

WILLOWGATE HOMEOWNERS ASSOCIATION

BY-LAWS



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BYLAWS

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BY-LAWS
OF THE
WILLOWGATE HOMEOWNERS ASSOCIATION

ARTICLE I

The name of the Corporation is Willowgate Homeowners Association, hereinafter referred to as the "Association." The principle office of the Association shall be located in Dallas County, Texas. The corporation shall have and continuously maintain a registered office, and a registered agent as required by the Texas Non-Profit Corporation Act Such registered office and registered agent may be changed from time to time by the Board of Directors.

ARTICLE II
DEFINITIONS

The following words when used in these By-laws, unless a different meaning or intent clearly appears from the context, shall have the following meanings:

Section 1 "Association" shall mean and refer to the Willowgate Homeowners Association, a Texas non-profit corporation, its successors and assigns.

Section 2 "Articles" shall mean and refer to the Articles of Incorporation of the Association.

Section 3 "Properties" shall mean and refer to the land and premises described in the Declaration (as hereinafter defined) and such additions thereto as may be brought within the jurisdiction of this Association by annexation as provided in the Declaration.

Section 4 "Common Properties" shall mean and refer to those areas of land designated as Common Grounds on any recorded subdivision plat of the properties, or intended to be devoted to the common use and enjoyment of the members of the Association together with any and all improvements that are now or may hereafter be constructed thereon.

Section 5 "Lot" shall mean and refer to any plot or tract of land upon any recorded subdivision map of the Properties, together with any and all improvements that are now or may hereafter be constructed thereon, with the exception of the Common Properties and any other areas obviously not designed for the construction of the residences thereon.

- Section 6 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot situated upon the Properties, but shall not mean or refer to any mortgagee or trustee or beneficiary under a deed of trust unless and until any such party has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.
- Section 7 "Declarant" or "Developer" shall mean and refer to Wood & Associates, Inc., its successors and assigns, if any, and Jack Wood.
- Section 8 "Declaration" shall mean and refer to the "Declaration of Covenants and Restrictions" applicable to the Properties recorded or to be recorded in the Deed Records of Dallas County, Texas, and as the same may be amended or supplemented from time to time as therein provided.
- Section 9 "Member" shall mean and refer to each Owner as provided herein by Article III below.

ARTICLE III MEMBERSHIP

- Section 1 Every person or entity who is now or hereafter becomes an Owner shall automatically be a Member of the Association, which membership shall continue so long as such ownership lasts.
- Section 2 The Association shall have only one class of voting
- Section 3 All Owners shall be members and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.
- Section 4 The rights of membership are subject to the payment of annual, special and individual assessments levied by the Association, the obligation of which assessments is imposed against the Owner of the Property/Lot and becomes a lien upon each lot against which such assessments are made as provided by Article VI of the Declaration which is hereby incorporated herein and made part hereof for all purposes.

Section 5

The membership rights of any person whose interest in a Lot is subject to the assessments referred to hereinabove in Article III, Section 4, whether or not he be personally obligated to pay such assessments, may be suspended by action of the Board of Directors during the period when such assessments remain unpaid; but, upon payment of such assessments, his rights and privileges shall be automatically restored. If, at any time, the Board of Directors shall have adopted and published rules and regulations governing the use of the Common Properties and facilities, and the personal conduct of the Members, their families and, their guests thereon, as provided in Article V, Section 3, they may, in their discretion, for violation of such rules and regulations by a member or by his family or guests, suspend the rights of such Member and/or the person committing the violation, until the violation has been corrected.

Section 6

Any action required by law, to be taken at a meeting of the members, or any action which may be taken at the meeting of the members, may be taken without a meeting if a consent in writing, setting for the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof.

ARTICLE IV
PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT
OF THE COMMON PROPERTIES

Section 1

Each member shall be entitled to the use and enjoyment of the Common Properties and facilities in accordance with and subject to the terms and conditions set forth in the Declaration.

Section 2

Any member may delegate his rights of enjoyment in the Common Properties and facilities to the members of his family who reside upon the properties. The rights and privileges of such person are subject to suspension under Article III., Section 5, hereof, to the same extent of those of the Member. Any Member may also delegate the aforementioned rights of enjoyment to his guests, subject to any applicable rules and regulations that may be adopted from time to time by the Board of Directors.

ARTICLE V
DIRECTORS

Section 1

The number of directors of the Association shall be seven (7). Each director shall be elected for a term of three (3) years. Beginning in 1999, three new directors will be elected instead of two directors and this process will be repeated every third year thereafter at the annual meeting of the members. Each director elected shall hold office until his successor is elected.

Section 2

Any vacancy occurring on the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors. Any director elected to fill a vacancy shall be elected for the unexpired term of his /her predecessor in office. Any director may be removed from the Board of Directors, with or without cause, by a majority vote of the Members at an annual meeting of the Members or at a special meeting of the Members entitled to vote called for that purpose.

Section 3

The business and affairs of the Association shall be managed by it's Board of Directors which may exercise all such powers of the Association and do all such lawful acts and things as are provided by statute or by the Articles or by these By-laws or by the Declaration directed or required to be exercised and done by the Members. The power and authority of the Board of Directors shall include, but not be limited to, the power and authority:

- (a) to establish, levy, assess, and collect the assessments referred to in Article III, Section 4, hereof;
- (b) to adopt and publish or cause to be published rules and regulations governing the use of the Common Properties and the facilities as well as the personal conduct of the Members, their families and their guests thereon;
- (c) to declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors.
- (d) to employ managers, accountants, attorneys, independent contractors, or such other employees of the corporation as it may deem necessary, and to prescribe their duties.

Section 4

It shall be the duty of the Board of Directors:

- (a) to cause to be kept a complete record of all rules, resolutions and acts of the Board of Directors and to present a statement thereof to the Members at the annual meeting of the Members
- (b) to supervise all officers, agents and employees of this Association and to see that their duties are properly performed;
- (c) as more fully provided herein and in the Declaration:
 - (1) to fix the amount of the annual assessment against each Lot at least 30 days in advance of each annual assessment period, and

- (2) to cause written notice of each assessment to be sent to every Owner subject thereto at least thirty (30) days in advance of each assessment period;
- (d) to issue, or cause an appropriate officer to issue, upon demand by any reason, a certificate setting forth whether any assessment has been paid. A reasonable charge may be made by the Board of Directors for the issuance of these certificates. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid;
- (e) to procure and maintain adequate liability and hazard insurance on the property owned by the Association, and, if approved by a majority vote of the Members of the Association, to procure and maintain single fire policy and extended coverage insurance for improvements on private Lots, with authority to assess the Owners for premiums, as provided in Article VI, Section 12 of the Declaration.
- (f) to cause the assessment proceeds to be expended for maintenance of the Common Properties and related activities consistent with the purpose of the assessments as described in the Declaration and these By-laws.
- (g) to cause all officers or employees of the Association having fiscal responsibilities to be bonded, as it may deem appropriate;
- (h) to perform or cause to be performed the duties of all standing committees in accordance with and subject to the terms and conditions set forth in the Declaration.
- (i) should the Owner of any Lot fail to maintain the private yard and landscaped area, or exterior of any residence in a reasonably prudent condition, the Board of Directors may cause such maintenance to be provided and may assess the cost thereof against the Owner of such Lot as provided in the Declaration.

ARTICLE VI

MEETINGS OF THE BOARD OF DIRECTORS

Section 1

Regular meetings of the Board of Directors shall be held annually within fifteen (15) days following the annual Homeowners meetings. Special meetings of the Board of Directors may be called and held at such location, date, and time stated in the notice.

Section 2

Special meetings of the Board of Directors shall be held when called by the President or by any two directors. Written or oral notice of special meetings of the Board of Directors shall be given to each director at least two days before the date of the meeting. Neither the business to be transacted, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the waiver of notice of such meeting.

Section 3

A majority of the directors shall constitute a quorum for the transaction of business and the act of the majority of the directors present at the meeting at which a quorum is present shall be the act of the Board of Directors, unless a greater number is required by the Articles. If a quorum is not present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 4

Notice of special meetings of the Board of Directors shall be given as stated in Sec. 2 of this Article. Written notice may be given by depositing such notice in each director's mail box. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or the waiver of notice of such meeting, unless specifically required by law or by these By-laws.

ARTICLE VII
NOMINATION AND ELECTION OF DIRECTORS

Section 1

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 and one or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine. Such nominations shall be made from among the Members.

Section 2

Election to the Board of Directors shall be by secret written ballot at the annual meeting of the Members. At such meeting the Members or their proxies may cast one vote for each Lot owned and the persons receiving the largest number of votes shall be elected to serve as Director for a term of three years or until their successor is duly elected.

ARTICLE VIII
COMPENSATION OF DIRECTORS

Section 1 The Directors of the Association shall serve without compensation.

ARTICLE IX
NOTICES

Section 1 Notices to Members shall be in writing and mailed to the Members at their addresses appearing on the books of the Association.

Section 2 Whenever any notice is required to be given to any Member under the provisions of any statute or of the Articles or of these By-laws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to giving of such notice.

Section 3 Attendance of any Member at a meeting shall constitute a waiver of such notice of such meeting.

ARTICLE X
OFFICERS

Section 1 The officers of the Association shall consist of a President, a vice-president, a Secretary and a Treasurer, each of whom shall be Directors and elected by the Board of Directors. 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.

Section 2 The Board of Directors at its first meeting, after each annual meeting of Members shall elect the officers of the Association.

Section 3 Such other officers and assistant officers and agents as may be deemed necessary may be appointed by the Board of Directors.

Section 4 All officers of the Association shall serve without compensation.

Section 5 The officers of the Association shall hold office for one (1) year unless he/she shall sooner resign, or shall be removed, or otherwise disqualified to serve. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors with or without notice whenever in its judgment the best interests of the Association will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Any vacancy occurring in any office of the Association by death, resignation, removal or otherwise shall be filled by the Board of Directors.

PRESIDENT

Section 6

The President shall be the principal executive officer of the corporation and shall in general supervise and control all of the business and affairs of the corporation. He/she shall preside at all meetings of the Members and of the Board of Directors. He/she may sign, with the Secretary or any other proper officer of the corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-laws or by statute to some other officer or agent of the corporation; and in general, he/she shall perform all the duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

THE VICE-PRESIDENT

Section 7

In the absence of the President or in the event of his/her inability or refusal to act, the Vice-President (or in the event there be more than one Vice-President, the Vice-Presidents in order of their election) 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 the duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

THE SECRETARY

Section 8

The Secretary acting through the manager of the Association shall keep the minutes of the meeting of the Members and of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents, the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these By-laws; keep a register of the post office address of each Member which shall be furnished to the Secretary by such Member; and in general all duties incident to the office of the Secretary as from time to time may be assigned to him/her by the President or by the Board of Directors.

THE TREASURER

Section 9

The Treasurer, acting through the manager of the Association shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for money due and payable to the corporation and 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 the provisions of these By-laws; and in general oversee the manager in the performance of all duties incident to the office of Treasurer including the preparation of the annual budget and such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

ARTICLE XI MEETINGS OF MEMBERS

Section 1

The annual meeting of the Members shall be held during the month of May each year at the time and location stated in the notice of the meeting.

Section 2

Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of Members who are entitled to vote one-fourth (1/4th) of all the votes of the entire membership.

Section 3

Written notice of each meeting of the Members shall be given by delivering a copy thereof to the address last appearing on the books of the Association. Such notice shall specify the place, day, and hour of the meeting.

Section 4

The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-fourth (1/4th) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, The Declaration, or by these By-laws.

Section 5

At all meetings of Members, each Member 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 be automatically cease upon conveyance by the Member of his Lot

ARTICLE XII
GENERAL PROVISIONS

- Section 1 The fiscal year of the Association shall be fixed by the resolution of the Board of Directors.
- Section 2 The corporate seal shall have inscribed thereon the name of the Association and the words Corporate Seal. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any other manner, reproduced.

ARTICLE XIII
INDEMNIFICATION

- Section 1 The Association shall indemnify any director or officer or former director or officer of the Association for expenses and costs including attorney's fees actually and necessarily incurred by the director or officer in connection with any claim asserted against him/her, by action in court or otherwise, by reason of him/her being or having been such director or officer, except in relation to matters as to which he/she shall be found liable on the basis that personal benefit was improperly received by such director or officer, or in which such director or officer is found liable to the Association or in which such director or officer is found liable for gross negligence, or willful, or intentional misconduct in respect to the matter in which indemnity is sought.
- Section 2 If the Association has not fully indemnified a director or officer, the court in the proceeding in which any claim against such director or officer has been asserted, or any court having the requisite jurisdiction of an action instituted by such director or officer on his claim for indemnity against the Association, its receiver, or trustee, may assess the Association for the amount paid by such director or officer in satisfaction of any judgment or in compromise of any such claim (exclusive in either case of the amount paid to the Association), or any expenses and costs (including attorney's fees) actually and necessarily incurred by him in connection therewith to the extent that the court shall deem reasonable and equitable, provided, nevertheless, that indemnity may be assessed under this Section only if the court finds that the person indemnified was not guilty of gross negligence or willful or intentional misconduct in respect of the matter in which indemnity is sought.
- Section 3 Copies of all rules and regulations heretofore and hereafter adopted by the Members and/or the Board of Directors shall be attached as exhibits to these By-laws. However, failure to provide copies shall not invalidate such rules.

**ARTICLE XIV
AMENDMENTS**

These By-Laws may be altered, amended or repealed at any regular meeting of the Members or at any special meeting of the Members provided not less than ten (10) nor more than sixty (60) days written notice is given of the proposed action and provided further that the proposed change is approved by 2/3 rds of the Members present in person or by proxy when a quorum is present.

IN WITNESS WHEREOF, we, being all the Directors of the WILLOWGATE HOMEOWNERS ASSOCIATION, have hereunto set our hands this 16 day of August, 2005

| | |
|---|------------------------|
| <u>Bert David</u> , President | <u>Bert David</u> |
| <u>Buddy Rosenthal</u> , Vice-President | <u>Buddy Rosenthal</u> |
| <u>Sally Gonzalez</u> , Secretary | <u>Sally Gonzalez</u> |
| <u>DAVID MYERS</u> , Treasurer | <u>David Myers</u> |
| <u>Michelle Stein</u> , Director | <u>Michelle Stein</u> |
| <u>J.D. Kelley</u> , Director | <u>J.D. Kelley</u> |
| <u>Roy Sheldon</u> , Director | <u>Roy Sheldon</u> |

STATE OF TEXAS }
 }
COUNTY OF DALLAS }

SWORN TO AND SUBSCRIBED BEFORE ME on this 16 day of AUGUST, 2005.

[Signature]
Notary Public State of Texas

