

ARBOR AT WILLOW GROVE, PHASE II

BYLAWS

ARTICLE I – NAME AND LOCATION

Section 1. Name. The name of the corporation is Arbors at Willow Grove Phase II (the “Association”).

Section 2. Principal Office. The principal office of the Association shall be located in Waxahachie, Ellis County, Texas, or at such other place as may be determined by the Board of Directors.

ARTICLE II – DEFINITIONS

Section 1. Association. “Association” means Arbors at Willow Grove Phase II, a Texas nonprofit corporation, DBA ARBOR AT WILLOW GROVE HOMEOWNERS ASSOCIATION, INC.

Section 2. Declaration. “Declaration” means the Declaration of Covenants, Conditions, and Restrictions for Arbors at Willow Grove Phase II.

Section 3. Common Area. “Common Area” is as defined in the Declaration.

Section 4. Lot. “Lot” shall mean and refer to each lot platted on the Property except for the Amenity Center Property and any Common Area (so long as such property is owned by the Association). In the event the Association dissolves and the Amenity Center Property or other Common Areas are conveyed to Declarant or another third party, then such conveyed properties shall be included in the definition of a “Lot”

Section 5. Member. “Member” is as defined in the Declaration.

Section 6. Owner. “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to a Lot who has acquired title to the Lot to use the Residence constructed or to be constructed thereon as a home

Section 7. Mortgagee/Lienholder. “Mortgagee/Lienholder” means any beneficiary of a mortgage or deed of trust on a Lot.

Section 8. Plat. “Plat” shall mean and refer to the final plats of the Property approved by the City and filed by Declarant in the Real Property Records of Ellis County, Texas

ARTICLE III – MEMBERSHIP

Section 1. Annual Meetings. Frequency of Annual Meeting

The Association shall hold one (1) Annual Meeting of the Members each calendar year, as required under Texas Property Code §209.014.

(a) Timing of Annual Meeting The Annual Meeting shall be held during the same month each year, or within a reasonable time as determined by the Board of Directors, not more than fifteen (15) months after the previous Annual Meeting. The specific date, time, and place shall be fixed by the Board.

Purpose of Annual Meeting. The Annual Meeting shall be held for the purpose of:

- Electing Directors to the Board (if applicable that year),
- Presenting the annual financial report,
- Reviewing the operating budget for the upcoming year,
- Providing community updates,
- Conducting any other lawful business placed on the agenda.

(b) Notice of Annual Meeting. Written notice of the Annual Meeting shall be delivered to all Members not less than 10 days and not more than 60 days before the meeting date, in compliance with Texas Property Code §209. Notice may be delivered by mail, email (if consent is given), or posting on the Association's website or other approved method.

(c) Failure to Hold an Annual Meeting. Failure to hold an Annual Meeting within the prescribed time does not invalidate the Association's actions; however, the Board shall schedule the meeting as soon as reasonably practical to restore compliance.

Section 2. Special Meetings of the Membership. Special meetings of the membership may be called by the President, majority vote of the Board, or by Members holding at least 10% of votes.

Section 3. Notice. Written notice of meetings shall be delivered 10–60 days in advance by mail, email, or personal delivery, or any shorter amount of time allowed by Texas Property Code §209 and/or the Texas Nonprofit Corporation Act

Section 4. Record Date. The Board may fix a record date to determine Members entitled to notice or vote; if not fixed, Members at the close of business on the day before notice is given are eligible.

Section 5. Membership Voting List. An alphabetical list of Members, their mailing addresses, and votes shall be available for inspection in person at the meeting location or the Association's designated office. The Association may adopt reasonable procedures to protect the privacy and security of Member information consistent with Texas law. However, the voting list shall have the names of the members and their mailing addresses.

Section 6. Quorum. Ten percent (10%) of votes of the Membership constitutes a quorum. If a quorum is not present, the meeting may be adjourned and recalled until a quorum is present.

Section 7. Proxies. Members may vote by written proxy, revocable unless stated irrevocable (max 11 months).

Section 8. Voting. Voting is per Declaration and Articles of Incorporation. Unless otherwise required,

voting is not by class.

Section 9. Method of Voting. Votes shall be cast in a manner and method as to be determined by the Board, and in compliance with Texas Property Code §209.

Section 10. Majority Vote. Except where a greater vote is required, all actions are by simple majority of votes cast at a duly called meeting with a quorum shall constitute the "Majority Vote".

Section 11. Action Without Meeting. Actions may be taken without a meeting if written consent of Members holding sufficient votes is delivered to the Association within 60 days.

Section 12. Member Rights Under Texas Law. Members may inspect and copy the following:

- Financial records, including assessment roll, income, and expenditures.
- Minutes of all meetings of Members and Board.
- Contracts and agreements related to Common Area maintenance.

ARTICLE IV – BOARD OF DIRECTORS

Section 1. General Powers. The affairs of the Association shall be managed by the Board of Directors.

Section 2. Number and Qualification. The Board of Directors shall consist of not less than three (3) members. The number of Directors may be increased by amendment to these Bylaws, provided the minimum of three (3) is maintained. Directors are required to be Members of the Association.

Section 3. Eligibility. No Member shall be eligible to serve on the Board of Directors or on any committee of the Association if the Member's account with the Association is delinquent. All Assessments, fines, fees, or other charges owed to the Association must be paid in full and current as of the date of nomination and must remain current throughout the Member's service. A Director or committee member who becomes delinquent during their term shall be automatically suspended from all voting rights and participation until the account is brought current. Failure to cure the delinquency within sixty (60) days shall result in automatic removal from the Board or committee.

Any Director who is involved in litigation with the Association shall recuse themselves from Board discussions and votes directly related to the subject of such litigation.

Section 4. Tenure; Staggered Terms. Beginning with the first annual election of the Board of Directors following the adoption of these Bylaws, which shall occur at the Annual Meeting scheduled for September 2026, Directors shall serve staggered terms to ensure continuity of governance.

(a) Length of Terms.

Each Director shall serve a term of two (2) years, or until their successor is duly elected and qualified, unless otherwise provided herein.

(b) Initial Staggering of Terms.

At the September 2026 Annual Meeting:

- Approximately one-half ($\frac{1}{2}$) of the Board positions shall be elected to an initial two-year term; and
- The remaining Board positions shall be elected to an initial one-year term.

Thereafter, all Director positions shall be elected to full two-year terms, maintaining the staggered structure.

(c) Successive Terms.

Directors may serve successive terms without limitation, subject to election by the Members.

(d) Holdover.

Each Director shall continue to serve until their successor is elected and qualified, or until resignation, removal, or disqualification in accordance with these Bylaws.

Section 5. Attendance Requirement; Removal for Nonattendance.

Directors are expected to actively participate in the governance of the Association. Any Director who fails to attend at least seventy-five percent (75%) of all regularly scheduled Board meetings within any rolling twelve (12) month period, or who misses two (2) consecutive regularly scheduled Board meetings, shall be subject to review by the Board.

Upon such review, the Board may request that the Director voluntarily resign. If the Director does not resign, the remaining Directors, by majority vote, may declare the position vacant, and remove that person from the Board, due to failure to fulfill the duties of a Director.

Reasonable cause for absences may include illness, family emergency, work obligations, or other circumstances deemed acceptable by the Board.

Any vacancy created pursuant to this Section shall be filled in accordance with the provisions of these Bylaws regarding Board vacancies, subject to any requirements of Texas Property Code §209.

Section 6. Duty of Responsiveness.

Directors have an obligation to actively participate in the governance of the Association, which includes maintaining reasonable responsiveness to official Board communications. Directors shall make reasonable efforts to review and respond to communications related to Association business in a timely manner consistent with the needs of the Association.

Failure to consistently participate in Board communications or deliberations may be considered a failure to fulfill the duties of a Director and may be addressed by the Board pursuant to the provisions of these Bylaws relating to removal or declaration of vacancy.

Section 7. Vacancies. Any vacancy resulting from death, resignation, or removal, shall be filled by a majority vote of the Board, though less than a quorum. Any vacancy created as the result of an increase in the number of Board members shall be filled by a vote of the Members.

Section 8. Removal. Any Director may be removed, with or without cause, by a majority vote of the Members at a duly called meeting at which a quorum is present.

Section 9. Quorum. A majority of the Directors then serving shall constitute a quorum for the transaction of business at any Board meeting. If a quorum is not present, a majority of those present may adjourn the meeting without further notice.

Section 10. Regular and Special Meetings.

(a) Regular meetings of the Board shall be held at intervals and places fixed by resolution of the Board. Notice shall be given as required by Texas Property Code §209.

(b) Special meetings may be called by the President or any two Directors, with at least 144 hours notice (and in accordance with Texas Property Code §209) by personal delivery, mail, email, or facsimile. Attendance at a meeting constitutes waiver of notice, except when attending solely to object to an unlawfully called meeting.

Section 11. Action Without Meeting. Any action required or permitted at a Board meeting may be taken without a meeting if consent in writing is signed by a sufficient number of Directors to authorize the action, and if not required to be conducted at an open meeting of the Board pursuant to Texas Property Code §209.0051. Written consent may be delivered by mail, email, or facsimile and shall be effective upon delivery.

Section 12. Board Member Conduct and Social Media Use. Directors shall conduct all Association business in a professional manner and shall refrain from discussing Association matters on social media platforms or other informal public forums. No Director shall make statements, comments, or social media posts purporting to represent the Association unless expressly authorized in writing by the Board of Directors. All official communications shall be issued through Board-approved channels, including the Association's website, email system, or written notices. The purpose of this restriction is to prevent misinformation, reduce legal exposure, and protect the reputation and integrity of the Association.

Directors shall conduct meetings in a professional and respectful manner. Disagreements regarding Association matters shall be addressed through orderly discussion and vote of the Board. Personal attacks, disruptive conduct, or actions that interfere with the orderly conduct of meetings are inconsistent with the duties of a Director.

Section 13. Objectivity. Directors shall fulfill their duties of care and loyalty by acting in good faith, exercising sound judgment, and making decisions solely in the best interest of the Association as a whole. All decisions shall be based on objective evaluation, accurate information, and consideration of the welfare of the community. Directors shall disclose any actual or potential conflicts of interest, and shall recuse themselves from voting on matters in which they have a personal financial or familial interest.

Section 14. Conflict of Interest Transactions. Any Director or Officer who has a financial interest in any contract, transaction, or arrangement with the Association shall disclose the existence and nature of such interest to the Board of Directors prior to any discussion or vote on the matter.

A conflict of interest shall also include situations where a Director's spouse, household member, or

immediate family member has a financial or legal interest in a matter involving the Association.

The interested Director or Officer shall not participate in the deliberation or vote on the proposed transaction and shall abstain from any decision relating to the matter.

The remaining disinterested Directors may approve the transaction if they determine in good faith that the arrangement is fair, reasonable, and in the best interest of the Association. All such disclosures and recusals shall be recorded in the minutes of the meeting.

Nothing in this Section shall prohibit the Association from contracting with a Director, Officer, or Member, provided the requirements of disclosure, recusal, and approval by disinterested Directors are satisfied, and done so in compliance with Texas Property Code §209.0052.

Section 15. Financial Stewardship and Community Investment. The Board recognizes that responsible investment in community improvements, including recreational features, landscaping, and aesthetic enhancements, contributes to the long-term value and appeal of the subdivision. While maintaining adequate reserves, the Board shall endeavor to balance fiscal responsibility with beneficial, visible improvements that enhance the quality of life of the Members.

Section 16. Compensation. No Director shall receive compensation for services as a Director, but may be reimbursed for actual expenses. Nothing precludes compensation for other services provided to the Association in a different capacity.

Section 17. Executive Session. The Board may hold closed meetings, known as Executive Sessions, to discuss actions involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, confidential communications with the property owners' association's attorney, matters involving the invasion of privacy of individual owners, or matters that are to remain confidential by request of the affected parties and agreement of the board. Minutes of Executive Sessions shall be maintained separately and are not open to general Member inspection, except as required by law.

Section 18. Emergency Powers. In the event of an emergency affecting the Association or Common Areas, the Board may take immediate action without prior notice to Members. Such actions shall be reported to the Members at the next regular or special meeting and ratified if required.

ARTICLE V – POWERS AND DUTIES OF BOARD

Section 1. Powers. The Board may:

- (a) Employ agents, accountants, attorneys, and staff.
- (b) Prosecute actions to collect assessments, enforce use restrictions, or enforce the Declaration.
- (c) Adopt rules governing Common Areas.
- (d) Perform all duties under the Declaration, including maintenance of public park, playground, splash pad, and pond.

(e) Contract Authority. No Director, officer, or committee member shall have authority to bind the

Association to any contract, agreement, or expenditure unless such action has been authorized by the Board of Directors through a duly adopted resolution at a Board meeting or by written consent of the Board.

Directors may gather information, request proposals, or obtain estimates from vendors in a research capacity for the purpose of presenting options to the Board. However, no commitment or representation that the Association will enter into a contract or incur any obligation shall be made without prior Board approval.

After authorization by the Board, the President or another officer designated by the Board may execute such contracts on behalf of the Association.

Section 2. Duties. The Board shall:

- (a) Maintain accurate financial records of all Association transactions and provide periodic financial reports to the Members. The Board may also provide summary reports, charts, or other simplified presentations of financial information for the purpose of improving transparency and understanding among Members.
- (b) Keep accurate minutes of all meetings.
- (c) Supervise Officers, agents, and employees.
- (d) Fix regular and special assessments and collect them in accordance with the Declaration and Texas Property Code §209.
- (e) Procure and maintain liability and property insurance on Common Areas.
- (f) Maintain, repair, and replace improvements in Common Areas.
- (g) Ratify Drainage Plans.
- (h) Perform all other obligations under the Declaration.
- (i) Disclose conflicts of interest, if any, in writing.
- (j) Indemnify Directors and Officers to the fullest extent allowed under Texas law.
- (k) Elect Offices of the Board of Directors

Section 3. Assistant Officers. The Board of Directors may appoint such Assistant Officers as it deems necessary for the administration of the Association.

(a) Appointment and Authority

- The Board of Directors can appoint Assistant Officers as it deems necessary.
- Their duties, authority, and term are determined by the Board via resolutions.
- Assistant Officers are not members of the Board of Directors unless the Board specifically appoints a Director to the role.
- Officers may resign or be removed at any time.

Section 4. Duties of President. Presides over meetings, executes documents, carries out Board orders.

Section 5. Duties of Vice President. Acts in President's absence; performs normal VP duties.

Section 6. Duties of Secretary. Maintains records, minutes, and membership lists; serves notices; performs Treasurer duties if none.

Section 7. Duties of Treasurer. Collects assessments, manages funds, prepares reports, files tax returns, prepares budget, provides financial information to Members.

Section 8. Architectural Control Committee (ACC). The Board may establish an Architectural Control Committee (ACC) to review and approve proposed modifications to Lots, including exterior improvements, paint colors, landscaping, fences, and other alterations. The Board shall define the ACC's composition, appointment, duties, and authority. The ACC shall act in accordance with the Declaration, Bylaws, and Board-adopted procedures, and may require Members to submit plans for review and approval prior to commencing improvements.

Section 9. Committees. The Board may appoint committees as deemed necessary to carry out the purposes of the Association. Each committee shall have a written charter describing its duties, authority, and reporting requirements. Committee members need not be Directors but must be Members in good standing unless otherwise approved by the Board. Committees serve at the pleasure of the Board and may be dissolved at any time. Committees shall not have authority to contract on behalf of the Association or expand Association funds.

Section 10. Indemnification. The Association shall indemnify and hold harmless each Director and Officer to the fullest extent permitted by Texas law against any liability or expenses incurred in connection with the performance of their duties. This includes payment of legal fees, judgments, fines, and settlements, but exclude indemnification, deense and holding harmless for matters arising from the Director or Officer's gross negligence, fraud, or willful misconduct.

The Board may rely in good faith upon the advice of legal counsel, accountants, engineers, property managers, or other professionals in the performance of its duties.

Directors and Officers shall not be personally liable for actions taken in good faith within the scope of their authority and duties as provided by Texas law.

ARTICLE VI – RULES AND REGULATIONS

Section 1. Authority to Adopt Rules. The Board of Directors shall have the authority to adopt, amend, and repeal reasonable rules and regulations governing the use, maintenance, and appearance of Lots, Common Areas, and any other property within the Subdivision, including, but not limited to:

- Exterior house colors, paint, and exterior modifications;
- Lawn care, landscaping, and yard appearance;
- Placement, storage, and timing of trash, recycling, or yard waste containers;
- Vehicle parking, storage, and use within the Subdivision;
- Use of public amenities, including parks, playgrounds, splash pads, and ponds;
- Any other matters affecting the health, safety, or aesthetic harmony of the Subdivision.

Section 2. Procedure for Adoption.

(a) The Board may adopt or amend rules by majority vote at a duly called meeting of the Board.

(b) Notice of any newly adopted or amended rule shall be provided to all Members in writing or by electronic communication within ten (10) days of adoption.

Section 3. Enforcement.

(a) The Board may enforce rules and regulations through written notice of violation, fines, or other remedies allowed under the Declaration and applicable Texas law.

(b) Fines or enforcement actions shall not include foreclosure of a Member's Lot for violations unrelated to assessment obligations, consistent with Texas Property Code §209.009.

(c) If required by Texas Property Code §209.006, the Board shall provide Members with notice and an opportunity to be heard prior to the imposition of fines or other penalties.

Section 4. Compliance by Members. All Members, their tenants, invitees, and occupants shall comply with the rules and regulations. The Board may require Members to take corrective action at their own expense when violations are observed.

Section 5. Exceptions and Variances. The Board may grant exceptions or variances from specific rules upon written request when strict application would result in undue hardship, provided such exceptions do not materially affect the uniformity, safety, or appearance of the Subdivision.

Section 6. Establishment of Property Maintenance Rules. The Board of Directors may adopt, amend, and enforce reasonable Rules and Regulations governing trash receptacle storage, waste disposal, parking, yard maintenance, and other aesthetic or safety matters affecting the community.

All Rules and Regulations adopted by the Board shall be consistent with the Declaration and these Bylaws and shall be enforceable against all Owners, tenants, occupants, and guests.

ARTICLE VII – BOOKS AND RECORDS

Section 1. Financial Records. Maintained in accordance with GAAP; available for Member inspection. The Board of Directors shall cause to be kept and maintained current, true, and accurate financial records of all transactions of the Association, including all income, assessments, and expenditures, in accordance with generally accepted accounting principles. The books, records, and papers of the Association shall be subject to inspection by any Member upon written request in compliance with Texas Property Code §209.005. The Declaration of Covenants, Conditions, and Restrictions for Arbors at Willow Grove Phase II, filed in the Official Public Records of Ellis County, Texas, Document No. 2003820 (the "Declaration"), and these Bylaws shall be available for inspection at the principal office of the Association, and copies shall be made available to Members upon request for a reasonable charge.

Section 2. Mortgage Register. Owners must provide Secretary with first Mortgagee information within 10 days of acquisition or change. Each Owner shall furnish to the Secretary of the Association, within ten (10) days after the acquisition of any Lot, the name and mailing address of any Mortgagee holding a first mortgage on such Lot. Upon any substitution or change in such Mortgagee, each Owner shall notify the Secretary, within ten (10) days, of the new Mortgagee's name and mailing address.

Section 3. Register of Owners. Owners must provide Secretary with current mailing/email address within 10 days of change. The Secretary shall maintain a current list of all Members and their mailing addresses and email addresses (if available). Each Owner shall provide written notice to the Secretary of any transfer of ownership or change in address within ten (10) days of such change, including the correct name and mailing address and email address (if available) of the new Owner.

Section 4. Member Inspection Procedure.

Members may inspect and copy Association records upon written request to the Secretary, specifying the records desired. The Association may charge a reasonable fee for copies and may require inspection during normal business hours or at the principal office. The Board may establish reasonable procedures and limitations to protect the privacy of other Members and the confidentiality of sensitive information.

ARTICLE VIII – AMENDMENTS

Section 1. Power to Amend. These Bylaws may be amended, altered, or repealed, and new Bylaws adopted, by the affirmative vote or written consent of not less than 60% of the total votes of the Board of the Association, unless a greater percentage is required by the Declaration or Texas law.

Section 2. Proposed Amendments. Proposed amendments may be initiated by:

- (a) a majority vote of the Board of Directors, or
- (b) a petition signed by at least 60% of the Members.

Section 3. Notice of Proposed Amendment. Written notice of any proposed amendment must be provided to all Members not less than ten (10) days and not more than sixty (60) days prior to the meeting at which such amendment will be considered, or prior to the deadline for returning written ballots, if voting by mail or electronic ballot.

Section 4. Recording Requirement. All approved amendments must be:

- (a) certified by the President or Secretary of the Association, and
- (b) recorded in the Official Public Records of Ellis County, Texas.

An amendment becomes effective upon filing unless a later effective date is specified.

Section 5. Restrictions on Amendments. No amendment may:

- (a) conflict with the Declaration;
- (b) diminish the rights of the Declarant during the Development Period;
- (c) eliminate or substantially alter an Owner's obligation to pay assessments; or
- (d) impair the Association's ability to maintain Common Areas.

Section 6. Five-Year Bylaw Review. The Board of Directors shall conduct a formal review of these Bylaws at least once every five (5) years to ensure consistency with current laws, best practices, and the evolving needs of the community. The Board may appoint a committee to assist in the review and may propose amendments in accordance with this Article.

ARTICLE IX – CONFLICTS

Section 1. Controlling Documents. These Bylaws are adopted pursuant to, and are subordinate to, the Declaration of Covenants, Conditions, and Restrictions for Arbors at Willow Grove Phase II, recorded in the Official Public Records of Ellis County, Texas, under Document No. 2003820 (the "Declaration").

Section 2. Declaration Controls. In the event of any conflict, ambiguity, or inconsistency between the provisions of the Declaration and the provisions of these Bylaws, the Declaration shall control and govern. The Declaration is hereby incorporated into these Bylaws by reference as though fully set forth herein.

Section 3. Hierarchy of Governing Documents. To the extent not inconsistent with the Declaration, these Bylaws control over all policies, rules, regulations, and resolutions adopted by the Association. In interpreting the rights and obligations of Owners, the following hierarchy shall apply:

1. Federal and Texas State Law
2. The Declaration
3. These Bylaws
4. Rules, Regulations, and Board Resolutions

Section 4. Severability. If any provision of these Bylaws is deemed invalid or unenforceable by a court of competent jurisdiction, such provision shall be severed, and the remaining provisions shall remain in full force and effect to the maximum extent permitted by law.

ARTICLE X – LEASING AND RENTAL RESTRICTIONS

Leasing and rental of Lots shall be governed exclusively by the Declaration of Covenants, Conditions, and Restrictions for Arbors at Willow Grove Phase II, as amended from time to time. The Board may adopt administrative procedures to implement such restrictions consistent with the Declaration and Texas law.

ARTICLE XI: COMMUNICATION & OFFICIAL NOTICE

Section 1. Official Method of Communication. Email shall serve as the official and legally recognized method of communication between the Association and its Members. All required notices—including but not limited to meeting notices, voting materials, policy updates, violations, and general Association correspondence—shall be delivered via email to the most recent email address provided by the Member.

Section 2. Member Responsibility to Maintain Contact Information. Each Member is responsible for providing and maintaining a valid email address with the Association. Failure to update contact information shall not invalidate any notice properly delivered to the last email address on file.

Section 3. Website as Supplemental Resource. The Association may maintain an official website for

the purpose of sharing general information, documents, announcements, or reminders.

The website is not considered an official notice method and shall not replace email for any required or legal communication.

Section 4. Alternate Delivery (If Required). If a Member does not provide an email address or if email delivery is legally insufficient for a specific notice, the Association may deliver notice by mail or other method permitted by Texas Property Code or the governing documents.

Section 5. Administrative Communications

Routine administrative communications of the Association, including meeting reminders, community notices, informational updates, surveys, forms, and similar non-policy communications, may be distributed by the Board, Officers, or designated representatives of the Association without requiring prior approval of the full Board.

This provision does not authorize any individual Director, Officer, or Member to make official policy statements, bind the Association to contracts, or represent that the Association has adopted a position unless such action has been approved by the Board in accordance with these Bylaws.

CERTIFICATE

We, the undersigned, being all initial members of the Board of Directors of Arbors at Willow Grove Phase II HOA, certify that these Bylaws were adopted at a meeting of the Board in compliance with Texas Property Code §209.0051(h)(10)

on this _____ day of _____, 2026.

Board Members: