

**RESOLUTION REGARDING AMENDMENT
TO BYLAWS OF
THE BAL HARBOUR ASSOCIATION, INC.**

Adopted April 5, 2021

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, The Bal Harbour Association, Inc. ("the Association") is charged with administering and enforcing those certain covenants, conditions and restrictions contained in the Association's Bylaws, and the respective Declaration of Covenants, Conditions & Restrictions encumbering all properties governed by The Bal Harbour Association, Inc. (collectively referred to as "the Declarations"); and

WHEREAS, the Board of Directors of The Bal Harbour Association, Inc. is empowered to amend the Bylaws of the Association pursuant to §22.102 of the Texas Business Organizations Code;

WHEREAS, the Board of Directors has considered and discussed certain modifications to one or more provisions of the Association's Bylaws, and has determined that the adoption of the attached Amended and Restated Bylaws would be in the best interest of the Bal Harbour community, and all persons owning property and/or residing therein.

WHEREAS, the Board of Directors of The Bal Harbour Association, Inc., desires to adopt the attached Amended and Restated Bylaws, on the date indicated thereon, to become effective upon being recorded in the office of the County Clerk, Harris County, Texas.

NOW, THEREFORE, BE IT RESOLVED that the express provisions of the attached document, entitled "The Bal Harbour Association, Inc. Amended and Restated Bylaws" are hereby adopted on behalf of the Association.

THE UNDERSIGNED Board of Directors hereby adopt the attached Amended and Restated Bylaws, which shall supersede, and in all respects replace, all previous versions of the Association's Bylaws, as well as all previous amendments and supplementations thereof.

IN WITNESS WHEREOF, the undersigned have executed this Resolution Regarding Amendment to Bylaws of The Bal Harbour Association, Inc., on this 5 day of April, 2021.

RP-2021-213791

**BOARD OF DIRECTORS OF
THE BAL HARBOUR ASSOCIATION, INC.**

MPA
Signature

Michael Petroski
Print Name

Brenda Hesse
Signature

Brenda Hesse
Print Name

Lori Vaughn
Signature

Lori Vaughn
Print Name

ED
Signature

ED MURPHY
Print Name

DAVID MARPLE
Signature

DAVID MARPLE
Print Name

ROY NELSON
Signature

ROY NELSON
Print Name

JOHN C. WARREN
Signature

JOHN C. WARREN
Print Name

MARK E. HESSE
Signature

MARK E. HESSE
Print Name

TRICIA LOTZ
Signature

TRICIA LOTZ
Print Name

RP-2021-213791

THE BAL HARBOUR ASSOCIATION, INC.

AMENDED AND RESTATED BYLAWS

ADOPTED April 5, 2021

TABLE OF CONTENTS

<u>Article</u>	<u>Page</u>
I. General Provisions and Definitions	1
II. Functions of the Association	2
III. Members	4
IV. Board of Directors	6
V. Officers of the Association	8
VI. Committees	10
VII. Contracts, Checks, Drafts, Bank Accounts	13
VIII. Miscellaneous Provisions	13
IX. Indemnification	14
X. Amendment and Supplementation	15

ARTICLE I

GENERAL PROVISIONS, REFERENCES AND DEFINITIONS

Section 1. Reference is made for all purposes to the following:

1.1. The plats of the SUBDIVISION know as "Bal Harbour" which plats are recorded in the Map Records of Harris County, Texas.

1.2. "Covenants and Restrictions" for Bal Harbour dated May 1986, recorded in Harris County, TX (herein called the "RESTRICTIONS") along with all amendments and supplements thereto, as such RESTRICTIONS may be supplemented or amended from time to time.

Section 2. This corporation is the identical non-profit corporation (which is referred to as "The Bal Harbour Association") in the Articles of Incorporation, adopted August 16, 1974, and the aforesaid recorded RESTRICTIONS of Bal Harbour. This corporation has all the rights, powers, privileges and

RP-2021-213791

authority vested in it under said RESTRICTIONS, as well as its Articles of Incorporation and pertinent state laws, and shall carry out all the functions and responsibilities therein assigned and those which may hereafter be assigned to the ASSOCIATION. The Association is also referred to as "The Bal Harbour Association, Inc." within the original Bylaws.

Section 3. The following terms, when used in these Bylaws, shall have the same meanings associated with them as set forth within the RESTRICTIONS:

- ASSOCIATION
- COMMON PROPERTIES
- LOT
- LIVING UNIT
- OWNER
- MORTGAGE
- MEMBER
- DEVELOPER

The following terms, when used in these Bylaws shall have the meanings set forth below:

- SUBDIVISION shall mean the aforesaid Bal Harbour, as shown on the aforesaid plat (and including all sections or replattings thereof which may be hereafter platted and developed).
- ASSOCIATION MANAGER shall mean that person or entity which the Board of Directors may, in its discretion, hire to carry on and manage the day to day operations of the ASSOCIATION. Such ASSOCIATION MANAGER may be given such authority as the Board deems to be in the best interest of the ASSOCIATION.

In General, all terms which are defined in the RESTRICTIONS shall, when used herein, have the same meaning as that set forth in the RESTRICTIONS unless such term is expressly defined differently herein.

Section 4.

In the event of any conflict or inconsistency between the provisions of these Bylaws and provisions of the RESTRICTIONS, the provisions of the RESTRICTIONS shall supersede, control and govern.

ARTICLE II FUNCTIONS OF THE ASSOCIATION

Section 1. Purposes:

The purposes for which the ASSOCIATION is formed are to promote the recreation, health and welfare of the residents in the SUBDIVISION, to support and seek to enhance property values throughout the subdivision, and for the improvement, operation and maintenance of the COMMON PROPERTIES, services and facilities devoted to this purpose. The ASSOCIATION shall have all powers necessary and proper to carry out its operations. Such powers shall include, but not be limited to the following.

RP-2021-213791

1.1. The ASSOCIATION, for the benefit of OWNERS, may:

- acquire by gift, purchase or otherwise own, hold, enjoy, lease, transfer, mortgage, or otherwise dispose of real property including streets and COMMON PROPERTIES or personal property in connection with the business of the ASSOCIATION.
- endorse changes, restrictions, conditions and covenants existing upon and created for the benefit of said property over which the ASSOCIATION has jurisdiction;
- pay all expenses incidental thereto;
- enforce the decisions and rulings of the ASSOCIATION and/or the Board of Directors;
- pay all of the expenses in connection therewith;
- own, lease, provide, control, maintain and operate recreational facilities and private park areas.
- arrange for and provide refuse collection.
- construct and maintain rights-of-ways and easements.
- if deemed appropriate by the Board of Directors, provide for the employment of security personnel.

1.2. The ASSOCIATION may do any other thing necessary or desirable in the opinion of the Board of Directors to keep the property, both private and common, in the SUBDIVISION in neat and good order, or which it considers of general benefit to the OWNERS or occupants of the LOTS, it being understood that the judgment of the Board in the expenditure of said funds shall be final and conclusive so long as judgment is exercised in good faith.

1.3. The ASSOCIATION shall perform all duties and functions required by its Articles of Incorporation, Declaration of Covenants, Conditions and Restrictions, and applicable state Laws. Additionally, the Association shall:

- do all things necessary for the upkeep, repair and maintenance of all COMMON PROPERTIES and the replacement of improvements, fixtures and equipment.
- maintain the landscaping of the COMMON PROPERTIES to provide a uniform scheme of landscaping for the whole SUBDIVISION.
- pay ad valorem taxes and other assessments levied or imposed against the COMMON PROPERTIES.
- pay legal and other expenses incurred in connection with the enforcement of all recorded charges, covenants, restrictions and conditions affecting property to which MAINTENANCE FEE charges apply.

RP-2021-213791

- pay all reasonable and necessary expenses in connection with the collection and administration of the MAINTENANCE FEE.
- do all things necessary to provide for the normal exterior maintenance of all residences, to the extent provided for by the RESTRICTIONS and may send invoices or take other necessary action to collect the cost of such exterior maintenance from the OWNER of the LOT or LIVING UNIT for maintenance other than normal wear and tear.
- set and establish the amount of the MAINTENANCE FEE as provided in the RESTRICTIONS;
- shall hold and administer the MAINTENANCE FEES so collected (as defined in said RESTRICTIONS) and expend such MAINTENANCE FEES for the purposes contemplated by and in accordance with the terms and provisions of said RESTRICTIONS and these Bylaws;
- shall take such action as it deems appropriate, in its discretion, to enforce the collection of the MAINTENANCE FEE, and to enforce the provisions of the Declaration, as well as all Rules and Regulations which are promulgated by the Board.

1.4. The ASSOCIATION may contract with other corporations to collect fees for use of recreational or social facilities of the ASSOCIATION as a source of income to the ASSOCIATION.

Section 2. Area:

The activities of the ASSOCIATION shall be limited to the area known as Bal Harbour, the aforesaid SUBDIVISION in Harris County, Texas, (and including all sections thereto which may hereafter be platted and developed and/or annexed in accordance with the Declaration).

ARTICLE III MEMBERS

Section 1. Annual Meeting:

The Annual Meeting of the MEMBERS shall be held on the first Monday in May of each successive year at 6:00 P.M. at the office of the ASSOCIATION in Bal Harbour, Nassau Bay, Texas, or at such other location as deemed appropriate by the Board of Directors. Notice shall be provided to MEMBERS in accordance with applicable statutes. The notice shall also be posted on the public bulletin board (if any) located at the property of 123 Lakeside Lane, Nassau Bay, Texas. Such notice shall be published and posted not less than 30 days prior to the meeting date and shall include:

- the date of the meeting,
- the time of the meeting,
- the location of the meeting and
- the agenda for the meeting.

RP-2021-213791

In accordance with applicable State statutes, the Association may conduct meetings by using a conference telephone or similar communications equipment, or another suitable electronic communications system, including videoconferencing technology or the Internet, or any combination, if the telephone or other equipment permits each person participating in the meeting to communicate with all other persons participating in the meeting. If voting is to take place at such virtual / remote meeting, the Association shall implement reasonable measures to verify that every person voting at the meeting by means of remote communications is sufficiently identified; and, the Association shall keep a record of any vote or other action taken.

Special Meetings of the MEMBERS may be called by a majority action of the Board of Directors, or by a petition signed by not less than one third (1/3) of the MEMBERS eligible to vote. Notice of such Special Meeting must be as specified above.

At the Annual Meeting of the MEMBERS as well as any Special Meeting of the MEMBERS, only those items that are on the agenda can be acted on by the MEMBERS. Other items may be discussed at the option of the Chairperson, but MEMBERS shall not take action on any item not specifically on the published and posted agenda for said meeting. Motions from the floor shall not be allowed, nor entertained.

Section 2. Quorum:

Except as provided in the RESTRICTIONS for specific items, any number of the MEMBERS eligible to vote, present in person or by proxy, shall constitute a quorum for all purposes at the Annual or any Special Meetings of the MEMBERS.

Section 3. Organization:

The President of the ASSOCIATION or in the event of his or her absence, the Vice President of the ASSOCIATION, shall call meetings of the MEMBERS to order and shall act as Chairperson of such meetings. In the absence of the President and the Vice President of the ASSOCIATION, the other Board members present may, by simple majority vote, appoint a Chairperson, to serve in such capacity for such meeting only. The Secretary of the ASSOCIATION or in his or her absence, an Assistant Secretary shall act as Secretary of all meetings of the MEMBERS, but in the absence of the Secretary and an Assistant Secretary, the Chairperson may appoint any person to act as Secretary of the meeting for the sole purpose of preparing Minutes of such meeting.

Section 4. Qualifications:

Those persons defined to be MEMBERS in the RESTRICTIONS shall be MEMBERS of the ASSOCIATION.

Section 5. Voting:

MEMBERS shall be entitled to one (1) vote for each LOT or LIVING UNIT in which they hold the interest required for MEMBERSHIP in the RESTRICTIONS. Such interest or interests in any LOT or LIVING UNIT shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any such LOT or LIVING UNIT, and no fractional votes shall be permitted. In the event that such MEMBERS cannot determine how a vote is to be cast upon an issue then such LOT or LIVING UNIT shall not vote on such issue. Each MEMBER may vote in person or by proxy appointed by instrument in writing and subscribed by the MEMBER or by the duly authorized attorney-in-fact of such MEMBER. At all Annual or Special Meetings of MEMBERS all questions properly before the assembly, except those the manner of which is otherwise

RP-2021-213791

expressly governed by statute, the RESTRICTIONS of the ASSOCIATION or by these Bylaws, shall be decided by a majority of votes received from the MEMBERS of the ASSOCIATION either present in person or by proxy and entitled to vote. All voting shall be by voice vote, except that, upon the determination of the Chairperson of the meeting or upon demand of any MEMBER or his or her proxy, voting on any further questions at any meeting shall be by ballot. The election of Directors is governed by state statute, and shall be by secret written ballot. At all meetings of Members, each Member may vote: (1) in person; (2) by proxy or by absentee ballot; or (3) by electronic ballot, provided the Association and/or its managing agent possess the equipment, technology and personnel necessary to conduct such election by electronic means. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot. All ballots shall be in writing and signed by the Member. Electronic ballots, if utilized, shall be subject to verification and identification of the Member casting such ballot. Except as hereinafter provided, all Members of this Association shall have a right to vote on any matter duly submitted to a vote of the Membership, in keeping with applicable State statutes. The foregoing is subject to the following exceptions: (a) not more than one Member from any single household or lot situated in the Association shall be entitled to vote on any matter submitted to a vote of the Membership; and (b) all rights and privileges of the Members shall be subject to the terms of the Articles of Incorporation and By-Laws of the Association and such other reasonable rules and regulations as may be promulgated by the Board of Directors, as well as applicable State statutes.

ARTICLE IV BOARD OF DIRECTORS

Section 1. Organization:

The business and property of the ASSOCIATION shall be managed and controlled by the Board of Directors and subject to the restrictions imposed by any law, by the RESTRICTIONS, or by these Bylaws. The Board of Directors shall exercise all the powers of the ASSOCIATION. All action taken by the Board, except as specifically specified elsewhere in the RESTRICTIONS or these Bylaws, shall require a majority vote of the Directors present, a quorum being present, for approval. The Board may appoint committees as herein after provided to assist in the management of the various activities of the ASSOCIATION, but shall retain control of all operations. No ASSOCIATION funds may be spent without the approval of the Board of Directors. The Board may, if it is believed to be in best interest of the MEMBERSHIP, hire an ASSOCIATION MANAGER and others as required to oversee the day to day operations of the ASSOCIATION.

Section 2. Number and Eligibility:

The affairs of the ASSOCIATION shall be managed by a Board of nine (9) Directors. All Directors must be MEMBERS of the ASSOCIATION, must be the OWNER of record of a LOT or LIVING UNIT. The number of Directors may be modified by way of Resolution, adopted by the Board, provided, however, that no such modificiaton shall serve to decrease the term of an active Director.

Section 3. Term of Office:

The term of office for a Director shall be three years. There shall be no limit to the number of terms that an individual may seek to serve on the Board and/or be reelected as a Director. At each annual meeting, the ASSOCIATION MEMBERS shall elect three (3) individuals as Directors to fill vacancies resulting from the completion or expiration of three year terms.

RP-2021-213791

Section 4. Vacancy:

Any Director may be removed from the Board of Directors, with or without cause, by a majority vote of the MEMBERS of the ASSOCIATION. In the event of death, resignation or removal of a Director, his or her successor shall be selected by the remaining members of the Board and shall serve in his or her predecessor's place until the next Annual Meeting. The above vacancy will then be filled, to complete the term of the original Director, by a vote of the MEMBERSHIP.

Section 5. First Meeting:

Each new Board of Directors shall hold its first regular meeting for the purpose of organization and transaction of business not later than the first Monday at 6:00 P.M. of the first month following the Annual Meeting of the ASSOCIATION. This first meeting will be called by the Chairperson or acting Chairperson of the Annual Meeting. Until such first meeting is called and the transition to the new Board of Directors has occurred, the preceding Board of Directors and its officers shall remain in office, and fully functional, save and except those Directors whose terms have expired. In the event a Special Meeting is required to conduct the affairs of the ASSOCIATION prior the new Board of Directors first meeting, the preceding Board of Directors may call a Special Meeting in accordance with Section 8, Special Meetings. Newly elected Board members may attend such Special Meetings and they shall have full Board member privileges including the right to vote.

Section 6. Election of Officers:

At the First Meeting of the Board of Directors as set forth in Section 5, at which a quorum is present, the Board of Directors shall proceed to the election of a President, Vice President, Secretary and Treasurer from among the voting MEMBERS of the Board as their first order of business. The offices of President and Vice President shall be filled by members of the Board who have served on the Board for a least one (1) full year.

Section 7. Regular Meetings:

The Board of Directors shall meet regularly on the first Monday of each month at 6:00 P.M. A Regular Meeting may be rescheduled by a majority vote of those Board Members present by providing 14 days of advanced notice to the homeowners.

Section 8. Special Meetings:

Special Meetings of the Board of Directors shall be held whenever called by the joint act of any three of the Directors then in office. The Directors calling the Special Meeting shall notify the Secretary and the Secretary shall give notice of the Special Meeting by mail, telephone, e-mail, or personal delivery to each Director at his or her residence or usual place of business at least two (2) days prior to the meeting. Only the business stated in the notice thereof may be transacted at a Special Meeting. The ASSOCIATION Manager shall notify the ASSOCIATION MEMBERS of the time, date, place and agenda of such Special Meeting. The minutes of all Special Meetings will be published to the MEMBERSHIP.

Section 9. Agenda:

At all meetings of the Board of Directors the agenda for said meeting shall be written and distributed to all homeowners at least three (3) days but not more than six (6) days prior to said meeting. At such meeting only those items that are on the agenda can be acted on. Other items may be discussed, at the option of the President (or Chairperson), but the Board shall not take action on any item not specifically on the agenda. All Regular and Special meetings of the Board of Directors shall be open

RP-2021-213791

to all members, subject to the Board's right to adjourn and reconvene in closed executive session, per applicable state statutes.

Section 10. Quorum:

The majority of the voting members of the Board of Directors then in office shall constitute a quorum for the transaction of business, but if at any meeting of the Board of Directors there be less than a quorum present, then the meeting shall be rescheduled within the following 14 days. The act of a majority of all of the Board of Directors present at a meeting at which a quorum is in attendance shall constitute the act of the Board of Directors except as otherwise provided by law, the RESTRICTIONS of the ASSOCIATION, or by these Bylaws.

Section 11. Order of Business:

At meetings of the Board of Directors, business shall be transacted in such order as from time to time the Board of Directors may determine. At all meetings of the Board of Directors, the President shall preside, and in the absence of the President, the Vice President and in the absence of both, a Chairperson shall be chosen from the Directors present. The Secretary of the ASSOCIATION shall act as Secretary of all meetings of the Board of Directors, but in the absence of the Secretary, the presiding officer may appoint any person to act as Secretary of the meeting for the sole purpose of preparing Minutes of such meeting, it being expressly understood that only members of the Board may vote at such meetings.. At all meetings of the Board of Directors the MEMBERS of the ASSOCIATION shall have a reasonable opportunity to be heard with regard to any matter under consideration.

Section 12. Services:

No Director or Officer of the ASSOCIATION shall be required to devote his or her time or render services exclusively to the ASSOCIATION. Each Director and Officer of the ASSOCIATION shall be free to engage in any and all other business and activities without liability to the ASSOCIATION. Likewise, each and every Director and Officer of the ASSOCIATION shall be entirely free to act for and serve any other corporation or corporations, entity or entities, in any capacity or capacities and become a trustee or officer of any other corporation or corporations, entity or entities, without breach of duty to the ASSOCIATION or its MEMBERS. No contract or other transaction of the ASSOCIATION shall ever be affected by the fact that any Director or Officer of the ASSOCIATION is interested in, or connected with any party to such contract or transaction, or is a party to such contract or transaction, provided that such contract or transaction shall be approved by a majority of the Board of Directors. In such instances, such interested Director shall be recused from, and shall not in any manner participate in, any discussion or voting in connection with such transaction. No Director or Officer of the ASSOCIATION shall, however, directly contract with the ASSOCIATION for personal services.

**ARTICLE V
OFFICERS OF THE ASSOCIATION**

Section 1. Titles and Terms of Office:

The Officers of the ASSOCIATION shall be a President, a Vice President, a Secretary, a Treasurer, and such other Officers as the MEMBERSHIP or the Board of Directors may from time to time determine. One person may not hold more than one office except that the Secretary and Treasurer

RP-2021-213791

may be one person if the Board believes such arrangement to be in the best interest of the ASSOCIATION. All Officers shall be subject to removal with or without cause, at any time, by a vote of a majority of all the members of the Board of Directors. A vacancy occasioned by affirmative action of the Board shall be filled by a majority vote of all the members of the Board of Directors.

Section 2. Powers of the President:

The President shall be in general charge of the affairs of the ASSOCIATION in the ordinary conduct of its business and shall preside at all regular meetings of the Board of Directors. The President may enter into any contract or execute and deliver any instrument as is authorized and/or controlled by the Board of Directors and as provided in Article VII, Sections 1 through 4.

Section 3. Vice President:

It shall be the duty of the Vice President to assist the President, and in the President's absence, or upon his or her inability to act, the Vice President shall have and exercise the powers of the President.

Section 4. Treasurer:

If the duties of the Treasurer have not been delegated as set out below, then the Treasurer shall have the responsibility to manage all the funds and securities of the ASSOCIATION. When necessary or proper, he or she may;

- endorse, on behalf of the ASSOCIATION, for collection, checks, notes, and their obligations and shall deposit the same to the credit of the ASSOCIATION in such bank or banks or depositories as shall be designated and in the manner described by the Board of Directors;
- sign all receipts and vouchers for payments made to the ASSOCIATION, or jointly with such Officer as is designated by the Board of Directors.

Whenever required by the Board of Directors, he or she shall:

- render a statement of accounts, and fully review all statements and other documentation provided by banks and/or other financial institutions. Such statements shall be shared with all members of the Board, in order that all Board members may review them;
- enter, or cause to be entered, regularly on the books of the ASSOCIATION, to be kept by him or her for that purpose, full and accurate accounts of all moneys received and paid out on account of the ASSOCIATION;
- at all reasonable times, exhibit the books and accounts to any MEMBER of the ASSOCIATION during business hours;
- perform all acts incident to the position of Treasurer, subject to the control of the Board of Directors;
- if required by the Board of Directors, give such bond for the faithful discharge of his or her duties in such form as the Board of Directors may require at the expense of the ASSOCIATION.

The Board of Directors may delegate the duties of the Treasurer of the ASSOCIATION to any competent person (including the ASSOCIATION MANAGER), bookkeeping firm, accounting firm

RP-2021-213791

or property management firm for such period and upon such terms as the Board of Directors may select.

Section 5. Secretary:
The Secretary shall:

- keep the minutes of all meetings of the Board of Directors, and the minutes of all meetings of the MEMBERS, in books provided for that purpose;
- assist with the preparation and service of all notices;
- sign with the President or Vice President in the name of the ASSOCIATION or otherwise attest to all contracts, conveyances, transfers, assignments, authorizations and other instruments of the ASSOCIATION;
- oversee the maintenance, keeping and storage of the books and papers of the Association as the Board of Directors may direct (all of which shall at all reasonable times be open to the inspection of any MEMBER, upon request at the office of the ASSOCIATION during business hours);
- in general perform all the duties incident to the office of Secretary, subject to the control of the Board of Directors.
- be responsible for publication of the minutes of all Board meetings and MEMBERSHIP meetings in the official publication of the ASSOCIATION.

If the Board of Directors has made the decision to hire an ASSOCIATION MANAGER, then the Secretary may allow such ASSOCIATION MANAGER to maintain the above described records and issue required notices, and shall endeavor to assist the ASSOCIATION MANAGER in such matters.

ARTICLE VI COMMITTEES

Section 1. Finance Committee:

A Finance Committee, composed of the President, Vice President, Treasurer, who shall be Chairperson, Secretary and one Director, who shall be appointed by the Board of Directors, shall prepare the annual budget and recommend the necessary expenditures to the Board of Directors.

Section 2. Audit Committee:

An Audit Committee consisting of two members from the general MEMBERSHIP who are neither Officers nor Directors, shall be elected by the MEMBERSHIP to serve staggered two year terms. At each Annual Meeting one member shall be elected to serve a two year term. This committee shall be responsible to report to the Board of Directors and the general MEMBERSHIP at the next annual meeting, their review, audit findings, and recommendations concerning financial matters of the ASSOCIATION. The committee shall, with the approval of the Board, have the power to employ a third party, independent accounting firm for the purpose of audit and review. The expense of such audit shall be an expense of the ASSOCIATION.

RP-2021-213791

Section 3. Architectural Control Committee:

An Architectural Control Committee, composed of one Board member who shall be Chairperson and at least two members from the general MEMBERSHIP shall be appointed by the Board of Directors to act in accordance with the pertinent provisions of the RESTRICTIONS.

Section 4. House and Grounds Committee:

A House and Grounds Committee, composed of one Director, who shall serve as Chairperson, and at least two members of the ASSOCIATION shall be appointed by the Board of Directors and shall make recommendations on the operations or the clubhouse, swimming pools and common properties not specifically assigned to another committee.

Section 5. Tennis Committee:

The Tennis Committee shall consist of at least three members. One Director, who will serve as Chairperson, and one or more additional members shall be appointed by the Board of Directors from the MEMBERS of the ASSOCIATION. These two or more members shall then appoint one member from the Racket and Swim Club, who is not an ASSOCIATION MEMBER. The Tennis Committee shall make recommendations for the personnel, operations, and policies concerning the Tennis Pro Shop and Tennis Courts as well as policies concerning membership in the Racket and Swim Club.

Section 6. Yacht Committee:

The Yacht Committee shall consist of three (3) or more members of the ASSOCIATION. One Director, who will serve as Chairperson, and three additional members shall be appointed by the Board of Directors from the MEMBERS of the ASSOCIATION. . The Yacht Committee shall make recommendations for activities, improvements, personnel, operations, and policies concerning the marina and canals as well as policies concerning membership in the Yacht Club..

Bal Harbour Yacht Club: The Yacht Committee shall establish, maintain and operate an ongoing Bal Harbour Yacht Club using the facilities, to include Windemere and the Marina, of the ASSOCIATION for the MEMBERS of the ASSOCIATION and those individuals deemed eligible by the Board of Directors. The purpose of the Yacht Club as organized by the Yacht committee shall be to promote and conduct the organized social functions of the Yacht Club Membership.

Marina: The Yacht Committee shall recommend proper allocation and leasing policies for boat slips, operational activities of the Marina and other boat facilities of Bal Harbour. Particular attention shall be given to the safety and security aspects of those facilities.

Canals: The Yacht Committee shall establish and maintain proper marking and draft maintenance of canals giving access to Bal Harbour from the Clear Lake Channel.

Section 7. Entertainment Committee:

The Board of Directors may appoint an Entertainment Committee or Committees from time to time as in its discretion it believes to be in the best interest or the MEMBERSHIP. Such Entertainment Committee may act alone or may assist the Yacht Committee in the planning of social activities.

Section 8. Emergency Preparedness & Security Committee:

An Emergency Preparedness Committee composed of three or more MEMBERS of the ASSOCIATION may be appointed by the Board of Directors, one of which shall be a Board member

RP-2021-213791

who shall act as Chairperson, and shall have the responsibility of developing and implementing emergency plans of action. These would include plans to remove or secure building materials and trash, secure boats and equipment, set up communications, approved shelter and food, provide for medical facilities and other such plans as deemed necessary to cope with local emergencies; also to maintain coordination and communications with local community preparedness organizations. The intent of such plans is to promote coordination and effectiveness amongst MEMBERS and other persons who seek to minimize anticipated damage to property in connection with any anticipated event. It is expressly understood that the ASSOCIATION and its Board of Directors shall not actually perform, nor cause to be performed, the above-mentioned emergency preparation efforts, and shall have no liability in connection with same.

Section 9. Communications Committee:

The Board of Directors may appoint a Communications Committee which shall consist of a Chairperson appointed by the Board, the ASSOCIATION MANAGER and one or more additional MEMBERS or the ASSOCIATION as appointed by the Chairman of the Communications Committee. The Committee shall assist the ASSOCIATION MANAGER in the publication of the official Bal Harbour Publication for the purpose of keeping MEMBERS of the ASSOCIATION advised of official notices and matters as required by the Bylaws and other items of interest to the residents of Bal Harbour. The Committee will also be responsible to the Board to insure that all new and existing residents, both OWNERS and Lessees, receive a copy of current Bylaws, RESTRICTIONS, and other information required to familiarize themselves with policies and regulations of the ASSOCIATION. Special effort will be made to meet all new residents of Bal Harbour by this Committee. If no specific committee is appointed then the ASSOCIATION MANAGER shall see that the above duties are carried out.

Section 10. Special Committees:

The Board of Directors may provide for other committees as it deems advisable. On appointment of a committee, the Board shall be responsible to define the Committees' function and specific duties.

Section 11. Nominating Committee:

The Board shall seek nominations to the Board of Directors by way of solicitation to the MEMBERS, as required by applicable statutes. Sixty (60) days prior to each Annual Meeting, the Board of Directors shall be required to appoint a Nominating Committee consisting of one Board member and two homeowners at large for the purpose of reviewing the qualifications of all MEMBERS applying for nomination to the ensuing Board of Directors, Audit Committee and Yacht Committee. The Nominating Committee shall be charged with the responsibility of finding an appropriate number of candidates and/or applicants to fill positions being vacated and all qualifying applicants shall be included in the Nominating Committee's report to be published in the notice of the Annual Meeting. The Nominating Committee's report shall also be available for review by the MEMBERS at the Annual Meeting. MEMBER applications to the Nominating Committee shall be submitted in writing to a Committee member or the ASSOCIATION MANAGER no later than thirty (30) days prior to the Annual Meeting.

RP-2021-213791

ARTICLE VII CONTRACTS, CHECKS, DRAFTS, BANK ACCOUNTS, ETC.

Section 1. The Board of Directors, except as these Bylaws otherwise provide, may authorize any officer or officers, agent or agents, in the name of and on behalf of the ASSOCIATION, to enter into any contract or execute and deliver any instrument, and such authority may be general or confined to specific instances; and, unless so authorized by the Board of Directors or expressly authorized by the Bylaws, no officer or agent or employee shall have any power or authority to bind the ASSOCIATION by any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

Section 2. No loan shall be contracted on behalf of the ASSOCIATION, and no negotiable papers shall be issued in its name unless authorized by the vote of the Board of Directors.

Section 3. All checks, drafts and other orders for the payment of money out of the funds of the ASSOCIATION, and all notes or other evidence of indebtedness of the ASSOCIATION shall be signed by the ASSOCIATION MANAGER and counter signed by an Officer on behalf of the ASSOCIATION in such manner as shall be determined by resolution of the Board of Directors.

Section 4. All funds of the ASSOCIATION not otherwise employed shall be deposited from time to time to the credit of the ASSOCIATION in such banks or other depositories as the Board of Directors may select and for the purpose of such deposit the President, Vice President, Treasurer, Secretary or any other officer or agent or employee of the ASSOCIATION to whom such power may be delegated by the Board of Directors, may endorse, assign and deliver checks, drafts and other orders for the payment of money which are payable to the order of the ASSOCIATION.

ARTICLE VIII MISCELLANEOUS PROVISIONS

Section 1. Offices:

The principal offices of the ASSOCIATION shall be at 123 Lakeside Lane, Houston, Texas 77058.

Section 2. Fiscal Year:

The fiscal year of the ASSOCIATION shall begin on November 1st and end at midnight on October 31st of each calendar year.

Section 3. Notice and Waiver of Notice:

Unless otherwise governed by statute, whenever any notice whatever is required to be given under the provisions of these Bylaws, said notice shall be sufficient if published in the official publication of The Bal Harbour ASSOCIATION and posted on the bulletin board so designated in the office of the ASSOCIATION or mailed, post paid, to the last known address of intended recipient.

Section 4. Resignations:

Any Director or Officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein; or if no time be specified, at the time if its receipt by the

RP-2021-213791

President or Secretary. The acceptance of the resignation shall not be necessary to make it effective, unless expressly so provided in the notice of such resignation.

Section 5. Rules of Order of Meetings:

All meetings of the Board and the MEMBERSHIP shall be conducted in accordance with the latest edition of "Robert's Rules of Order".

**ARTICLE IX
INDEMNIFICATION**

Section 1. Liability of Directors and Officers in Certain Cases:

To the fullest extent permitted by law, each Director or Officer of the ASSOCIATION shall, in the performance of any duty imposed by or in the exercise of any power conferred upon him or her by the ASSOCIATION or by applicable law, be fully protected and excused from liability if, in the exercise of ordinary care, he or she acted in good faith, and in a manner he or she reasonably believed to be in, or not opposed to, the best interest of the ASSOCIATION. In case of a suit against the Officer or Director, the ASSOCIATION shall indemnify such Director or Officer, including indemnification for expenses, attorney's fees and amounts paid in settlement, actually and reasonably incurred by such Officer or Director in connection with the defense or settlement of such suit. This provision shall not apply in the case of a suit brought against any Director by the Association. This indemnification shall be cumulative of, and not in lieu of, any other rights to which an Officer or Director may be entitled by law, agreement, vote of MEMBERS or disinterested Directors, or otherwise. This indemnification shall continue as to a person his or her heirs, executors and administrators. The ASSOCIATION shall purchase and maintain insurance on behalf of the Officers and Directors against any liability incurred by them in such positions or arising out of their status as such and such insurance may extend beyond the indemnification provisions hereof.

Section 2. Ratification by MEMBERS or Directors of Certain Acts:

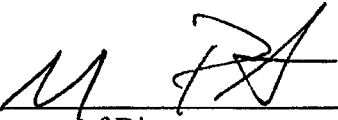
In addition to the Board's ability to ratify actions, as provided by applicable state statutes, the Directors, in their discretion, may submit any contract, transaction or act for approval or ratification in any MEMBER'S meeting, and any contract, transaction or act of the ASSOCIATION or of the Board of Directors which is approved or ratified by vote of the majority of the MEMBERS present in person or by proxy at a MEMBER'S meeting at which there is a quorum shall be valid and binding upon the ASSOCIATION and all MEMBERS thereof, as if it had been approved and ratified by every MEMBER; but the fact that any contract, transaction or act is not so submitted to the MEMBERS for ratification, or any failure of the MEMBERS to approve or ratify such contract, transaction or act, when submitted, shall not be deemed in any way to invalidate the same or to deprive the ASSOCIATION, its Directors or Officers of power and authority to proceed with the execution or performance of such contract, transaction or act.

RP-2021-213791

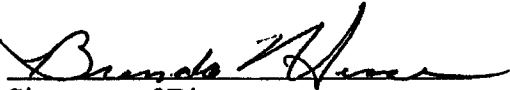
**ARTICLE X
AMENDMENT AND SUPPLEMENTATION**

Section 1. In accordance with the applicable provisions of the Texas Business Organizations Code, these Bylaws may be supplemented, altered, amended, or repealed by the affirmative vote of a majority of the Directors, at any Regular or Special Meeting of such Board of Directors.

ADOPTED by the Board of Directors this 5 day of April, 2021.



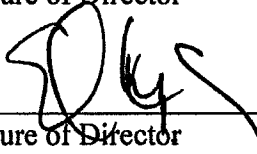
Signature of Director



Signature of Director



Signature of Director




Signature of Director



Signature of Director



Signature of Director



Signature of Director



Signature of Director



Signature of Director

RP-2021-213791

RP-2021-213791
Pages 19
04/21/2021 09:26 AM
e-Filed & e-Recorded in the
Official Public Records of
HARRIS COUNTY
TENESHIA HUDSPETH
COUNTY CLERK
Fees \$86.00

RECORDERS MEMORANDUM

This instrument was received and recorded electronically and any blackouts, additions or changes were present at the time the instrument was filed and recorded.

Any provision herein which restricts the sale, rental, or use of the described real property because of color or race is invalid and unenforceable under federal law.

THE STATE OF TEXAS
COUNTY OF HARRIS

I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me; and was duly RECORDED in the Official Public Records of Real Property of Harris County, Texas.



Teneshia Hudspeth
COUNTY CLERK
HARRIS COUNTY, TEXAS

RP-2021-213791