the person is found liable to the Association or is found liable on the basis that personal benefit was improperly received by the person, the indemnification shall be limited to reasonable Expenses actually incurred by the person in connection with the Proceeding and shall not be made in respect of any proceeding in which the person shall have been found liable for willful or intentional misconduct in the performance of his or her duty to the Association.

11.5. DETERMINATION THAT STANDARDS HAVE BEEN MET A determination that the standards of Section 11.3 have been satisfied must be made as follows:

(A) By a majority vote of a quorum consisting of Directors who at the time of the vote are not named defendants or respondents in the Proceeding;

(B) If such a quorum cannot be obtained, by a majority vote of a committee of the Board of Directors, designated to act in the matter by a majority vote of all Directors, consisting solely of two (2) or more Directors who at the time of the vote are not named defendants or respondents in the Proceeding; or

(C) By a simple majority of the Members in a vote that excludes the vote of Directors who are named defendants or respondents in the Proceeding.

11.6. AUTHORIZATION OF INDEMNIFICATION; DETERMINATION AS TO REASONABLENESS OF EXPENSES. The authorization of indemnification and determination as to the reasonableness of Expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is permissible is made by special legal counsel, the authorization of indemnification and the determination as to the reasonableness of Expenses must be made in the manner specified by Subsection (C) of Section 11.5 for the selection of special legal counsel.

11.7. MANDATORY INDEMNIFICATION. Notwithstanding any other provision of this Article 11.7 to the contrary, a person named in Section 11.2, by reason of his or her holding a position named in Section 11.2, shall be indemnified by the Association to the extent and under the circumstances as follows:

(A) To the extent of reasonable Expenses incurred by him/her in connection with a Proceeding in which s/he is a named defendant or respondent, because of his or her position if s/he has been wholly successful, on the merits or otherwise, in the defense of the Proceeding;

(B) To the extent of the indemnification ordered by the court and the Expenses incurred in securing indemnification, as awarded by the court, if, in a suit for the indemnification required by Subsection (A) of this Section 11.7, a court of competent jurisdiction determines that the person is entitled to indemnification under Subsection (A) of this section 11.7 and orders indemnification; and

(C) To the extent of the indemnification which may be ordered by a court of competent jurisdiction (which it determines is proper and equitable), if, upon the application of a person named in Section 11.2, the court determines, after giving any notice the court considers necessary, that the person is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not the person has met the requirements set forth in Subsection (A) of Section 11.3 or has been found liable in the circumstances described in Subsection (B) of Section 11.3; provided, however, that the indemnification ordered by the court shall be limited to reasonable Expenses actually incurred by the person in connection with the Proceeding if the person is found liable by the Association, on the basis that personal benefit was improperly received by him or her.

11.8. ADVANCE PAYMENT. Reasonable Expenses incurred by a person named in 11.2 who was, is or is threatened to be made a named defendant or respondent in a Proceeding may be paid or reimbursed by the Association in advance of the final disposition of the Proceeding after the Association receives a written affirmation by the person of his/her good faith belief that s/he has met the standard of conduct necessary for indemnification under this Article 11 and a written undertaking by or on behalf of the person to repay the amount paid or reimbursed if it is ultimately determined that s/he has not met that standard. The written undertaking must be an unlimited general obligation of the person but need not be secured. It may be accepted without reference to financial ability to make repayment.

11.9. REIMBURSEMENT OF OTHER EXPENSES. Notwithstanding any other provision of this Article 11, the Association shall pay or reimburse Expenses incurred by a person named in Section 11.2, by reason of his/her holding a position named in Section 11.2, in connection with his/her appearance as a witness or other participation in a Proceeding at a time when s/he is not a named defendant or respondent in the Proceeding.

11.10. INSURANCE. The Association may purchase and maintain insurance on behalf of any person who holds or has held any position named in Section 11.2 against any liability asserted against him or her and incurred by him or her in such capacity or arising out of his/her status as such a person, whether or not the Association would have the power to indemnify him/her against that liability under this Article 12.

11.11. REPORTS. Any indemnification of or advance of Expenses to a person in accordance with this Article 11 shall be reported in writing to the Members with or before the notice or waiver of notice of the next meeting of the Members and, in any case, within the 12 month period immediately following the date of the indemnification or advance.

ARTICLE TWELVE
SURETY BONDS

If the Board of Directors so directs, Officers and agents of the Association shall be bonded for the faithful performance of their duties and for the restoration to the Association of, in case of their death, resignation, retirement, disqualification or removal from office, all books, papers, vouchers, money and other property of whatever kind in their possession or under their control belonging to the Association, in the amounts and by the surety companies as the Board of Directors may determine. The Association shall pay the premiums on the bonds and the bonds so furnished shall be in the custody of the Secretary.

ARTICLE THIRTEEN
AMENDMENTS AND INTERPRETATION

13.1. **AMENDMENTS**. The Board of Directors may alter, amend, or repeal these Bylaws, and adopt new Bylaws. All such Bylaw changes shall take effect upon adoption by the Directors. Notice of Bylaw changes shall be given in or before notice of the first Members meeting following their adoption.

13.2. **CONFLICTS**. In the case of any conflict between the Certificate of Formation and these Bylaws, the Certificate of Formation shall control. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

13.3. **SEVERABILITY**. If any provision contained in these Bylaws shall be invalid or inoperative, which invalidity or inoperativeness shall not be presumed until the same is determined by the judgment or order of a court of competent jurisdiction, the invalidity shall in no way affect any of the other provisions of these Bylaws, each of which shall remain in full force and effect. In addition, effect shall be given to the intent manifested by the portion held invalid or inoperative.

ARTICLE FOURTEEN
NONPROFIT CORPORATION

The Association is a Texas Nonprofit Corporation that has been organized and shall be operated solely and exclusively for the purposes that are specified in its Certificate of Formation. No part of the Association's property or earnings shall ever inure (other than by acquiring, constructing or providing management, maintenance and care of Association property and other than by a rebate of excess membership dues, fees or assessments) to the benefit of any Member, Director, Officer or employee of the Association. The Association shall not pay or distribute any dividends or other income to its Members, Directors or Officers. No Member, Director, Officer or employee shall ever receive or be lawfully entitled to receive any profit from the operations of the Association. Nothing herein shall prevent the payment to its Members, Directors and Officers of reasonable expenses that are incurred in connection with the Association's affairs.

[signature page to follow]

IN WITNESS WHEREOF, the undersigned represents that Directors representing at least a majority of the Board approved of the adoption of these Bylaws at a special Board meeting held on Feb 13, ~~2018~~²⁰¹⁹, and accordingly authorized the Association to record same as of the date first written above

WALNUT CREEK NORTH HOMEOWNER'S ASSOCIATION, INC., a Texas nonprofit corporation

By: Kevin D. Blankenship

Printed Name: Kevin Blankenship

Its: Walnut Creek North HOA - President

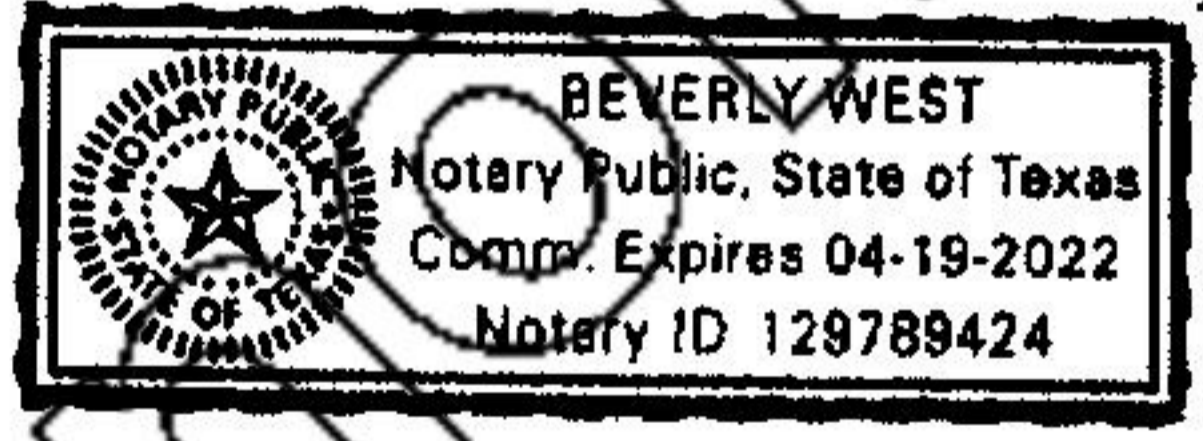
ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

BEFORE ME, the undersigned authority, on this day personally appeared Kevin Blankenship, President of WALNUT CREEK NORTH HOMEOWNER'S ASSOCIATION, INC., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that (s)he executed the same for the purposes and consideration therein expressed on behalf of said entity.

SUBSCRIBED AND SWORN TO BEFORE ME on this 27th day of March, 2018.

Beverly West
Notary Public, State of Texas



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