

BYLAWS
OF
THE COVENANTS COMMITTEE OF
THE HIGHLAND SHORES OWNERS ASSOCIATION, INC.

ARTICLE I.

The name of the committee is the Covenants Committee of the Highland Shores Owners Association, Inc., and is hereinafter referred to as the "Committee."

ARTICLE II.

DEFINITIONS

The words used in these Bylaws (hereinafter referred to as the "Committee Bylaws" and are not to be confused with the Bylaws of the Highland Shores Owners Association, Inc.), unless a different meaning or intent clearly appears from the context, shall have the same meaning as they have in that certain Declaration of Covenants, Conditions and Restrictions for Highland Shores Owners Association, Inc. dated the 25th day of January, 1984, and recorded in Volume 1330, Page 46, of the Real Property Records, Denton County, Texas, including any Supplements or Amendments thereto (being hereinafter referred to collectively as "the Declaration"), which Declaration is incorporated herein by reference for all purposes. In the event of any conflict between the language of the Committee Bylaws and the Declaration, the language of the Declaration shall control. The word "Member" as used herein shall mean and refer to an individual who is serving on the Committee. The word "Association"

as used herein shall mean and refer to the Highland Shores Owners Association, Inc.

ARTICLE III.

CREATION OF THE COMMITTEE AND MEMBERSHIP THEREIN

Section 1. Authority. The Committee is created under the authority of Article V, Section 2 of the Association's Bylaws wherein the Board of Directors is empowered to appoint a Covenants Committee consisting of at least five (5) and no more than seven (7) members. The Committee is charged with conducting its affairs in accordance with the provisions of the Declaration, the Bylaws of the Association and resolutions the Board of Directors may adopt.

Section 2. Term. Members shall each serve for a term of three (3) years. An individual may be elected or appointed to serve no more than two (2) consecutive three year terms. *Amended 5-19-04
11-14-07*

Section 3. Removal of Members. A Member of the committee may be removed for "just cause" upon a majority vote of the remaining Members of the Committee. "Just cause" may include, but is not limited to, unexcused absences from three (3) meetings of the Committee within a one (1) year period.

Section 4. Membership. Membership shall first be obtained from volunteers comprised of members of the Association who are owners and reside in Highland Shores. Should the number of volunteers be less than five (5), the Board of Directors shall have the power to appoint and fill the vacancies until the Covenants Committee has at least five (5) members. In the event the number

of volunteers should exceed the amount of vacancies, the Members of the Committee shall fill the vacancies by secret ballot.

Section 5. Voting Rights. Each Member of the Committee shall be entitled to cast one vote.

Section 6. Quorum, Notice and Voting Requirements.

(a) Any action authorized by the Declaration, the Bylaws and the Committee Bylaws shall require the assent of the majority of the Members of the Committee in person or by proxy at a meeting duly called for such purpose(s), written notice of which shall be given to all Members not less than thirty (30) days nor more than sixty (60) days in advance and shall set forth the purpose(s) of such meeting.

(b) The quorum required for any action shall be as follows:

At the first meeting called the presence at the meeting of five (5) Members, or of legitimate proxies, of the Committee shall constitute a quorum. If, however, such a quorum is not present at the first meeting, an additional meeting may be called, subject to the notice requirement hereinabove set forth, and the required quorum at such second meeting shall be three (3) Members, or legitimate proxies of the Committee; provided, however, that no such second meeting shall be held more

than sixty (60) days following the first meeting.

(c) As an alternative to the procedure set forth above, any action referred to in Paragraph (a) of this Section may be taken with the assent given in writing and signed by Members who collectively hold or control more than fifty-seven percent (57%) of the outstanding votes of the Committee.

Section 7. Any action required by law, to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof.

ARTICLE IV.

NOTICES

Section 1. Notices to Members shall be in writing and delivered personally or mailed to the Members at their addresses appearing on the books of the Committee. Notice by mail shall be deemed to be given at the time when deposited in the United States mail addressed to the Member at his address as it appears on the books of the Committee with postage thereon prepaid. Notice may also be given by telegram and shall be deemed to be given when delivered to the telegraph company.

Section 2. Whenever any notice is required to be given to any Member under the provisions of any statute or of the Committee

Bylaws, 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 equivalent to the giving of such notice.

Section 3. Attendance of any Member at a meeting shall constitute a waiver of notice of such meeting.

ARTICLE V.

OFFICERS

Section 1. The officers of the Committee shall consist of a Chairperson, a Vice Chairperson and a Secretary each of whom shall be Members of the Committee and elected by the Committee. The offices of Vice Chairperson and Secretary may be held by the same person.

Amended
5-19-04

Section 2. The Members of the Committee at their first meeting after each annual meeting of the Association shall elect the officers of the Committee.

Section 3. All officers of the Committee shall serve without compensation.

Section 4. Each officer of the Committee shall hold office for one (1) year unless he/she shall sooner resign, or shall be removed, or otherwise disqualified to serve. Any officer elected or appointed by the Committee may be removed by majority vote of the Committee with or without notice whenever in its judgment the best interests of the Committee and/or the Association will be served thereby. Any vacancy occurring in any office of the Committee by death, resignation, removal or otherwise, shall be filled by the majority vote of the Members.

THE CHAIRPERSON

Section 5. The Chairperson shall be the principal executive officer of the Committee and shall in general supervise and control all of the business and affairs of the Committee. He/she shall preside at all meetings of the Committee. He/she may sign, with the Secretary or any other proper officer of the Committee, any instrument which the Committee has authorized to be executed. The Chairperson shall have served on the Committee for at least one year prior to serving as Chairperson.

THE VICE CHAIRPERSON

Section 6. In the absence of the Chairperson or in the event of his inability or refusal to act, the Vice Chairperson shall perform the duties of the Chairperson, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice Chairperson shall perform such other duties as from time to time may be assigned to him/her by the President. CHAIRPERSON.

THE SECRETARY

Section 7. The Secretary shall keep the minutes of the meeting of the Committee in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of the Committee Bylaws or as required by law; be custodian of the Committee's records; 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 duties

*Amended
5-19-04*

incident to the office of Secretary and such other duties as from time to time may be assigned to him/her by the Chairperson.

ARTICLE VI.

DUTIES OF THE COMMITTEE

Pursuant to Article V, Section 2 of the Association's Bylaws, the Committee is to act as the hearing tribunal for all unabated violations of the rules and regulations of the Association as well as the Land Use Standards referenced in the Declaration. Specifically, the Committee is charged with the duty and authority to:

- (a) Act as the Hearing Tribunal for the Highland Shores Owners Association, Inc. pursuant to Article V, Section 2 of the Association's Bylaws;
- (b) Make recommendations to the Board of Directors of Highland Shores Owners Association, Inc.;
- (c) Determine the sanctions to be imposed, including without limitation monetary fines, for violations of the terms and conditions of the Declaration, any rules and regulations of the Association, and of the Land Use Standards referenced in the Declaration;
- (d) Review decisions of the Modifications Committee for the purpose of determining whether a requested modification would violate the terms and conditions of the Declaration; and
- (e) Inform homeowners of available options under the Declaration and the Association's Bylaws.

Section 1. Hearing Procedures.

(a) Demand. Written demand to cease and desist from any alleged violation shall be served by the Board of Directors or its duly authorized agent upon the alleged violator specifying:

- (i) The alleged violation;
- (ii) The action required to abate the violation; and
- (iii) A time period, not less than ten (10) days during which the violation may be abated without further sanction if such violation is a continuing one, or a statement that any further violation of the same rule may result in the imposition of a sanction after notice and hearing if the violation is not continuing.

(b) Notice. At any time after written demand as provided above, should the violation continue past the period allowed to cure the violation contained in the demand for abatement, or if the same rule is subsequently violated, the Board of Directors or its duly authorized agent shall serve upon the violator written notice of a hearing to be held before the Covenants Committee in executive session. Such notice shall contain:

- (i) The nature of the alleged violation;
- (ii) The time and place of the hearing, which time shall not be less than ten (10) days from the date of the notice;

(iii) An invitation to attend the hearing and produce any statement, evidence and witness on his or her behalf; and

(iv) A proposed sanction to be imposed.

A copy of the notice of hearing, including all previous notices of the alleged violation, shall concurrently be served upon each Member of the Committee.

(c) Hearing. The hearing before the Covenants Committee shall be held in executive session pursuant to the preceding notice affording the violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the Minutes of the meeting, with such proof being deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director or agent who delivered such notice. Notwithstanding the foregoing, the notice requirement shall be deemed satisfied if the alleged violator appears at the hearing. The Minutes of the meeting shall contain a written statement of the result of the hearing and the sanction, if any, recommended by the Committee. In addition to the above and not in limitation, the following procedure may be followed by the Committee in conducting a hearing:

- (1) The hearing may be taped and, if so, the alleged violator will be clearly advised that the hearing is to be taped and may thereafter be transcribed;
 - (2) The alleged violator will be advised of the procedures followed during the hearing;
 - (3) The alleged violator will be allowed a maximum of thirty (30) minutes to argue his or her case as to why a violation does not exist or why the violation could not be cured within the prescribed time period;
 - (4) Thereafter, the Committee will be allowed to ask questions of the alleged violator regarding the facts of the case;
 - (5) The alleged violator will then be asked to leave and the Committee will discuss and consider the merits of the case and vote;
- (d) The Committee will decide by majority vote whether the alleged violator should be sanctioned and recommend a particular sanction. Should the Committee determine that a Member of the Committee has a potential conflict of interest in the subject to be voted on (for example -- but without limitation -- if a Member owns the property adjacent to the homeowner appearing before the Committee) the Committee, by majority vote of the remaining Members, shall require that the Member abstain from voting. The Member who is required to abstain due to a conflict of

interest shall be counted, however, for purposes of establishing a quorum and may also participate in the discussion. The decision of the Committee shall be noted in the Minutes. The Minutes of the meeting shall be sent to the Board of Directors or its duly authorized agent whose duty it will be to advise the violator in writing of the decision of the Committee and of the sanction imposed, if any, and will advise the violator of his or her right to appeal as hereinafter provided.

(e) Appeal. Following a hearing before the Committee, the violator shall have the right to appeal the decision to the Board of Directors. To perfect this right, a written notice of appeal must be received by the Association's managing agent, or the president or secretary of the Association within thirty (30) days after the hearing date.

(f) Repeat violation of same offense goes directly to sanction (after hearing process) no further written warnings shall be sent if offense reoccurs in future.

ARTICLE VII.

RANGE OF SANCTIONS *Amended 5-19-04*

Under Article IX, Section 3 of the Declaration, which may be found in Volume 1330, Page 62 of the Real Property Records of Denton County, Texas, sanctions may include reasonable monetary fines and suspension of the right to vote and the right to use the Common Area. The following is a list of violations and sanctions

which may be imposed depending on the number of violations. The range of sanctions is only to be used as a guideline; it is not exhaustive, mandatory or binding. Consequently these guidelines will not be published.

1) POOL VIOLATIONS

- A. 1st Occurrence - 1 day off premises (lifeguard to do)
- B. 2nd Occurrence - 1 week off premises (letter and hearing)
- C. 3rd Occurrence - Referred to management company for expulsion from pool for the remainder of the season

2) GARBAGE

- A. 1st Occurrence - Warning letter
- B. 2nd Occurrence - \$50.00 fine (letter, hearing)

3) DUMPING LITTER IN VACANT LOTS (if resident seen)

- A. 1st Occurrence - Warning letter
- B. 2nd Occurrence - \$25.00 Fine, plus cost of clean up (if resident seen, hearing)

4) SIGNS ON PROPERTY

- A. 1st Occurrence - Warning letter
- B. 2nd Occurrence - \$25.00 Fine every ten days (hearing)

5) CARS LEFT ON THE STREET

- A. 1st Occurrence - Warning letter
- B. 2nd Occurrence - Second warning letter
- C. 3rd Occurrence - \$25.00 Fine for each offense per day, per vehicle to be set forth in Second Warning Letter (letter, hearing)

6) RECREATIONAL VEHICLES/BOATS, BOAT TRAILERS

- A. 1st Occurrence - warning letter
- B. 2nd Occurrence - Hearing, \$25.00 Fine per day, per occurrence

7) TENNIS COURT

- A. 1st Occurrence - Warning letter if no apparent damage to court, if damage is apparent notice letter regarding hearing and intent to fine \$25.00 and to pay for misuse of facility
- B. 2nd Occurrence - Hearing, \$50.00 fine and cost of repairs

8) COMMUNITY CENTER

- A. 1st Occurrence - Keep deposit or amount of repairs should these not exceed the amount of the deposit, or bill for any amount of repair that exceeds the deposit
- B. 2nd Occurrence - Double deposit (including double deposit for any future use), and bill for amount of repairs which exceed amount of deposit, plus loss of privilege for one (1) year (hearing)

9) POOL RENTAL VIOLATIONS

- A. 1st Occurrence - Warning letter with invoice
 - B. 2nd Occurrence - Warning letter, 30 day suspension, invoice for damages (hearing)
 - C. 3rd Occurrence - Warning letter, suspension for one (1) year, invoice for damages (hearing)
- 10) Failure to submit modification of home improvements for approval will result in a \$25.00 fine sanctioned and may result in added expense to homeowner if work must be done to comply with Declaration and Land Use restriction.

* *Footnote: Repeat occurrence of prior violations may result in higher fines.*

ARTICLE VIII.

GENERAL PROVISIONS

Section 1. All meetings of the Committee shall be conducted in accordance with Robert's Rules of Order, Newly Revised, except where inconsistent with the express language of the Committee Bylaws and/or the Declaration.

ARTICLE IX.

INDEMNIFICATION

Section 1. Indemnification in General. Subject to the provisions of Section 3 hereof, the Association shall indemnify any Member who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other

than one by or in the right of the Association) by reason of the fact that he/she is or was a Member of the Committee or, while a Member, is or was serving at the request of the Association or the Committee as an officer, employee, agent or similar functionary of the Committee against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding, if 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 interests of the Association and/or the Committee, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interest of the Association and/or the Committee, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

Section 2. Indemnification in a Proceeding by or in the Right of the Association. Subject to the provisions of Section 3 hereof, the Association shall indemnify any person who was, or is a party to or is threatened to be made a party to any threatened, pending or completed action or suit, by or in the right of the Association to procure a judgment in its favor by reason of the

fact that he or she is or was a Member of the Association or, while a Member, is or was serving at the request of the Association or the Committee as an officer, employee, agent or similar functionary of the Committee against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if 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 interests of the Association and/or the Committee.

Section 3. Mandatory Indemnification. If a Member of the Committee has been successful on the merits or otherwise as a party to any action, suit or proceeding referred to in Sections 1 or 2 hereof, or with respect to any claim, issue or matter therein (to the extent that a portion of his or her expenses can be reasonably allocated thereto), he or she shall be indemnified against the expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

Section 4. Prospective Indemnification. Reasonable expenses incurred by a Member of the Committee in defending a civil, criminal, administrative, or investigative action, suit or proceeding, shall be paid by the Association in advance of final disposition of any such action upon receipt of his or her written affirmation of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification and a written undertaking by or on behalf of the Member seeking indemnification of the Committee to repay such amount paid if it is ultimately

determined that he or she has not met that standard or if it is ultimately determined that indemnification of the Member against expenses incurred by him or her in connection with a proceeding is prohibited by law.

Section 5. Suit for Indemnification. Upon application of a present or former Member of the Committee to a Court of competent jurisdiction, after giving the notice such Court deems necessary, such Court may order indemnification that it deems proper and equitable if it finds such person is fairly and reasonably entitled to indemnification in view of all relevant circumstances. In a proceeding brought by or on behalf of the Association or if such person was found liable for personal benefits improperly received by him or her, whether or not the benefit resulted from actions taken in that person's official capacity, and if the Court determines such person is entitled to indemnification pursuant to the foregoing standard, the Court shall limit indemnification to no more than reasonable expenses actually incurred by such person in connection with the proceeding. In a suit for indemnification required under Section 3 hereof, if the Court determines such person is entitled to indemnification thereunder, such Court shall order indemnification and shall also award such person expenses incurred in securing the indemnification.

Section 6. Additional Rights. Subject to applicable law, the indemnification provided by Article VIII shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any agreement, vote of the disinterested members of

the Board of Directors of the Association, or otherwise, both as to action in his or her official capacity and as to action in another capacity while being a Member of the Committee, and shall continue as to a person who has ceased to be a Member of the Committee and shall inure to the benefit of the heirs, executors, and administrators of such person.

Section 7. Insurance. The Association shall purchase and maintain insurance on behalf of any person who is or was a Member of the Committee or, while a Member, is or was serving at the request of the Association as an officer, employee, agent or similar functionary of the committee against any liability asserted against him or her and incurred by him or her in such capacity, or arising out of his or her status as such, whether or not the Association would have the power to indemnify him or her against such liability under the provisions of the Committee Bylaws, the Bylaws of the Association or of the laws of the State of Texas. Each Member of the Committee, whether currently serving as such or upon being duly elected to serve on the Committee, shall receive written confirmation from the Association that he or she is covered under the terms and conditions of any insurance policy previously in effect or in effect hereafter as required under the terms of Section 7 hereof.

ARTICLE X.

BOOKS AND RECORDS

The books, records and papers of the Committee shall at all times, during reasonable business hours, be subject to inspection

by any Member. The Committee Bylaws shall be available for inspection by any Member.

ARTICLE XI.

AMENDMENTS

Section 1. The Committee Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of Members then serving on the Committee in person or by proxy.

ARTICLE XII.

DISSOLUTION

The Committee may be dissolved with the assent given in writing and signed by the Members entitled to cast one hundred percent (100%) of the votes of the Committee; provided, however, that no such agreement to dissolve shall be effective unless made at least 120 days in advance of the effective date of such dissolution, and unless written notice of the proposed dissolution is sent to every Member at least thirty (30) days in advance of any action taken.

IN WITNESS WHEREOF, we, being all of the Members of the
Covenants Committee of the Highland Shores Owners Association,
Inc., have hereunto set our hands this 27 day of
AUGUST, 1992.

[Signature]

[Signature]

[Signature]

[Signature]

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of the
Covenants Committee of the Highland Shores Owners Association,
Inc., a Texas Non-Profit Corporation, and

THAT the foregoing Bylaws constitute the original Bylaws of
such Committee, as duly adopted at a meeting of the Committee
thereof, held on the 27 day of AUGUST, 1992.

IN WITNESS WHEREOF, I have hereunto subscribed my name this
27 day of AUGUST, 1992.

[Signature]
CHARLES DUNN, Secretary

HENRY ODDO AUSTIN & FLETCHER

A PROFESSIONAL CORPORATION

ATTORNEYS AND COUNSELORS AT LAW

1700 PACIFIC AVENUE

SUITE 2700

DALLAS, TEXAS 75201

TELEPHONE (214) 658-1900

FACSIMILE (214) 658-1919

May 13, 2004

Ms. Tammy Hatter
Highland Shores Owners Association, Inc.
#1 Community Center Drive
Highland Village, Texas 75077

Re: First Amendment to the Bylaws of the Covenants Committee of the Highland Shores Owners Association, Inc.

Dear Tammy:

Enclosed herewith you will please find an execution original of the First Amendment to the Bylaws of the Covenants Committee. Please have the Chairperson for the Covenants Committee properly execute this document on page 3 and on page 4 and return a signed copy to me in the enclosed self-addressed and stamped envelope.

Should you have any questions in reference to the foregoing, please do not hesitate to contact me.

Yours very truly,

HENRY ODDO AUSTIN & FLETCHER

A Professional Corporation

By


Judo A. Austin, Jr.

JAA/Enclosure

**FIRST AMENDMENT TO THE BYLAWS
OF THE COVENANTS COMMITTEE OF THE
HIGHLAND SHORES OWNERS ASSOCIATION, INC.**

This First Amendment to the Bylaws of the Covenants Committee of the Highland Shores Owners Association, Inc. is effective as of the 19th day of May, 2004, by the Covenants Committee (the "Committee") of the Highland Shores Owners Association, Inc. (the "Association").

W I T N E S S E T H:

WHEREAS, Article XI, Section 1 of the Committee's Bylaws (the "Bylaws") provides that the Bylaws may be amended, at a regular or special meeting of the Members of the Committee, by a vote of a majority of the Members serving on the Committee; and

WHEREAS, on the 19th day of May, 2004, a regularly schedule meeting of the Committee was held in accordance with the Bylaws of the Committee, and at such meeting certain amendments to the Bylaws were proposed to the Members to be considered and voted upon; and

WHEREAS, the amendments to the Bylaws, as set forth hereinafter with specificity, were approved by a vote of a majority of the Members of the Committee at the meeting held on May 19, 2004.

NOW, THEREFORE, the Bylaws of the Committee are hereby amended as follows:

(a) Section 2 of Article III of the Bylaws is amended to read, in its entirety, as follows:

Section 2. Term. Members shall each serve for a term of three (3) years. An individual may be elected or appointed to serve no more than four (4) consecutive three year terms.

(b) Section 6 (a) of Article III of the Bylaws is amended to read, in its entirety, as follows:

Section 6 (a). Any action authorized by the Declaration, the Bylaws and the Committee Bylaws shall require the assent of the majority of the Members of the Committee present, in person or by proxy, at a meeting duly called for such purpose(s), written notice of which shall be give to all Members not less than ten (10) days nor more than thirty (30) days in advance of such meeting, and shall set forth the purpose(s) of the meeting.

(c) Section 1 of Article V of the Bylaws is amended to read, in its entirety, as follows:

Section 1. The officers of the Committee shall consist of a Chairperson and a Vice Chairperson each of whom shall be Members of the Committee and elected by the Committee.

(d) Section 7 of Article V of the Bylaws, entitled *The Secretary*, is deleted in its entirety.

(e) Article VII of the Bylaws is amended to read, in its entirety, as follows:

RANGE OF SANCTIONS

Under Article IX, Section 3 of the Declaration, which may be found in Volume 1330, Page 62 of the Real Property Records of Denton County, Texas, sanctions may include reasonable monetary fines and suspension of the right to vote and the right to use the Common Area. The following is a list of violations and monetary fines which may be imposed depending on the severity of the violation and the length of time the violation continues to exist. These are to be used as guidelines and are not exhaustive, mandatory or binding as the Committee reserves the right to determine the sanction to be imposed.

(a) Minor Violations: Examples of minor violations are: temporary structures, portable recreation equipment, garbage, temporary signs, jet skis, RV's, mowing, weeds, yard art, play structures, dog houses, dog runs, etc. Fines for minor violations

may be \$25.00 for each day the violation continues to exist.

- (b) **Major Violations:** *Examples of major violations are: permanent structures, swimming pools, spas, arbors, patio covers, gazebos, storage buildings, fences, permanent basketball goals, landscape installation/removal, flag poles, roof shingles, painting, retaining walls, etc. Fines for major violations may be \$50.00 for each day the violation continues to exist.*
- (c) **Failure to Submit for Approval:** *Home improvements or modifications shall be subject to a fine of \$25.00 per day until modification has been submitted to and approved by the Modifications Committee,*
- (d) **Recurring Violations:** *In the event an Owner or occupant commits the same or a similar violation for which they were invited to appear before the Committee within six (6) months from the date they were invited to appear before the Committee, a fine of \$50.00 per day may be imposed for each day the violation continues to exist.*

EXECUTED at Highland Village, Texas to be effective as of the 19th day of May, 2004.

COVENANTS COMMITTEE for the
Highland Shores Owners Association, Inc.

By: 

Chairperson

CERTIFICATION OF AMENDMENT TO BYLAWS

I, Thomas A. Kula, the duly elected Chairperson of The Covenants Committee for the Highland Shores Owners Association, Inc. hereby certify:

This First Amendment to the Bylaws of The Covenants Committee for the Highland Shores Owners Association, Inc. was approved by a vote of a majority of the Members of the Covenants Committee, as required by Article XI, Section I of the Bylaws of The Covenants Committee of the Highland Shores Owners Association, Inc., at its regular meeting of the Members of The Covenants Committee held on May 19, 2004, and that the same does now constitute a portion of the Bylaws of The Covenants Committee for the Highland Shores Owners Association, Inc.

IN WITNESS WHEREOF, I heretofore subscribe my hand and affix the seal of said

Corporation on this 19th day of MAY, 2004.



_____, Chairperson

Covenants Committee

**SECOND AMENDMENT TO THE BYLAWS
OF THE COVENANTS COMMITTEE OF THE
HIGHLAND SHORES OWNERS ASSOCIATION, INC.**

This Second Amendment to the Bylaws of the Covenants Committee of the Highland Shores Owners Association, Inc. is effective as of the 14 day of November, 2007, by the Covenants Committee (the "Committee") of the Highland Shores Owners Association, Inc. (the "Association").

WITNESSETH:

WHEREAS, Article XI, Section 1 of the Committee's Bylaws (the "Bylaws") provide that the Bylaws may be amended, at a regular or special meeting of the Members of the Committee, by a majority of the Members serving on the Committee; and

WHEREAS, on the 14th day of November, 2007, a regular scheduled meeting of the Committee was held in accordance with the Bylaws of the Committee, and at such meeting a certain amendment to the Bylaws was proposed to the Members to be considered and voted upon; and

WHEREAS, the amendment to the Bylaws, as set forth hereinafter with specificity, was approved by a vote of a majority of the Members of the Committee at the meeting held on November 14, 2007.

NOW, THEREFORE, the Bylaws of the Committee are hereby amended as follows:

- (a) Section 2 of Article III of the Bylaws is amended to read, in its entirety, as follows:

Section 2. Term. Members shall serve for a term of three (3) years.

EXECUTED at Highland Village, Texas to be effective as of the 14th day of November, 2007.

**COVENANTS COMMITTEE for the
Highland Shores Owners Association, Inc.**

By: 

Covenants Committee Chair

**SECOND AMENDMENT TO THE BYLAWS OF THE COVENANTS
COMMITTEE OF THE HIGHLAND SHORES OWNERS ASSOCIATION, INC.**

**HIGHLAND SHORES OWNER'S ASSOCIATION
AMENDED CHARTER FOR NEW CONSTRUCTION COMMITTEE**

Purpose

The purpose of this Charter is to specify and clarify the composition, duties, and responsibilities of the New Construction Committee. This Amended Charter shall become effective September 1, 2021.

I. Organization

- A. New Construction Committee members are appointed and/or removed by the Board of Directors, at their absolute discretion. Membership may include one or more registered design professional(s); remaining members shall be limited to homeowners in good standing.
- B. The New Construction Committee shall consist of at least three (3) and no more than five (5) regular members and up to two (2) alternate members, **if appointed by the Board. Board members, the spouse of any board member or any individual who lives in the same household as a current board member is not eligible to serve as a committee member.** The alternate member(s) may only serve in the absence of a regular member for purposes of conducting official New Construction Committee business. A quorum, required for all official meetings of the New Construction Committee is defined as the presence of a majority of the number of regular members, or their alternates if the regular member is absent. In the absence of a regular member at any New Construction Committee meeting, an alternate, if present, shall assume all the duties and responsibilities of the absent regular member and may be counted towards a quorum. In the event that one regular member is absent and two alternates are present; alternate one will assume the absent regular member's duties and responsibilities immediately after calling the meeting to order.
- C. The New Construction Committee members will annually, at the first meeting of each calendar year, elect one of its members to serve as the Chairperson and a second member to serve as the Vice Chairperson. The Chairperson shall act as the facilitator of all meetings. In the event the Chairperson is not present, the Vice Chairperson will act as the facilitator. In the event both Chairman and Vice Chairman are absent, the Chairman may by written or e-mail proxy delegate another member to facilitate a meeting. The Committee Chairperson and Vice Chairperson are limited to a maximum of two (2) consecutive one-year terms. At the completion of the two (2) consecutive one-year terms, the New Construction Committee will elect different members to serve as the Chairperson and Vice Chairperson. While the Chairperson and Vice Chairperson may not serve more than two consecutive terms; each is eligible for re-election after a one year hiatus.

- D. The New Construction Committee meeting dates will be set and established by the New Construction Committee at the December meeting of each year for the following year's meetings. Meetings shall be held at the on-site management office on Friday mornings of the specific dates assigned by the Committee at 8:30 a.m., unless an alternate time is specifically agreed in advance by the New Construction Committee.
- E. The Board of Directors may (if it chooses to do so), appoint one of its directors as a non-voting Board Liaison to the New Construction Committee who will monitor all New Construction Committee meetings in order to facilitate communication and understanding between the two groups.

II. Responsibilities

- A. The New Construction Committee shall have exclusive jurisdiction over all original construction of new residences, including any additional construction projects submitted concurrently on any portion of a Residential Unit for review as defined in the Design Guidelines 4.1 and 4.2. The New Construction Committee shall also have an identical jurisdiction over all non-residential and/or commercial construction projects located within Highland Shores. . All application denials must be in writing and sent by either certified mail, hand delivery or by e-mail and must include a description of the denial, changes to the application that would be required to consider approval, and notification that the owner has the option, within 30 days of the date the notice of denial was sent to the owner, to either: (i) resubmit the application to the New Construction Committee; or (ii) appeal the New Construction Committee's decision to the Board. The New Construction Committee and Modification Committee shall promulgate, and amend from time to time, detailed Standards and Procedures governing its area of responsibility and practice as set out in the "Design Guidelines & Review Procedures for Residential New Construction and Modifications".
- B. The New Construction Committee shall, in respect to all homeowner requests, interpret and apply the appropriate *NCC Design Guidelines*, and the *Land Use Standards* (as initially set forth in Exhibit 'C' of the Association's CC&Rs and subsequently promulgated by the Board of Directors collectively, and shall determine that each request either: (1) conforms to the *NCC Design Guidelines* and the *Land Use Standards and is approved for construction start*, or (2) does not conform to the *NCC Design Guidelines* and the *Land Use Standards and is not approved for construction start*. In very exceptional, individual cases where a request does not conform to the *NCC Design Guidelines*, given a sufficient unique justification, the New Construction Committee may decide to grant a waiver of the *NCC Design Guidelines*. In no event shall the New Construction Committee approve a waiver after the completion of any project. (Such requests must be submitted to the Board of Directors for a judgment.)

- C. The New Construction Committee must consider and act on each request properly submitted and send a written decision through Management, usually no later than seven days after the Committee meeting in which it was discussed, to approve for construction start or disapprove construction start. Within fourteen (14) days after such decision has been rendered, the builder or homeowner may file a written appeal with Management or request to personally address the Committee at its next scheduled meeting.
- D. After any approved project is completed, the New Construction Committee reserves the right to review the improvement. The scope of the review will be limited to verification of conformance with the application; the committee will not review, nor be responsible for, the municipal code compliance, quality, craftsmanship or structural integrity of the improvement.
- E. The New Construction Committee maintains the right from time to time, at its sole discretion, to waive, amend or modify the *Design Guidelines and Review Procedures for Residential New Construction and Modifications* in order to maintain community standards, including, but not limited to, aesthetics, of Highland Shores or to address changing circumstances or technology provided any and all changes made are approved (majority vote) by the Modification Committee members and the New Construction Committee members.
- F. To the best of their ability, New Construction Committee members will familiarize themselves with the governing documents of Highland Shores and the relevant laws of the State of Texas governing homeowner's associations.
- G. The Committee may receive comments and/or complaints from homeowners through Management involving matters within the New Construction Committee's jurisdiction and shall handle them according to the Association's documents.
- H. The members of the New Construction Committee, while acting within the course and scope of this Charter, shall be deemed and are considered "Individual Insured's" under the Association's Directors & Officers Liability Policy.
- I. In the event of a conflict between the provisions of this Charter, the *NCC Design Guidelines* and the terms of the C,C&R's the latter shall prevail.

The Board of Directors of the Association, at its discretion, may from time to time modify, reduce, expand or supplement the duties of the New Construction Committee as set forth in the above Charter.

Amended by Highland Shores Board of Directors on August 23, 2021 to be effective September 1, 2021.

HIGHLAND SHORES OWNER'S ASSOCIATION AMENDED MODIFICATIONS COMMITTEE CHARTER

Purpose

The purpose of this Charter is to specify and clarify the composition, duties, and responsibilities of the Modifications Committee. This Amended Charter shall become effective September 1, 2021.

I. Organization

- A. Modifications Committee members are homeowner volunteers appointed and/or removed by the Board of Directors, at their absolute discretion. Membership shall be limited to owners in good standing.
- B. The Modifications Committee shall consist of at least three (3) and no more than five (5) regular members and up to two (2) alternate members, **if appointed by the Board. Board members, the spouse of any board member or any individual who lives in the same household with a current board member is not eligible to serve as a committee member.** If alternates are appointed, an alternate member(s) is qualified to count for quorum and vote on official Modification Committee business in the absence of a regular member. A quorum is, required for all official meetings of the Modifications Committee. A quorum is defined as the presence at a meeting of either regular members or alternates constituting a majority of the total number of regular members appointed to the Modification Committee. Any alternate present who takes the place of an absent regular member, regardless of whether their presence was needed to establish a quorum at a meeting of the Modifications Committee, shall assume all the rights, duties and responsibilities of the absent regular member. In the event that one regular member is absent and two alternates are present; alternate one will assume the absent regular member's rights, duties and responsibilities immediately after calling the meeting to order. In the event two regular members are absent and only one alternate is present, the one present alternate will assume one of the absent regular member's rights, duties and responsibilities immediately after calling the meeting to order. If both alternates are present and two regular members are absent, then both alternates will assume the rights, duties and responsibilities of the two absent regular members immediately after calling the meeting to order.
- C. The Modifications Committee members will annually, at the first meeting of each calendar year, elect one of its members to serve as the Chairperson and a second member to serve as the Vice Chairperson. The Chairperson shall act as the facilitator of all meetings. In the event the

Chairperson is not present, the Vice Chairperson will act as the facilitator. In the event both Chairman and Vice Chairman are absent, the Chairman may by written proxy delegate another member to facilitate a meeting. The Committee Chairperson and Vice Chairperson are limited to a maximum of two (2) consecutive one-year terms. At the completion of the two (2) consecutive one-year terms, the Modifications Committee will elect different members to serve as the Chairperson and Vice Chairperson. While the Chairperson and Vice Chairperson may not serve more than two consecutive terms; each is eligible for re-election after a one year hiatus.

- D. The Modifications Committee meeting dates will be set and established by the Modifications Committee at the December meeting of each year for the following year's meetings. Meetings shall be held at the on-site management office on Friday mornings of the specific dates assigned by the Committee at 9:15 a.m., unless an alternate time is specifically agreed in advance by the Modifications Committee.
- E. The Board of Directors may (if it chooses to), appoint one of its directors as a non-voting Board Liaison to the Modifications Committee who will monitor all Modifications Committee meetings in order to facilitate communication and understanding between the two groups.

II. Responsibilities

- A. The Modifications Committee shall have exclusive jurisdiction over modifications, additions, or alterations made on or to existing Residential Units, as defined in the Design Guidelines 4.1 and 4.2. All application denials must be in writing and sent by either certified mail, hand delivery or by e-mail and must include a description of the denial, changes to the application that would be required to consider approval, and notification that the owner has the option, within 30 days of the date the notice of denial was sent to the owner, to either: (i) resubmit the application to the Modifications Construction Committee; or (ii) appeal the Modifications Committee's decision to the Board. The Modifications Committee and New Construction Committee members shall promulgate, and amend from time to time, detailed Standards and Procedures governing its area of responsibility and practice as set out in the "Design Guidelines & Review Procedures for Residential New Construction and Modifications".
- B. The Modifications Committee shall, in respect to all homeowner requests, interpret and apply the appropriate *MC Design Guidelines*, and the *Land Use Standards* (as initially set forth in Exhibit 'C' of the Association's C, C and R's and subsequently promulgated by the Board of Directors collectively, and shall determine that each request either: (1) conforms to the *MC Design Guidelines* and the *Land Use Standards*, or (2) does not conform to the *MC*

Design Guidelines and the *Land Use Standards*. In very exceptional, individual cases where a request does not conform to the *MC Design Guidelines*, given a sufficient unique justification, the Modifications Committee may decide to grant a waiver of the *MC Design Guidelines*. In no event shall the Modifications Committee consider a request for a waiver after the completion of any modification project. (Such requests must be submitted to the Board of Directors for a judgment.)

- C. The Modification Committee must consider and act on each request submitted and send a written decision through Management to approve or disapprove the application or grant a waiver within forty-five (45) days of submission.
- D. After any approved modification is completed, the Modification Committee reserves the right to inspect the modification. The scope of the inspection will be limited to verification of conformance with the application; the committee will not inspect, nor be responsible in any manner for, the municipal code compliance, quality, craftsmanship or structural integrity of the modification.
- E. The Modifications Committee maintains the right from time to time, at its sole discretion, to waive, amend or modify the Design Guidelines and Review Procedures for Residential New Construction and Modifications in order to maintain community standards, including, but not limited to, aesthetics, of Highland Shores or to address changing circumstances or technology provided any and all changes made are approved (majority vote) by the Modification Committee members and the New Construction Committee members.
- F. To the best of their ability, Modifications Committee members will familiarize themselves with the governing documents of Highland Shores and the relevant laws of the State of Texas governing homeowner's associations.
- G. The Committee may receive comments and/or complaints from homeowners through Management involving matters within the Modifications Committee's jurisdiction and shall handle them according to the Association's documents.
- H. The members of the Modifications Committee, while acting within the course and scope of this Charter, shall be deemed and are considered "Individual Insured's" under the Association's Directors & Officers Liability Policy.
- I. In the event of a conflict between the provisions of this Charter, the MC Design Guidelines and the terms of the CC&Rs the latter shall prevail.

The Board of Directors of the Association, at its discretion, may from time to time amend the Charter to modify, reduce, expand or supplement the duties of the Modification Committee.

Amended by Highland Shores Board of Directors on August 23, 2021, to be effective September 1, 2021.