

HIDE-A-WAY BAY PROPERTY OWNER'S INC.

BY-LAWS

(Approved by the membership 7-26-2014)

ARTICLE I

Definitions

Section 1. The following words are used in these By-Laws (unless the context shall indicate to the contrary) and shall have the following meanings.

- a. "Hide-A-Way Bay" shall mean and refer to all those properties described in the Hide-A-Way Subdivision as recorded in Volume 6, Pages 49 and 60 of the Deed Records of Smith County, Texas.
- b. "Association" (Hide-A-Way Property Owners Association) shall mean and refer to Hide-A-Way Bay Property Owners Inc., a non-profit corporation, organized and existing under the laws of the State of Texas and filed in the Office of the Secretary of State of Texas on August 26, 1977, Charter Number 413461.
- c. "Declaration" shall mean and refer to the Declaration of Restrictions, Covenants, and Conditions, as amended, applicable to Hide-A-Way Bay, Units #1 and Unit #2.
- d. "Common Properties" shall mean and refer to all land, improvements, and other properties now or hereafter maintained or owned by the Hide-A-Way Bay Property Owner's Association.
- e. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot situated within Hide-A-Way Bay, which is and becomes subject to the Declaration.
- f. "Member" shall mean and refer to every person or entity who is a recorded owner of sub-divided property, Lot, which is part of Hide-A-Way Bay Unit #1 and Unit #2 subject to the provisions of Article III of these By-Laws.
- g. "Corporation" shall mean and refer to Hide-A-Way Bay Property Owners Inc., a non-profit corporation, organized and existing under the laws of the State of Texas and filed in the Office of the Secretary of State of Texas on August 26, 1977, Charter Number 413461.

- h. "Lot" shall mean and refer to all those platted properties described in the Hide-A-Way Subdivision as recorded in Volume 6, Pages 49 and 60 of the Deed Records of Smith County, Texas.

ARTICLE II

Office

Section 1. The principal office of the Association is the address of the President of the Hide-A-Way Bay Property Owner's Association

Section 2. The mailing address of the Hide-A-Way Bay Property Owner's Association shall be located at P.O. Box 285, Flint, Texas 75762.

ARTICLE III

Association's Purpose and Powers

Section 1. The Association has been organized for the purposes set forth within Article Four of its Certificate of Incorporation, which states in part:

The exclusive purpose of the corporation is to provide for the common good and to promote the social welfare of the member property owners of Hide-A-Way Subdivision of Smith County, Texas, and to that end to own, operate, and maintain roads, parks, boat ramps, docks, and other recreational facilities for the common use, good, and welfare of its members.

Section 2. Platted and dedicated additions within Hide-A-Way Bay may be made only in accordance with the provisions State Law and Association recorded documents. Such additions shall extend the jurisdiction, functions, duties and membership of this Association to such properties. Where the Declaration requires additions to be approved by this Association, such approval must have the assent of 66-2/3 percent of the votes of the Members voting in person or by proxy at the meeting duly called for such purpose, written notice of which shall have been sent to all Members at least thirty (30) days in advance, setting forth the purpose of this meeting.

Section 3. Subject to the provisions of the Declaration, and to the extent permitted by law, the Association may participate in mergers and consolidations with other non-profit corporations or similar organizations organized for the same purposes, provided that any such merger or consolidation shall have the assent of 66-2/3 percent of the votes of the Members voting in person or by proxy at a meeting duly called for such purpose, written notice of which shall have been sent to all members at least thirty (30) days in advance setting forth the purpose of the meeting.

ARTICLE IV

Membership

Section 1. Every person or entity, which is a record Owner of any Lot shall be a Member of the Association and subject to assessment by the Association. Such membership shall not include any lending institution acquiring title pursuant to foreclosure; any procedure declared in its documents to be in lieu of foreclosure; or any such person or entity that holds such interest merely as a security for the performance of an obligation.

Section 2. The rights of membership are subject to the payment of annual assessments and special assessments levied by the Association, the obligation of which assessments is imposed against each Owner and becomes a lien upon the Property against which such assessments are made as provided by Article XIII, Dues and Assessments.

Section 3. The membership rights of any person whose interest is subject to assessments or charges Under Article XIII, whether or not he be personally obligated to pay such assessments, may be suspended by action of the Board of Directors during the period when the assessments remain unpaid, but upon payment of such assessments, his rights and privileges shall be automatically restored. If the Directors have adopted and published rules and regulations governing the use of the Common Properties and facilities and personal conduct of any person thereon as provided in Article VI, Section 2 hereof, they may, in their discretion, suspend the rights of any such person for violation of such rules and regulations until remedy is satisfied.

Section 4. The membership of any person or entity shall terminate upon his or it's ceasing to own a Lot in said subdivision. Membership in the Corporation shall be automatically transferred with the title to said Lot, except as provided herein.

Section 5. No member may resign membership in this Corporation, and no act done by any person shall terminate the obligation of the owner of such Lot to pay the assessment hereinafter provided, or to free such Lot from the assessment lien.

Section 6. Associate memberships shall be available to non-property owners upon recommendation of the Board of Directors, and subject to all By-Laws conditions and assessments of general membership. Theses associated memberships shall be on a limited basis and limited as specified by the Board of Directors. When an associate member shall default in payment of assessments for a period of thirty (30) days from the beginning of the fiscal year or period in which such assessment become payable, their membership shall be terminated by the Board of Directors, and all privileges of membership denied. Associate members are not entitled to vote.

ARTICLE V

Voting Rights

Section 1. Each member is entitled to one vote on each matter submitted to a vote of the members. It is especially provided however, that division of ownership of any Lot subject to assessment by the corporation shall not increase the voting rights allocable to the membership of such Lot as hereinafter provided.

Section 2. In the event title to any Lot is owned by more than one person or entity, the vote of a majority of such owners shall constitute the vote allocable to such Lot, and any dispute as to what constitutes a majority of such owners shall be determined by the President of the Association and such determination shall be final.

Section 3. At all Member meetings, each Member may vote in person, mail, by proxy executed in writing by the Member or by his duly authorized attorney-in-fact, or as allowed by State Law.

Section 5. All Member proxies shall be in writing and filed with the Secretary prior to the scheduled Member meeting. The Secretary or other Officer shall review and properly present all filed proxies to the votes taken at the member meeting. A Member proxy shall automatically cease and terminate at the close of the scheduled Member meeting, or upon sale or transfer by the Member of the specific Lot.

ARTICLE VI

Property Rights and Rights of Enjoyment of Common Property

Section 1. Each Member, except those not in good standing by reason of non-payment of dues and assessments, or by reason of unresolved remedy to noted violations to the Declarations, for a period greater than 60 days, shall be entitled to the use and enjoyment of the Common Properties and facilities as provided by Plat of Dedication.

Section 2. Each Member may delegate his rights of enjoyment in the Common Properties and to each member of his family, guest, and tenant. Such Member shall notify the Secretary in writing of the name of any such person and of the relationship of the Member to such person. The rights and privileges of such person are subject to suspension Under Article IV, Section 3, to the same extent as those of the Member.

ARTICLE VII

Board of Directors

Section 1. A Board of seven (7) directors who are Members of the Association shall manage the business and affairs of the Association. The four (4) officers are included in the seven directors.

Section 2. The four (4) officers and three (3) additional directors shall be elected every two (2) years by the general membership present at the annual meeting, mailed vote by Member proxy, or as allowed by State Law. Each officer and director shall hold office until his successor shall have been duly elected and shall have qualified.

Section 3. Boards of Directors members are limited to two two-year consecutive terms at the same position and are not eligible to be on the Board of Directors at the same position until one year after their final term expires.

Section 4. Un-expired terms with vacancies on the Board of Directors shall be filled by a majority vote of the remaining directors. Any such director so elected shall serve for the un-expired term of his predecessor.

Section 5. No more than one person per household shall serve on the board at the same time.

Section 6. New members elected to the Board of Directors shall be assigned to the available, or remaining vacated terms of service by the incumbent Board of Directors.

ARTICLE VIII

Nominations and Election of Directors

Section 1. A Nominating Committee shall make nominations for election to the Board of Directors.

Section 2. The Nominating Committee shall consist of a Chairman who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members.

Section 3. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall, in its discretion, determine, but not less than the number of vacancies that are to be filled. No family or household member of any member of the Nomination Committee shall be nominated for office.

Section 4. Except as provided in Article VII, Section 4, the election to the Board of Directors shall be by secret, written ballot, which shall (a) describe the vacancies to be filled, (b) set forth the names of those nominated by the Nominating Committee, and (c) contain space for a write-in vote by the Members for each vacancy. Such ballots shall be prepared and mailed to the Members at least fifteen (15) days in advance of the date set forth therein for return (which shall be a date not later than seven (7) days before the annual meeting).

Section 5. An Election Committee, which shall consist of three (3) Members to be appointed by the Board of Directors, shall be responsible for preparing a current list of all property owners, maintaining the safekeeping of the written ballots received at the office of the Association, and the Secretary or such other officer of the Association deemed responsible therefore shall be required to follow such verification procedures as may be adopted by the Board of Directors regarding votes cast, genuineness of signatures, validity of proxies, and such other matters as will insure a fair election. After the ballot return date, the Election Committee shall tabulate the ballots and announce the final election results at the annual meeting. No member of the Election Committee, which tabulates the votes can be a family or household member of a candidate for the board.

ARTICLE IX

Powers and Duties of the Board of Directors

Section 1. The Board of Directors shall have power

- a. To appoint and remove at pleasure all employees of the Association, prescribe their duties, fix their compensation, and require of them such security bond, as it may deem expedient. Nothing contained in these By-Laws shall be construed to prohibit the employment of any Member, Officer or Director of the Association in any capacity whatsoever.
- b. To establish, levy and assess, and collect the assessments or charges referred to in Article XIII.
- c. To adopt and publish rules and regulations governing the use of the common Properties and facilities and the personal conduct of the Members and their guests thereon.
- d. To exercise for the Association all powers, duties and authority vested in or delegated to this Association, except those reserved to the Members.
- e. To remove a Member for the Board of Directors in the event such Member shall be absent from three (3) consecutive regular meetings of the Board, or by reason of non-payment of dues and assessments for a period greater than 30 days.

f. To enforce the Declaration of Restrictions, Covenants, and Conditions, as amended.

g. The Association cannot enforce or adopt a restrictive covenant that restricts a Member from using an adjacent Lot owned by such Member for residential purposes, including using the adjacent Lot for the location of buildings, structures or other improvements customarily appurtenant to a residence, such as a garage, sidewalk, driveway, parking area, children's swing or playscape, fence, septic system, swimming pool, utility line water well and/or, if permitted by the applicable Declaration, the parking or storage of recreational vehicle. The Member must still obtain advance approval from the Architectural Committee or Board of Directors if required by the Declaration and Association may still enforce reasonable restrictions in the Declaration regarding size, location, shielding, and aesthetics. (Texas Property Code, Section 209.015)

h. To enter into a contract with a current Director, a person related to a current Director, or a company owned by a current Director or a person related to a current Director if: (1) the Association has received at least 2 other competitive bids for the contract from persons not associated with the Director, relative, or company (if reasonably available); (2) applicable Director is not given access to the other bids, does not participate in any Board of Directors' discussion regarding the contract, and does not vote on the award of the contract; (3) the relationship concerning the applicable Director is disclosed to or known by the Board of Directors and the Board of Directors, in good faith and with ordinary care, authorizes the contract by affirmative vote of the majority of the Directors who do not have a conflict of interest; and (4) the Board of Directors certifies by a resolution that the requirements of Section 209.0052, Texas Property Code, have been met.

Section 2. It shall be the duty of the Board of Directors:

- a. To cause to be kept a complete record of all its acts and corporate affairs, and presented at any special meeting when such is requested in writing by one-fourth (1/4) of the voting membership, as provided in Article XI, Section 2.
- b. To supervise all officers and see that their duties are properly performed.
- c. To assign an officer to administrate and supervise all agents and employees of this Association, and to see that their duties are properly performed.
- d. To prepare a roster of all properties subject to assessment and of assessments or charges applicable thereto, which shall be kept in the office of the Association.

- e. To fix the amount of the assessment or charge against each Lot subject to assessment for each assessment period at least thirty (30) days in advance of such date or period and at the same time to send written notice of such assessment or charge to every Owner subject thereto.
- f. To prepare and maintain a budget and document yearly expenses of the Association. The budget for the next fiscal year shall be presented to Members attending the annual meeting and available on the Association's website
- g. To issue, upon demand by any person, a certificate setting forth whether any assessment has been paid. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid.
- h. To procure and maintain liability insurance adequate to cover the Association, its Directors, officers, agents, and employees, and to procure and maintain adequate hazard insurance on such of the Association's real and personal properties as may be deemed appropriate.

ARTICLE X

Officers and Their Duties

Section 1. The officers shall be a President, a Vice-President, a Secretary, and a Treasurer.

Section 2. All officers must be approved by a majority of members who voted. Members may vote in person, by proxy, by mailed vote, or as allowed by State Law, and the results will be tallied and announced at the annual meeting or special meeting call for this purpose.

Section 3. President. The President shall be principal executive officer of the corporation and shall in general supervise and control all of the business and affairs of the corporation. He shall preside at all meetings of the Members and of the Board of Directors. He may sign, with the Secretary or any other proper officer of the corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors have authorized to be executed; and in general he shall perform all duties incident to the office of President, such other duties as may be prescribed by the Board of Directors from time to time, and all duties required by State Law.

Section 4. Vice President. If the President vacates his office, either temporarily or permanently, the Vice President will become President for the remainder of the term. The Vice-President shall perform such other duties as from time to time may be assigned to him by the President or the Board of Directors, and all duties required by State Law.

Section 5. Treasurer.

a. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties, as the Board of Directors shall determine.

b. He shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for monies due and payable to the corporation in such banks, trust companies or other depositories as shall be selected by the Board of Directories; and, in general, perform all the duties incident to the Office of the Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

c. The Treasurer is specifically given the authority and duty of keeping the books of account on assessments voted by the membership as provided by these By-Laws, and to issue notices over his signature of the amount due by any member for assessments. Records are subject to audit by an auditor appointed by the President to audit the Treasurer's books after the election of officers at the annual membership meeting in May of each year and before the first Board Meeting of the newly elected Board of Directors.

d. The Treasurer shall pay all bills, maintain an accurate Membership list, maintain a record of each Member's payment history, including paid and unpaid assessments, consistent with the Board's retention policy, retain tax records for at least seven (7) years, prepare Treasurer's report for each Board meeting, and prepare an annual budget to be presented at the annual meeting, and shall preform all duties required by State Law.

Section 6. Secretary. The Secretary shall keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of the By-Laws or as required by law; be custodian of the corporate records; keep original Member ballots, mailed ballots, proxies, and other documentation allowed by State Law, utilize the Association's website to provide members with important information in a timely manner, keep a register of the post office address of each member which shall be furnished to the Secretary by such member; and in general perform all the duties incident to the Office of Secretary and such other duties as from time to time may be assigned to them by the President or by the Board of Directors, and perform all duties required by State Law .

ARTICLE XI

Meeting

Section 1. An annual meeting of the members shall be held each year on a Saturday in May as designated by the Board of Directors at time and place designated by the Board for purpose of electing directors and for the transaction of such other business as may come before the meeting. The President shall post the time and place at least thirty (30) days prior to the annual meeting.

Section 2. Special meetings of the Members may be called by the President, a majority of the Board of Directors, or by not less than twenty-five (25) percent of the members entitled to vote.

Section 3. Written or printed notice stating the place, day and hour of any meeting of members shall be delivered, either personally or by mail, or posting on the Association's website, by or at the direction of the President, or the Secretary, or the officers or persons calling the meeting, to each member entitled to vote at such meeting not less than ten (10) nor more than fifty (50) days before the day of such meeting. The purpose of all special meetings, meetings required by Statute, or meetings required by these By-Laws shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States Mail addressed to the member at his address as it appears on the records of the corporation with postage thereon prepaid. In the event that any Lot in said subdivision shall be owned by two or more persons or entities, such persons or entities shall designate one of their number to receive notices hereunder by delivering the designee's name and address to the Secretary or the corporation, failing which such parties shall be deemed to have waived any required notice under the terms of these By-Laws.

Section 4. The Board of Directors shall meet at least six (6) times per year at a place designated by the Board of Directors. Any member may attend these meetings to suggest or conduct necessary business. A quorum shall be four (4).

Section 5. Special meeting of the Board of Directors may be called by or at the request of the President or any two (2) directors.

ARTICLE XII

Committees

Section 1. The Architectural Committee is a standing committee appointed by the Board for the same term as the Board and must be composed of three Board members on the committee.

Section 2. The Board of Directors may designate one or more committees, as it deems appropriate.

Section 3. Each member of a committee shall serve until his successor is appointed, the committee is dissolved, the member is removed, or the member loses voting rights; whichever occurs first.

Section 4. The decision of the Architectural Committee may be appealed to the Board of Directors within ten days of receiving a written decision by the Architectural Committee. If appealed, the Board of Director has the final decision.

Section 5. The Architectural Committee or Board of Directors shall have the authority to approve plans on behalf of the Corporation. As a condition of approval of house plans, new construction, replacement of existing construction, or repairs of shorelines, boathouses, accessory structures or similar work exceeding \$5,000.00, a deposit of \$1,000.00 shall be made with the Corporation by the property owner to defray cost of any repairs to association property required as a result of damages to roads, ditches and surrounding properties caused by heavy equipment or improper containment of soil on Lots being prepared for building. The deposit or portion thereof, if any, will be refunded upon completion of construction and after inspection by the Board of Directors. Construction, including site preparation, shall not commence until plans have been approved.

ARTICLE XIII

Dues and Assessments

Section 1. Purpose and Method of Assessment. Subject to the provision of this Article, the Board of Directors, may levy annual assessments and special assessments for capital improvements to be used and expended exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residence and property owners in Hide-A-Way Bay, Unit #1 and Unit #2; and in particular the improvement and maintenance of properties, services and facilities devoted to this purpose, including repair, replacement and addition thereto, and the cost of labor, equipment, materials, management and supervision necessary in connection therewith.

Section 2. Amount of Assessment. Except as otherwise provided for in this Article, the assessment shall be \$100.00 per Lot, per year, payable annually in advance of the first day of August.

Section 3. Split Assessments. Each owner of a portion of a Lot shall be responsible for paying his share of the annual assessment based on the size of the portion of the Lot he owns.

Section 4. Special Assessment. In addition to the yearly assessments herein provided, the Corporation may levy special assessments for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, repair or replacement of a capital improvement owned or controlled by the Corporation, including necessary fixtures and personal property related thereto, or for other purposes, provided that any such assessment must be approved by a majority of the Members who voted at a meeting to consider such purpose. Members may vote in person, by proxy, by mail, or as allowed by State Law, and the results will be tallied and announced at the annual meeting or a special meeting called for this purpose.

Section 5. Lien of Assessments. All yearly and special assessments, together with interest thereon at the rate of 10% per annum and costs of collection, including reasonable attorney's fees, shall also be the personal obligation of each person who was an owner of the Lot at the time when the assessment fell due. Each owner of any Lot within Hide-A-Way Bay Unit #1 and Unit #2 does by the acceptance of title to any such Lot covenant and agree to pay such yearly and special assessments as herein provided as fixed and established by the membership of the corporation.

Section 6. Adjustment to Annual Assessment.

Adjustments to annual assessments must be approved by a majority of the Members who voted at a meeting to consider such purpose. Members may vote in person, by proxy, by mail, or as allowed by State Law, and the results will be tallied and announced at the annual meeting or a special meeting called for this purpose.

Section 7. Due Date of Assessments. The yearly assessment provided for herein shall become due and payable on the first (1st) day of August of each year and the due date of any special assessment shall be fixed in the resolution authorizing such assessment.

Section 8. Effect of Non-Payment of Assessment; Liens, Remedies of the Association. If the assessments provided in this article are not paid when due, then such assessment shall become delinquent, and shall together with interest at the rate of 10% per annum and costs of collection including reasonable attorney fees, become a continuing lien on the property which shall bind such property in the hands of the then owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then owner or owners to pay such assessment; however, shall remain his personal obligation. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the due date and the Association may bring an action at law against the owner personally obligated to pay the same and/or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided herein by non-usage of the property subject to the control and management of the corporation, or by abandonment of his property. If by any cause a

property with any assessment due is sold or conveyed to another party or persons, that assessment shall become the responsibility of the new owner.

Section 9. Subordination of the Lien to Mortgage. The lien on any Lot securing payment of the assessments provided for therein or any installment thereof shall be subordinate to the lien of any mortgage or mortgages placed upon the property prior to the due date of such assessment or any installment thereof. Upon transfer of title, the assessment lien against a Lot shall continue in effect, except: 1) Where the lending institution holding the mortgage has purchased property at foreclosure, and 2) Where the lien is extinguished by law. Any assessment becoming due after foreclosure shall be an obligation of the purchaser or other title holder of such property, and shall constitute a lien as provided herein.

Section 10. Duties of Treasurer on Assessments. The Treasurer of the corporation shall prepare a roster of the membership, Lot ownership and the assessments applicable thereto, which shall be open to inspection by any member. Written notice of all assessments shall be sent to all members. The Treasurer shall upon request furnish to any member liable for any assessment or any prospective purchaser a statement in writing as to the status of any Lot with respect to assessments. A reasonable charge for such statement may be made by the Treasurer if authorized by the Board of Directors.

Section 11. Fine for Non-Compliance. A fine of \$5.00 per day may be charged to any Lot owner, or tenant, failing to comply with the current By-Laws or Declaration of Restrictions, Covenants, and Conditions after a written notice has been mailed or delivered to that Member giving them thirty (30) days from the date of the letter to comply. If necessary, revised notices will be mailed to the Member in non-compliance at the beginning of each month after the initial thirty (30) day period.

ARTICLE XIV.

Contracts, Checks, Deposits and Funds

Section 1. Subject to the provisions of this Article, all checks, drafts, or orders for the payment of money or other evidences of indebtedness issued in the name of the Corporation, Hide-A-Way Bay Property Owners, Inc., shall be signed by the President or the Treasurer and in such manner as shall from time to time be determined by resolution of the Board of Directors. Payments over \$1,000 require the signature of the President and Treasurer.

Section 2. Gifts. The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest or devise for the general purpose or for any special purpose of the corporation.

Section 3. An expenditure costing more than \$1,000.00, other than regular maintenance shall be supported by three (3) estimates. The expenditure shall be approved by the Board of Directors unless the expenditure appears in the annual budget.

Section 4. An expenditure in excess of \$3,000.00, not set forth in the approved budget, must be approved by the Board of Directors provided the Board determines that in the event of an emergency the expenditure is required to maintain vital services to the subdivision. Such expenditure shall be reported to the membership and require three (3) estimates, except for professional services.

ARTICLE XV

Miscellaneous

Section 1. Whenever any notice is required to be given under provisions of law, or under the provisions of the Articles of Incorporation or the By-Laws of this corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 2. The Board of Directors, at its discretion shall have the authority to appoint security personnel.

Section 3. Guests of any Member shall be accompanied by the Member or present an authorization card if available. Members will be held responsible for all guests.

Section 4. All Members shall be given a copy of the By-Laws and Declaration of Restrictions, Covenants, and Conditions. Property owners are responsible for submitting their house plan for approval before start of construction and for seeing that their building contractor is furnished a set of Declaration of Restrictions, Covenants, and Conditions and By-Laws of the Corporation.

Section 5. It is the intention of the Members of the corporation in adopting these By-Laws that all Lot owners be Members and subject to assessments, and the Lots owned by them are subject to assessment liens. In the event it is determined that any person or entity owning or having owned a Lot is not subject to assessments and the Lot owned or having been owned is not subject to an assessment lien, it is the intention of the Membership that all other Lot owners be subject to assessments and the lots owned by them be subject to assessment liens.

Section 6 If any portion of these By-Laws is invalid or unenforceable by judgment or court order, such judgment or court order shall not affect the validity of any other provision or portion thereof.

Section 7. No motorized vehicle, unless in a garage, shall be kept or stored on any Lot in Hide-A-Way Bay Unit #1 or Unit #2 unless said vehicle has current registration and inspection sticker. Others are subject to be towed at owner's expense, after owner has been given thirty (30) day written notice to move it. Exceptions shall only be at the discretion of the current Board of Directors. Only boats and boat trailers may be stored overnight on Common Property located inside the gate restricting access to the Association's boat dock and ramp.

Section 8. The sell of real estate owned by the Association or purchase of real estate by the Associations must be approved by a majority of the Members who voted at a meeting to consider such purpose. Members may vote in person, by proxy, by mail, or as prescribed in State Law, and the results will be tallied and announced at the annual meeting or a special meeting called for this purpose.

ARTICLE XVI

Amendments and Duration

Section 1. By-Laws may be amended, repealed, or new By-Laws must be approved by a majority of all Members. Members may vote in person, by proxy, by mail, or as allowed by State Law, and the results will be tallied and announced at the annual meeting or a special meeting called for this purpose. The proposed changes shall be submitted in writing to all members, not less than thirty (30) days before the annual meeting.

Section 2. This document titled "Hide-A-Way Bay Property Owner's, Inc. "By-Laws", has been amended and updated, and this present form has been duly approved by the majority vote of the Members in accordance with this Article.

Executed as of this 28th day of July, 2014

The Hide-A-Way Bay Property Owner's, Inc.

Michael Young
President, Board of Directors

State of Texas
County of Smith

The foregoing instrument was acknowledged before me on this 28th day of July, 2014,

by Michael Young, *Michael Young*, President, Board of Directors of The Hide-A-Way Bay Property Owner's, Inc. on behalf of said Corporation.

Kristy B. Johnson

Notary Public, State of Texas

My commission expires *01-27-16*

