

# Woods Of Preston Property Owners Association By-Laws

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## **Article I NAME AND REGISTERED OFFICE**

- 1.01** The name of the organization shall be THE WOODS OF PRESTON PROPERTY OWNERS ASSOCIATION (TWOPPOA). The principal and registered office of THE WOODS OF PRESTON PROPERTY OWNERS ASSOCIATION is located at 102 Panola Way, Gunter TX 75058, but meetings of members and directors may be held at such places within Grayson County, Texas as may be designated by the Board of Directors. The name of the registered agent of the Association is \_\_\_\_\_.

## **Article II DEFINITIONS AND TERMS**

### 2.1 MEMBERS:

1. Ownership and membership. Each and every owner of a lot in THE WOODS OF PRESTON SUBDIVISION shall automatically become a member of THE WOODS OF PRESTON PROPERTY OWNERS ASSOCIATION without the necessity of any further action, subject to the terms of The Declaration of Covenants, Conditions and Restrictions, these Bylaws, and the Articles of Incorporation. Ownership of each lot shall entitle the owner to one membership in the Association. All persons or entities owning a lot or lots in THE WOODS OF PRESTON SUBDIVISION shall be voting members in the Association. Membership may not be severed from the Property nor may it be transferred, pledged or mortgaged except upon sale or assignment of the Owner's interest in the Properties.
2. State of Texas excluded. Those who have purchased a lot, or lots, under any contracts for sale with the Veterans' Land Board of the State of Texas shall be considered members of the association, and the State of Texas shall not be considered as a member of the corporation.
3. Multiple owners have one membership and vote. In the case that any lots are owned by two or more persons or entities, the owners shall designate one person or entity in writing as the person eligible to exercise the membership's vote.

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4. Membership termination. Membership in the Association shall terminate without any formal Association action whenever such person or entity ceases ownership of at least one Subdivision lot. Such termination shall not relieve or release any such former owner from any liability or obligation incurred under or in any way connected with THE WOODS OF PRESTON PROPERTY OWNERS ASSOCIATION during the period of such ownership and membership in this Association, or impair any rights or remedies that the Board of Directors of the Association or others may have against such former owner and member arising out of or in any way connected with such ownership and membership and the covenants and obligations connected thereto.

### **Article III MEETINGS**

- 3.1 All regular and special meetings of the members and the Association Board of Directors shall be open to the members according to the Texas Open POA Meetings Act and held at the principal office of the Corporation or at any other place within Grayson County, Texas, as may be designated for that purpose from time to time by the Board of Directors.
- 3.2 Annual meetings of the members. An annual meeting of the members is required and shall be held each year between January 1 and February 28 as designated by the Board of Directors. If the Board of Directors of TWOPPOA does not call an annual meeting of its membership, a lot owner may send a written certified demand letter to the board that a meeting be called within 30 days of the date of the written demand. If the board does not call a meeting before the 30<sup>th</sup> day after the written demand from a lot owner, then three (3) or more lot owners may form an election committee for purposes of calling an annual meeting of TWOPPOA membership. The election Committee shall then file notice of the election Committee formation with the Grayson County Clerk Office according to Chapter 209 of the Texas Property Code.
- 3.3 Special meetings. Special meetings of the members or Board, for any purpose or Purposes may be called at any time by the Board of Directors, the Board President, or by two or more directors. Any special meeting must be called for specific purposes, and those special purposes shall be identified in the notice of the meeting and at the special meeting.
- 3.4 Presiding officer. All meetings of the membership and Board of Directors shall be presided over by the President of the Board, or in the President's absence, by the President's designee who is an active board member.

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- 3.5 Notice of meeting. Notice of the meetings, stating the place, dated, and hour of the meeting, and in the case of a special meeting or executive session of the Board of Directors, the purpose or purposes for which the meeting is called, shall be given in writing to each member at least ten (10) days and no earlier than sixty (60) days before the date of the meeting. Such notice shall be given to each member either personally, by mail, electronically; or provided by posting in a conspicuous manner in a place located on the Association's common property, or with the owner's consent, on privately owned property within the subdivision; or on the Association's web-site, at least seventy-two (72) hours before the start of the meeting. Notice of adjourned meetings is not required until the meeting is adjourned for thirty (30) days or more, unless the meeting is one that has been continued.
- 3.6 Notice of continued meetings. If the Board recesses a regular or special meeting to continue the following regular business day, the Board shall not be required to post notice of the continued meeting. If a regular or special meeting is continued to the next regular business day, and on that following day the Board continues the meeting to another day, then Board shall give notice of the continuation posting notice in a conspicuous manner on Association property, or on the Association web-site, within two (2) hours after adjourning the meeting to be continued.
- 3.7 Meeting minutes. The Board of Directors shall keep a record of each regular and special meeting in the form of written minutes of meetings by the Board and the membership. The written minutes shall be maintained by the Board for no less than seven (7) years.<sup>1</sup> Meeting minutes shall be posted on the Association web-site, and shall otherwise open to review and inspection by any member upon written request to the Board.
- 3.8 Executive sessions of the Board of Directors. Regular and special meetings of the Board Shall be open to the owners unless the Board exercises its right to adjourn a Board meeting, or a meeting of the members, and reconvene in a closed executive session to discuss actions involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, confidential communications with the TWOPPOA attorney, matters involving the privacy of individual owners, or matters that are to remain confidential by request of the affected parties and agreed to by the Board. Any discussions in executive session will be summarized in general terms and placed in the Board minutes without breaching the privacy of any individual owner, violating any privilege, or disclosing information that was to remain confidential at the request of the affected party. The summary placed in the minutes shall include a general explanation of expenditures discussed in executive session.

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- 3.9 Notice on certain matters. Owners shall receive notice from the Association Board under Section 3.5 prior to the Board considering or taking a vote on fines, damage assessments, initiating a foreclosure, initiating any enforcement actions except temporary restraining orders to preserve health and safety, increases in assessments, levying special assessments, appeals from denials of architectural control approval, and matters involving the suspension of a particular owner's right before the owner has had the opportunity to appear at a Board meeting to present the owner's position or defense on the issue.
- 3.10 Quorum – By definition for purposes of establishing a legal meeting shall consist of a simple majority. A legal Board Meeting requires at least 3 of the 5 directors to be present. The same **Simple Majority or Quorum** is required for an annual property owners meeting or any special property owners meeting called by the Board in order to establish a legal meeting. Once a quorum has been established, a legal meeting can then commence for the purposes of conducting Association's Business. The Board shall confirm the presence of a quorum, and record the presence of a quorum in the meeting minutes prior to conducting any vote. Once a quorum has been established, business may continue despite any failure to maintain the presence of the quorum during the remainder of the meeting.
- 3.11 Voting & Elections:
- A. Entitlement. Only persons or entities currently owning Lots in the Woods of Preston Subdivision shall be entitled to vote in Association matters. Those who have purchased a lot, or lots, under any contracts for sale with the Veterans' Land Board of the State of Texas shall be entitled to cast votes. The State of Texas shall not be considered as a member of the corporation, and shall not be entitled to vote in any Association matters.
  - B. Apportionment. Votes shall be apportioned by lots. Each lot shall be entitled to one vote, therefore, any voting members who own two or more lots shall be entitled to the same number of votes as that person or entity owns lots. Voting members who have consolidated two or more lots into a single lot shall have only one vote for the consolidated lot. Pursuant to Section 209.0058, any vote cast in an election or vote by a member of TWOPPOA must be in writing and signed by the member.
  - C. Fractional voting. Any form of fractional voting is prohibited. If a lot is owned by one or more persons or entities, that lot shall be entitled to only one vote and the owners will not be entitled to split that vote. Rather, the owners of such lot must designate in writing which owner will cast the vote for that particular lot.

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- D. Votes by members in an election or other votes conducted by the Association may be cast in person, or by absentee or electronic ballot. All ballots must be cast in writing, signed and dated by the member, and contain the proposed action for which the vote or ballot is to be cast, and the member's vote. Absentee or electronic ballots may be submitted by the voting member by e-mail, facsimile, or if possible, posting on the Association web-site. Absentee or electronic ballots must be submitted to the Board no later than seventy-two (72) hours prior to date in which the vote or election is to be held. Such ballots shall be used for calculating the presence of a quorum at any election or vote.
- E. Form of Absentee or electronic ballots. Absentee or electronic ballots shall contain the proposed action for which the vote is being sought, the instructions for submitting the completed absentee or electronic ballot, including the delivery location, and the following notice: "By casting your vote via absentee ballot, you will forego the opportunity to consider and vote on any action from the floor of these proposals, if a meeting is held. This means that if there are amendments to these proposals, your votes will not be counted on the final vote on these measures. If you desire to retain this ability, please attend the meeting in person. You may submit an absentee ballot and later choose to attend any meeting in person, in which case your in-person vote will prevail." Electronic ballots submitted under this subsection, and subsection D, are considered written and signed when submitted. If an electronic ballot is posted on the website, a notice of the posting must be sent to each lot owner that contains instructions on obtaining access to the posting on the website.
- F. Duration of the right to vote. A member/owner's right to vote shall continue during the time the member owns at least one lot in the Woods of Preston Subdivision. In the event, the member no longer owns any lots in the subdivision that member's right shall terminate without any formal action by the Association.
- G. Effect of enforcement action or delinquent dues, assessments, fees, or fines. The existence of an enforcement action or delinquent dues, assessments, fees, or fines against a member/owner shall have no effect on the member's right to vote in an Association election.
- H. No waiver. The existence of, or termination of a member, or former member's, right to vote shall not relieve or release any such member, or former member, from any liability or obligation incurred under or in any way connected with THE WOODS OF PRESTON PROPERTY OWNERS ASSOCIATION during the period of such ownership and membership in this Association; nor, shall the existence of, or termination of, the member, or former member's, right to vote impair any rights or remedies that the Board of Directors of the Association or others may have against such member, or former member, arising out of or in any way connected with such ownership and membership and the covenants and obligations connected thereto.

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- I. Recount of votes. A member may request a recount of votes no later than the 15<sup>th</sup> day after a meeting in which a vote or election is held. The request must be submitted in writing either: 1) by certified mail, return receipt requested, or by signature confirmation to the Property Owners Association mailing address; or 2) in person to the Property Owners Association Board, or to the address where the absentee were mailed. The recount shall be conducted by a current or former elected county official. In the Board's discretion, the recount may be conducted by another person agreed upon by the Board and the member requesting the recount. By no means shall the person performing the recount be a member of the Association or related to a member of the Association within three degrees of consanguinity or affinity. The Board shall contract with the person conducting the recount, and the expense for the recount be borne and paid by the member requesting the recount in advance of the recount being conducted. Any recount shall be performed within thirty (30) days of receipt of a request and payment for a recount. The results of a recount shall be provided to the member(s) requesting the recount. If the recount changes the results of the election, the Association shall reimburse the requesting member(s) the costs of the recount. Any action taken by the Board in between an election and the completion of a recount shall remain unaffected by the recount.
  
- J. Notice of an association election or vote must be given to the appropriate lot owners no earlier than 60 days or later than 10 days before the date of the election or vote. See 3.05 or TPC Section 209.0056
  
- K. The Annual Election for the Board of Directors will be held at the Member Club House located at 102 Panola Way, Gunter, Texas 75058. All ballots (including electronic ballots, and absentee ballots) will be collected by a member of the Election Committee or a Board member that is not up for re-election. All votes that have been received on and by the designated date of the Election will be tabulated in the Clubhouse. The election results will be announced prior to adjournment of the election meeting.
  
- L. Voting Membership Adjustment and Reconciliation: Pursuant to the Election Committee's governance of elections, the Election Committee shall have the discretion to make an (Adjustment or Reduction) to the determination to the total voting membership. The adjustment to the Total Voting Membership will take into account property owners that (For Whatever Reason) either fail to attend an election in person or fail to mail in an Absentee Ballot to represent their property vote. (These are typically property owners that cannot be located and or have failed to provide the Board with any forwarding address or contact information) This adjustment will apply to all annual elections as well as any other special elections to be determined by TWOPPOA Board of Directors.

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## ARTICLE IV BOARD OF DIRECTORS

- 4.1 The management of the Association shall be vested in a Board of Directors consisting of Five (5) directors. The Board position shall be identified as Positions one (1) through five (5), Positions 1, 3 and 5 shall be elected on odd years and positions 2 and 4 elected on even years. With Board elections to be held each year at the annual meetings to keep some continuity to the board. The Board shall have full power and authority to carry out the purposes of the Association and to do any and all lawful acts necessary and profitable to the Association. A director shall have no individual power and shall have only a collective power as a board. The power of the Association shall be exercisable by the Board or under its authority, and the action of the Board President or any individual Board Member shall be controlled by the Collective Board, subject to and limited by law, the Articles of Incorporation, the Covenants, Conditions & Restrictions, and these By-Laws as authorized or approved by the members. The Board may, by contract or otherwise, delegate general or limited special power and authority of the officers and employees of the Association to transact general or special business of the Association, and may give powers of attorney to agents of the Association to transact any special business required by such authorization.
- 4.2 The Directors within the Board shall be voting members of the Association. . The authorized number of directors of this Association shall be Five (5). The number of directors may be increased or decreased from time to time by amendment to these By-Laws, but no decrease shall have the effect of shortening the term of any incumbent director. Any directorship to be filled by reason of an increase in the number of directors shall be filled by an election at an annual meeting, or by appointment of the Board at a special meeting of the members.
- 4.3 Directors of the Board shall be elected annually by the voting members and shall hold office until their respective successors are elected, or appointed for the purpose of filling a vacancy caused by deaths, resignation or removal. A Board member appointed to fill a vacant position shall serve the unexpired term of the predecessor Board Member. Pursuant to Section 209.00503
- 4.4 Vacancies of the Board may be filled by a majority of the remaining directors. The voting members may elect a director at any time to fill any vacancy not filled by the directors. The Board of Directors, or any individual director, may be removed from office with cause by a vote of the majority of voting members at any regular or special meeting of the members.

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- 4.5 Any voting member of the Association may run for a position on the Board. Any Provision in a dedicatory instrument, such as Certificates of Formation, By-Laws, Covenants, Conditions and Restrictions, the By-Laws, or other document of the Association, or any amendments thereto, that restricts a voting member's right to run for a position on the Board is void, unless the Board is presented with documented evidence from a database or other record maintained by a governmental law enforcement authority that a member has been convicted of a felony or crime of moral turpitude. In the event, a member is found to be convicted of a felony or crime of moral turpitude, that member is immediately ineligible to serve on the Board, automatically considered removed from the Board, and is prohibited from future service on the Board.
- 4.6 "Board Meeting" means a deliberation between a quorum (3) of the Board of Directors during which Association business is considered, deliberated, and the Board takes formal action. All regular and special meetings of the members and the Association Board of Directors shall be open to the members and held at the principal office of the Association or at any other place within Grayson County, Texas, as may be designated for that purpose from time to time by resolution of the Board. Regular meetings of the Board shall be held, following each annual meeting, and at other times as the Directors may determine. The Board may adjourn a regular or special meeting and reconvene in closed executive session as delineated in Section 3.08 above. Notice of regular and special meetings of the Board shall be subject to Article III above.
- 4.7 A majority of the authorized number of directors (3) shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision performed or made by a majority of Directors shall be regarded as a decision or act of the Board of Directors, unless a greater number is required by law, or by the Association Covenants, Conditions and Restrictions or these By-Laws.
- 4.8 A Board may meet by any method of communication, including electronic and telephonic, without prior notice to owners, if each director may hear and be heard by every other director, or the Board may take action by unanimous written consent to consider routine and administrative matters or a reasonably unforeseen emergency or urgent necessity that requires immediate Board action. Any action taken without notice to the members must be summarized orally, including any 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.

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4.9 Board Restrictions: The Board MAY NOT, without prior written notice **to the property owners involved**, consider or vote on the following:

- A. fines;
- B. damage assessments;
- C. initiation of foreclosure actions;
- D. initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety;
- E. increases in assessments;
- F. levying of special assessments
- G. appeals from denial of architectural control approval; or suspension of a right of a particular member or owner before the member or owner has had an opportunity to attend the Board meeting to present the member or owner's position, including any defense, on the issue.

General Restrictions:

- A. The Board of Directors may not Release Liens without receiving full payment, thereby constituting a forgiveness of debt without the consent of a 2/3 majority vote of the property owners. subject to 3.11 subsection L
  - B. The Board of Directors or member(s) of any Architectural Control Committee (ACC) **may not** enter on to another property owner's private property for any reason without the written consent of the property owner for the purposes of Inspection(s). If there is reasonable concern of an ACC violation, ACC member(s) shall give the property owner advance notice and make reasonable attempts to meet with the property owner at the property for inspection.
  - C. The Board of Directors **may not** enter into financial arrangements with any lending institutions or private party for the purposes of borrowing money without the prior consent of the property owners. Consent of the property owners would require a 2/3 majority approval vote. subject to 3.11 subsection L
- 4.10 The Board of Directors shall keep a record of each regular and special meeting in the Form of written minutes of meetings by the Board. The written minutes shall be maintained by the Board for no less than seven (7) years and in the manner described in Article VII below. Meeting minutes shall be posted on the Association web-site, and shall otherwise open to review and inspection by any member upon written request to the Board.

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- 4.11 A quorum of the directors may adjourn any Board meeting to meet again at a stated hour / date. Notice of the time / place where an adjourned meeting will be held need not be given to absent directors if the time / place is fixed at the adjourned meeting. In the absence of a quorum, a majority of directors present at any Board meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board.
- 4.12 The Directors of the Board, may receive annual compensation (not to exceed the amount of Annual Dues) for their services, according to the Woods of Preston Covenants, Conditions, and Restrictions. (WOPCCR) This Action was approved by the Woods of Preston Property Owners Association Members on October 8, 2008. They may also receive reimbursement for actual expenses incurred only upon the submission of appropriate written evidence of such expenses incurred.
- 4.13 The Board may authorize the Association to pay expenses incurred by, or to satisfy a judgement or fine rendered or levied against, present or former Directors, officers, or employees of the Association as provided by Article 1296.22A of Title 32 of the Texas Miscellaneous Corporation Act.
- 4.14 The affairs of the Association shall be conducted by the Board. The Board will have all authority over all general matters of the association as outlined in the By-laws and in the CC&R's. For purposes of defining when a simple majority vote for an approval versus a 2/3 super majority vote for an approval, a simple majority vote will suffice on all matters except for the following:
- a) Any financial transactions exceeding \$25,000, will require a 2/3 super-majority vote of the property owners subject to 3.11 subsection L and/or Texas State Law.
  - b) Any revisions, addendums, updates, or dissolutions of the association's By-Laws are subject to 3.11 subsection L and /or Texas State Law.
  - c) Any revision, addendums, updates, or dissolutions of the association CC&R's are subject to 3.11 subsection L and/or any other Texas State Law.
- 4.15 Property Owner Dues: - The Board of Directors will determine the Annual Property Owner Dues based on TWOPPOA Annual Expenses and may adjust the amount of the Dues on an Annual Basis. The determination will be made at least 60 days prior to the Fiscal New Year and an invoice will be mailed to the property owners. The determination by the board will be after they have had an opportunity to review the Treasurer's budgets, financial statements, and discussions on future expenses. Any Increases above two times the Annual Expenses of TWOPPOA will require POA Membership Approval prior to confirmation.

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## ARTICLE V OFFICERS

- 5.1 The officers of the Association shall be a President, Vice-President, a Secretary, a Treasurer, and such assistants and other officers as the Board of Directors shall from time to time determine. Any two offices may be held by the same person, except the offices of President and Secretary.
- 5.2 Officers shall be elected at least annually by the Board of Directors at a Scheduled annual or regular meeting, or at a special meeting if needed to fill a vacancy. All officers, once elected, shall hold office at the pleasure of the Board, which shall fix the compensation and tenure of all officers.
- 5.3 An officer may be removed, either with or without cause, upon an affirmative vote of the majority of the members of the Board, and his or her successor may be elected at any regular meeting of the Board, or at any special meeting of the Board called for that purpose.
- 5.4 The President shall preside at all meetings both of the Association and the Board of Directors. The President shall have all the general powers and duties that are usually in the office of the president of an association, including, but not limited to appoint committees from among the owners to assist in the administration of the affairs of the Association. The President, or his designated alternate, shall represent the Association at all designated meetings.
- 5.5 The Vice-President shall perform all duties of the President in the absence of such, and such other duties as may be required of him or her from time to time by the Board of Directors.
- 5.6 The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association. The Secretary shall have charge of such books and papers as the Board may direct and shall co-sign all instruments of conveyance, and perform all other general duties incident to the office of Secretary. The Secretary shall compile and keep up to date at the principal office of the Association a complete list of Members and their last known addresses as shown on the records of the association. Such list shall show opposite each members name, the lot (s) owned by the member. Such list shall be open to inspection by the Members and other persons lawfully entitled to inspect at reasonable times during regular business hours.

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- 5.7 The Treasurer shall receive and deposit in appropriate bank accounts all money of the Association and shall disburse such as directed by resolution of the Board of Directors, provided however, that a resolution of the Board shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board, including the authority to: sign all checks; keep proper books of account; cause an annual statement of the Association's books to be made at the completion of each fiscal year; prepare an annual budget and a statement of income and expenditures to be presented to the Membership at the annual meeting each year; and to perform all other duties assigned to him or her by the Board.

### **ARTICLE VI EXECUTION OF INSTRUMENTS**

- 6.1 The Board of Directors may, in its discretion, authorize an officer or officers, or other person(s), to execute any Association instrument or document, or to sign the Association name without limitation, except where otherwise provided by law, and such execution or signature shall be binding on the Association.

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## ARTICLE VII ASSOCIATION COMMITTEES

7.1 The Board of directors may, in its discretion, authorize the establishment of various Committees for the benefit of TWOPPOA. These Committees can consist of the following

- A. Election Committee - govern the process for the election of the Association's Board of Directors and does not apply for other types of voting by the Association's Membership. The Committee shall be made up of Association Members and Board Members who are not seeking re-election.
- B. By-Laws/CCR Committee- govern the process for review/update, change, or alter the Woods of Preston Covenants, Conditions and Restrictions, the By-Laws, or other document of the Association, or any amendments thereto to the Board of Directors for their final consideration and submission to TWOPPOA.
- C. Architectural Review Committee –
  - i. Review new build construction documents, - recommend any changes if necessary to meet the CC&R guidelines,
  - ii. Make recommendations to the Board for approval or disapproval of property owner new building construction requests.
  - iii. Review all construction documents requesting upgrades or modifications in the Woods of Preston's Homeowners domain to insure compliance with the existing CC&R guidelines.
    - 1. These Governing Documents are also subject to Texas law found in the Texas Property Code and the Texas Business Organization Code. In the event of any conflict between these Guidelines, the Association's Governing Documents and Texas law, this is the order of precedence: Texas law; then CCR; then Bylaws; and then finally, these Guidelines. In addition, these Guidelines only govern the process and directions for conducting an Architectural review of such property per Homeowner's request.
- D. Social Committee- The goal of the Social Committee is to foster a cohesive community by organizing fun, interesting events for the entire community so neighbors can meet and socialize with each other.

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## ARTICLE VIII ASSOCIATION RECORDS

- 7.1 Access to Association Records. The Board shall make available books and records of the Association, including financial and accounting records, open and reasonably available for examination to a member, or a member's agent, such as an attorney, certified public accountant or other agent so designated in advance in writing by the member. The member, at his or her expense, may obtain copies of the information contained in Association books or records.
- 7.2 Items Not Considered Association Records. Attorney files related to the Association excluding invoices for legal services and expenses, are not records of the Association and are not subject to inspection by a member, and are not subject to disclosure in a legal proceeding.
- 7.3 Requests for Access to Association Records. All requests for access to and inspection of Association books and records must be submitted by the member, or the member's representative, in writing by certified mail, return receipt requested, to the Association's address. A request must describe in detail the Association books or records that are within the possession, custody or control of the Association, and elect whether the member or authorized representative desires to inspect the books or records described, or desires copies of the books or records described. If inspection is requested, the Association, through its Board shall, within ten (10) business days after receiving a request, notify the requesting member or authorized representative, of the places, dates and times during normal business hours that the owner may inspect the books or records requested. If copies are requested, the Board shall, within ten (10) business days after receiving a request, produce copies of the records or books identified in the request. If the Association is not able to produce the books or records described for inspection, or copies of the same, within ten (10) business days, the Association will notify the requestor in writing that the Association is unable to produce the information requested within that time, and state a date the information will be sent or made available for inspection by the requestor that is no later than fifteen (15) business days the Association provides this notice. The Association may produce the records or books requested in hard copy, electronic, or other format reasonably available to the Association.

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### 7.4 Policy for Costs for Production and Copying of Records.

- A. The costs for the compilation, production and copying of Association books and records shall be borne by the requesting member. Charges for costs may include, but not be limited to, the following:
1. Copies. Charges for paper or electronic copies of books and records shall be billed at the actual cost to produce.
  2. Labor. The Association may charge \$15.00 per hour for labor costs Incurred, in processing a request for access to association books and records. The labor charge includes the actual time to locate, compile, and reproduce the requested information. A labor charge shall not be charged for requests that are for fewer than fifty (50) standard pages or less. Any request that requires the time of an attorney, accountant, bookkeeper or other service may be billed at the actual cost to the Association.
  3. Postage and shipping charges. Any related postal or shipping charges that are necessary to provide the information to the requestor may be billed at the actual cost to the Association.
  4. Miscellaneous supplies. The cost of miscellaneous supplies such as labels, boxes, envelopes, and other supplies may be added to the bill at the actual cost to the Association.
  5. The charges and costs that may be assessed to the compilation, production and copying of Association books and records to are subject to increase or decrease in accordance with the Texas Administrative Code, Section 70.3.
- B. Estimate and Billing of Costs. Upon receipt of a request, the Board shall provide the requestor an estimate of the costs associated with the compilation, production and copying of Association books and records. These costs may be required to be paid in advance by the member requesting the information. A final invoice for the costs will be provided to the member on or before the thirtieth (30) business day after the date the information is provided to the member or authorized agent. If the final invoice includes additional amounts due from the member, the additional amounts, if not reimbursed to the Association before the thirtieth (30) 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 owner is entitled to a refund, the refund shall be provided to the member no later than the thirtieth (30) business day after the date the invoice is sent.

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- 7.5 Information Not to Be Released. Except to the extent the information is provided in meeting minutes, the Association will not release or allow inspection of any records or books that identify the violation history of the Covenants, Conditions, and Restrictions, By-Laws, or any other rules or items contained in a dedicatory instrument filed and recorded by the Association of any member. Furthermore, the Association will not release a member's personal financial information, including records of payment or non-payment of amounts due the Association, the member's contact information, other than his or her address, or information or personnel files related to an employee of the Association, if any. Otherwise, the above information may only be released 1) in an aggregate, summary, or redacted manner that would not identify an individual property owner, 2) with the express written approval of the member whose records are subject to a written request for inspection, or 3) if ordered by a court.
- 7.6 Document and Record Retention Policy. The Association shall retain documents and records as follows:
- A. Certificates of Formation, By-Laws, Covenants, Conditions and Restrictions, and all amendments to the same shall be retained permanently.
  - B. Financial books and records shall be retained for seven (7) years.
  - C. Account records of current members shall be retained for five (5) years.
  - D. Contracts with a term of one (1) year or more shall be retained for four (4) years after the expiration of the contract term.
  - E. Minutes of the meetings of the membership and the Board shall be retained for seven (7) years.
  - F. Property Owners House Plans shall be returned to the property owner once the Certificate of Occupancy has been received by the Property Owner from the City of Gunter.
  - F. Tax returns and audit records shall be retained for seven (7) years.
  - H. All records listed above shall be retained in the principal office of the Association and managed by the Board.

# Woods Of Preston Property Owners Association By-Laws

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## Article IX INDEMNIFICATION OF OFFICERS AND DIRECTORS

- 8.1 The Association shall indemnify every director, officer, his or her heirs, executors and administrators, against all loss, cost and action, suit or proceeding to which he or she may be made a party by reason of his or her being or having been a director or officer of the Association, **except in matters of gross negligence or willful misconduct**. In the event of a settlement, indemnification shall be provided only in connection with such matters in which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his or her duties as a director or officer in relation to the matters involved. The foregoing rights shall not be exclusive of other rights a director or officer may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association in connection with the foregoing indemnification provision shall be treated and handled by the Association as common expenses; however, nothing contained in this Article shall be deemed to obligate the Association to indemnify any member or owner, who is, or has been, a director or officer of the Association, with respect to any duties or obligations assumed or liabilities incurred by him or her under and by virtue of these By-Laws or the Covenants, Conditions, and Restrictions (Association CC&Rs).

## Article X OBLIGATIONS OF OWNERS/MEMBERS

- 9.1 All Owners or Members shall be obligated to follow and abide by the Covenants, Conditions, and Restrictions (Association CC&Rs) and these By-Laws in order to observe and endeavor to promote the cooperative purposes for which this Association was established.
- 9.2 All Owners or Members shall be obligated to pay monthly or annual assessments imposed by the Association in order to meet the common expenses of the Association. Upon approval of the Association, Association Board members, and/or directors of the Association, may be exempt from the payment of monthly / annual assessments while actively serving as a board member or director. (According to CCRs Oct 2008 see 6.01)
- 9.3 Each owner or member may use the general and limited common areas of the Association as long as they are used in accordance with Association rules, and in accordance with the purpose for which they were intended.

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- 9.1 The annual assessment / dues shall be due on January 1<sup>st</sup> of each year. The Board of Directors will be responsible to send out notice due letters / invoices to Property Owners at least 60 days prior to the due date of the Annual Assessment. Late fees will be assessed to property owners after 30 days of the due date. Late fees will be assessed at an initial rate of 10% for the first month with additional late fees accruing each month thereafter at a rate of 15% until paid in full. Additional Collection and Legal Fees will be assessed as necessary. Assessment letters for Annual Dues will be mailed separately from Annual Election notices.

### Article XI APPLICATION OF BY-LAWS

- 10.1 By-Laws and CC&Rs. These By-Laws are to be held in conjunction with the Association Covenants, Conditions, and Restrictions (Association CC&Rs). In the event any By-Law conflicts with any provision in the Association CC&Rs, the Association CC&Rs shall control. No By-Law can be implemented or amended to conflict with the Association CC&Rs.
- 10.2 Amendment. The By-Laws may be amended by the Association at a regular or special meeting of the membership for such purpose, and no amendment shall take effect unless approved by at least sixty-six and two-thirds percent (66 2/3%) of the members of the Association, subject to 3.11 subsection L. The Association may convene a Committee of Members composed of at least three (3) Members to govern the process for review/update, change, or altering the By-Laws and CC&Rs. Upon Completion of the review The Committee will submit the changes to the Board of Directors for final review and action.
- 10.3 Filing with County Records. These By-Laws, and any amendments hereto, shall be filed with the Clerk of Grayson County Records and posted on the Association web-site within thirty (30) days after filling.

ADOPTED by the Board of Directors on the \_\_\_\_ day of \_\_\_\_\_, 2015.

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### References:

Complies with TPC § 209.0041(I).

TPC § 209.0041(h) which states property owners associations may not require more than 67% of its member votes to amend their association instruments

TPC § 209.005 (c) through (m).

TPC § 209.00592(a).

TPC § 209.0051(b).

TPC § 209.0051 (c).

TPC § 209.0051(h).

TPC § 209.005(m) (5).

TPC § 209.0057

TPC § 209.0058 (b).

TPC §§ 209.0058

TPC § 209.0058 (b).

TPC § 209.0059(a) which prohibits a provision of any dedicatory instrument that would disqualify a property owner from voting in a property owners association election or vote on any matter concerning the owner's rights and responsibilities

TPC 209.00592

TPC § 209.00592(a).

TPC § 209.00592(c)