

**AMENDED AND RESTATED BYLAWS
OF THE
HORSESHOE BEND HOMEOWNERS ASSOCIATION**

Effective and Adopted by the Board of Directors - August 11, 2012 and
by the Members of the Horseshoe Bend Homeowners Association - October 6, 2012

**ARTICLE ONE
DEFINITIONS**

“Property” shall mean all of that certain real property located in the County of Wood, State of Texas, including the land and all easements, rights, and appurtenances thereto as described on Exhibit A as attached to the Declaration of Covenants, Conditions and Restrictions for Horseshoe Bend, Inc. as recorded in Vol.1020, Page 622, Real Property Records, Wood County, Texas.

Declaration Defined

“Declaration” shall mean that certain Declarations of Covenants, Conditions and Restrictions for Horseshoe Bend, Inc. applicable to the Property, dated May 9, 1986, and recorded at Vol. 1020, Page 622, Real Property Records, Wood County, Texas, as the same may be amended from time to time in accordance with the terms thereof.

Other Terms Defined

Other terms used herein shall have the meaning given them in the Declaration and are hereby incorporated by reference and made part hereof.

**ARTICLE TWO
APPLICABILITY OF BYLAWS**

Corporation

The provisions contained herein constitute the Bylaws of the nonprofit corporation known as HORSESHOE BEND HOMEOWNERS ASSOCIATION, hereinafter referred to as the “Association.”

Property Applicability

The provisions of these Bylaws are applicable to the Property as defined above.

Personnel Application

All present or future Owners (as defined in the Declaration), tenants, future tenants, or their employees, or any other person that might use the facilities of the Property in any manner, are subject to the regulations set forth in these Bylaws. The mere acquisition of or leasing of a

lot will signify that these Bylaws are accepted and ratified and will be complied with by the Owner or his tenant.

ARTICLE THREE OFFICE

Principal Office

The principal office of the Association shall be located at 197 CR 4550, Winnsboro, TX 75494.

Registered Office and Registered Agent

The Association shall have and shall continuously maintain in the State of Texas a registered office, and a registered agent whose office is identical with such registered office, as required by the Texas NonProfit Corporation Act. The registered office may be, but need not be, identical with the principal office of the Corporation, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE FOUR QUALIFICATIONS FOR MEMBERSHIP

Membership

The membership of the Association shall consist of all Owners of Lots within the Property.

Proof of Membership

The rights of membership shall not be exercised by any person until satisfactory proof is furnished to the Secretary of the Association that the person is qualified as an Owner. Such proof may consist of a copy of a duly executed and acknowledged deed or title insurance policy evidencing ownership of a Lot of the Property. Those owners of lots in the Unit No. One, Little Cypress Development Corporation, have the right to become members of the Association by the filing of a notice of intent in the Real Property Records of Wood County, Texas and upon presentation of a copy of their deed showing ownership of said Little Cypress Development lot and a notice of intent, they will become members of the Association. Such deed, policy or notice of intent shall be deemed conclusive in the absence of a conflicting claim based on a later deed or policy.

No Additional Qualifications

The sole qualification for membership shall be ownership of a Lot of the Property. No initiation fees, costs or dues shall be assessed against any person as a condition of membership except such assessments, levies, and charges as are specifically authorized under the Articles of Incorporation or the Declaration.

Certification of Membership

The Board of Directors may provide for the issuance of certificates evidencing membership in the Association which shall be in such form as may be determined by the Board.

All certificates evidencing membership shall be consecutively numbered. The name and address of each Member and the date of issuance of the certificate shall be entered on the records of the Association and maintained by the Secretary at the registered office of the Association.

ARTICLE FIVE VOTING RIGHTS

Voting

Voting rights are outlined under and governed by Article V of the Declaration of Covenants, Conditions and Restrictions of Horseshoe Bend, Inc. At all meetings of the Association, each Owner may vote in person or by proxy, by absentee ballot or by electronic ballot.

Proxies

All proxies shall be in writing, signed and dated by the Owner, and filed with the Secretary of the Association (or other person authorized to receive proxies) prior to the start of the meeting. Every proxy shall be revocable and shall automatically cease on conveyance by the Owner of his Lot, or upon receipt of notice by the Secretary of the death or judicially declared incompetence of such Owner. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise specifically provided in the proxy.

Absentee or Electronic Ballots

Absentee ballots must be signed and dated by the member and filed with the person authorized to receive them as indicated on the ballot prior to the specified deadline. Electronic ballots sent via email, facsimile or posting on an Internet website constitute written and signed ballots when the identity of the Owner submitting the ballot can be confirmed and for which the Owner may receive a receipt of the electronic transmission and confirmation of receipt of the Owner's ballot.

An absentee or electronic ballot may be counted as an Owner present and voting for the purpose of establishing a quorum only for items appearing on the ballot. An absentee or electronic ballot may not be counted, even if properly delivered, if the Owner attends any meeting to vote in person. Any vote cast at a meeting by an Owner supersedes any vote submitted by absentee or electronic ballot previously submitted for that proposal. An absentee or electronic ballot may not be counted on the final vote of a proposal if the motion was amended at the meeting to be different from the exact language on the absentee ballot. An absentee or electronic ballot may be counted on the final vote in the election of Directors to the Board even if there is a change in the slate of candidates at the meeting due to the withdrawal of a candidate or candidates and/or the nomination of a candidate or candidates from the floor.

Quorum

The presence, either in person, by proxy, by absentee ballot or by electronic ballot¹ at any meeting, of Owners entitled to cast at least ten percent (10%) of the total voting power of the Association, shall constitute a quorum for any action, except as otherwise provided

in the Declaration. In the absence of a quorum at a meeting of Owners, a majority of those Owners present in person or by proxy may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented, and any business may be transacted which might have been transacted at the meeting as originally notified.

Required Vote

The vote of the majority of the voters entitled to cast by the Owners present, or represented by proxy, by absentee ballot or by electronic ballot ; at a meeting at which a quorum is present, shall be the act of the meeting of Owners, unless the vote of a greater number is required by statute or by the Declarations.

ARTICLE SIX MEETINGS OF MEMBERS

Annual Meetings

The first meeting of the Association shall be held on the 1st Saturday in October, 1989, at the hour of one o'clock p.m. Thereafter, the annual meetings of the Association shall be held on the 1st Saturday of October of each succeeding year at the hour of one o'clock p.m.

Special Meetings

Special meetings of the Owners may be called by the President, the Board of Directors or by Owners representing at least ten percent (10%) of the total voting power of the Association.

Place

Meetings of the Owners shall be held within the Property or at a meeting place as close thereto as possible as the Board may specify in writing.

Notice of Meetings

Written notice of meetings of the Association shall be given by or at the direction of the Secretary of the Association (or other person authorized to call the meeting) by mailing (by regular USPS mail or electronic mail) or personally delivering a copy of such notice at least ten (10) but no more than sixty (60) days before such meeting, to each Owner entitled to vote at such meeting, addressed to the Owner's address last appearing on the books of the Association, or to the email address supplied by such Owner to the Association for the purpose of notice. Such notice shall specify the place, day, and hour of the meeting and, in the case of a special meeting, the nature of business to be undertaken.

Order of Business

The order of business at all meetings of the Owners shall be as follows:

- (a) Roll call;
- (b) Proof of notice of meeting or waiver of notice;

- (c) Reading of Minutes of preceding meeting;
- (d) Report of officers;
- (e) Reports of committees;
- (f) Election of Directors;
- (g) Unfinished business;
- (h) New business.

ARTICLE SEVEN BOARD OF DIRECTORS

General Powers

The affairs of this Association shall be managed by its Board of Directors.

Number

The number of Directors shall be five (5) and must be OWNERS (as defined in Article I of the Declaration of Covenants, Conditions and Restrictions for Horseshoe Bend Homeowners Association). Directors shall be elected for a term of two (2) years. Two (2) Directors shall be elected in the even numbered years (i.e., 1998, 2000, etc.) and three (3) Directors shall be elected in the odd numbered years (i.e., 1999, 2001, etc.). At the next election following adoption of the change from one-year to two-year terms, the Nominating Committee shall name the appropriate number of Directors (i.e., two or three, depending upon the year) who will serve an additional unelected year along with the appropriate number of nominees for election. Thereafter, the appropriate number of Directors shall be elected each year for a two-year term, not to serve more than two (2) consecutive two-year terms. A Director may remain off the board for one (1) year and then be eligible for reelection.

Removal

Directors may be removed from office without cause by a majority vote of the Association.

Vacancies

In the event of a vacancy on the Board caused by the death, resignation, or removal of a Director, the remaining Directors shall, by majority vote, elect a successor who shall serve for the unexpired term of his predecessor.

Compensation

Directors will serve without compensation for services rendered to the Association. A Director may be reimbursed by the Board for actual expenses incurred by him in the performance of his duties.

Powers and Duties

The Board shall have the powers and duties, and shall be subject to limitations on such powers and duties, as enumerated in the Declaration.

ARTICLE EIGHT
NOMINATION AND ELECTION OF DIRECTORS

Nomination

Nomination for election to the Board of Directors shall be made by a nominating committee elected at the annual meeting of the Association and additional nominations can be made from the floor.

Elections

Directors are elected at the annual meeting of the Association. Owners, or their proxies, may cast, in respect to each vacant directorship, as many votes as they are entitled to exercise under the provisions of the Declaration. The nominees receiving the highest number of votes shall be elected.

ARTICLE NINE
MEETING OF DIRECTORS

Regular Meetings

A regular annual meeting of the Board of Directors shall be held without other notice than by this bylaw, immediately after, and at the same place as, the annual meeting of members. The Board of Directors may provide by resolution the time and place, within the Property, or within a fifty (50) mile radius from the entrance to the property, for the holding of additional regular meetings of the Board without other notice than such resolution.

Special Meetings

Special Meetings of the Board of Directors shall be held when called by written notice signed by the President of the Association or any two Directors other than the President. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. Notice of any special meeting must be given to each Director not less than three (3) days or more than fifteen (15) days prior to the date fixed for such meeting by written notice delivered personally or sent by mail or telegram to each Director at his address as shown in the records of the Association. A copy of such notice shall be posted in the prominent place or places on the Property within three (3) days prior to the date of the meeting.

Quorum

A quorum for the transaction of business by the Board of Directors shall be the lesser of either a majority of the number of Directors constituting the Board of Directors as fixed by these Bylaws or three Directors.

Open Meetings

Regular and special meetings of the Board shall be open to all Owners, provided, however, that Owners who are not on the Board may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board.

Executive Session

The Board may, with the approval of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss and vote on personnel matters, pending or threatened litigation in which the Association is or may become involved, and other business of a confidential nature. The nature of any and all business to be considered in executive session shall first be announced in open session, unless confidentiality constraints preclude such public announcement.

Following an executive session, any decision made in the executive session must be summarized orally and placed in the minutes, in general terms, without breaching the privacy of individual owners, violating any privilege, or disclosing information that was to remain confidential at the request of the affected parties. The oral summary must include a general explanation of expenditures approved in executive session.

Informal Action by Directors

Directors 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 Directors 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. Such consent may be executed by multiple counterpart signatures or by email.

Actions taken without notice to Owners must be summarized orally, including an explanation of any known actual or estimated expenditures approved, and documented in the minutes of the next regular or special Board meeting.

Directors may not consider or vote on the following matters without prior notice to Owners:

1. fines;
2. damage assessments;
3. initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety;
4. increase in assessments;
5. levying of special assessments;
6. appeals from a denial of architectural control approval; or
7. a suspension of a right of a particular Owner before the Owner has an opportunity to attend a meeting of the Board to present the Owner's position, including any defense, on the issue.

Formalities of Notices

Whenever under the provisions of the statutes, the Articles of Incorporation or these Bylaws, notice is required to be given to any Director or Member, and no provision is made as to how such notice shall be given, it shall be construed to mean either personal notice or notice in writing, by mail (regular or otherwise), postage prepaid, addressed to such Director or Member

at such address as appears on the books of the Corporation. Any notice given at the time when same shall be thus deposited in the United States Mail as aforesaid.

Waiver

Whenever any notice is required to be given to any Member or Director of the Corporation under the provisions of the statutes, the Articles of Incorporation or these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, shall be deemed equivalent to the giving of such notice. Signing the minutes of any meeting shall be deemed a waiver of all formalities with respect to such meeting.

ARTICLE TEN OFFICERS

Enumeration of Officers

The officers of the Association shall be a President and Vice President (who shall at all times be members of the Board of Directors), and Secretary and Treasurer. The Board of Directors may, by resolution, create such other officers, as it deems necessary or desirable.

Election and Terms

The officers of the Association shall be elected by the Board of Directors at a regular annual meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. New officers may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.

Resignation and Removal

Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect at the date of receipt of such notice or at any time specified therein. Any officer may be removed from office by the Board whenever, in the Board's judgment, the best interest of the Association would be served by such removal.

Vacancies

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

Multiple Offices

Any two or more offices may be held by the same person, except the office of President and Secretary.

Compensation

Officers shall serve without compensation for services rendered to the Association. However, expenses may be reimbursed for unusual activities carried out on behalf of the Association. Any officer may receive compensation rendered to the Corporation in other than his official capacity.

ARTICLE ELEVEN
PRESIDENT

Duties

The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all contracts, mortgages, tax returns, and other written instruments, shall sign all promissory notes; shall appoint committee chairmen and members of committees with the concurrence of the Board; and shall carry out such other duties as may be assigned by the Board or the Rules and Regulations of the Association.

ARTICLE TWELVE
VICE PRESIDENT

Duties

The Vice President shall act in the place and stead of the President when he is absent, unable, or unwilling to act; and shall discharge such other duties as may be required of him by the Board.

ARTICLE THIRTEEN
SECRETARY

Duties

The Secretary shall perform or cause to be performed the following secretarial activities: record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal (if any) and affix it on all papers requiring said seal; serve notice of meetings of the Board and members; keep the appropriate current records showing the ownership of Lots and membership of the Association, together with their addresses; and shall perform such other duties as required by the Board or the Rules and Regulations of the Association.

ARTICLE FOURTEEN
TREASURER

Duties

The Treasurer shall perform or cause to be performed the following financial activities: receive and deposit in appropriate bank accounts all monies of the Association and disburse such funds as directed by Resolution of the Board; sign all checks and promissory notes; cause an annual audit of the Association 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 its regular annual meeting and deliver a copy of the budget and assessments adopted by the Board to each member. The Treasurer shall perform such other duties as required by the Board or the Rules and Regulations of the Association.

ARTICLE FIFTEEN COMMITTEES

Committees of Directors

The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint one or more committees, each of which shall consist of such Members as the Board of Directors may appoint, which committees, to the extent provided in said resolution shall have and exercise the authority of the Board of Directors in the management of the Association. However, no such committee shall have the authority of the Board of Directors in reference to amending, altering, or repealing of the Bylaws: electing, appointing, or removing any member of any such committee or any Director or officer of the Association; amending the Articles of Incorporation; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Association or revoking the proceedings therefor; adopting a plan for the distribution of the assets of the corporation; or amending, altering, or repealing any resolution of the Board of Directors which, by its terms provides that it shall not be amended, altered, or repealed by such committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed on it or him by law.

Other Committees

Other committees not having and exercising the authority of the Board of Directors in the management of the Association may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be members of the Association, and the President of the Association shall appoint the members thereof. Any member thereof may be removed by person or persons authorized to appoint such member whenever in their judgment the best interests of the Association shall be served by such removal.

Term of Office

Each member of a committee shall continue as such until the next annual meeting of the Members of the Association and until a successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

Chairman

One member of each committee shall be appointed chairman by the person or persons authorized to appoint the members thereof.

Vacancies

Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in case of original appointments.

Quorum

Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which quorum is present shall be the act of the committee.

ARTICLE SIXTEEN FISCAL YEAR

The fiscal year of the Association shall be fixed by resolution by the Board of Directors.

ARTICLE SEVENTEEN AMENDMENT OF BYLAWS

These Bylaws may be amended, altered, or repealed at a regular or special meeting of the Association, by the affirmative vote in person or by proxy of Owners representing a majority of quorum of the Association.