

**FORREST LAKE TOWNHOUSE ASSOCIATION, INC.  
AMENDMENT TO THE BY-LAWS: NOMINATING & ELECTIONS**

STATE OF TEXAS

§

KNOW ALL PERSONS BY THESE PRESENTS:

COUNTY OF HARRIS

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BE IT RESOLVED THAT

The original Amendment to the By-Laws: Nominating & Elections for Forrest Lake Townhouse Association, Inc. was approved on December 18, 2013, with an effective date of August 4, 2014, and recorded under County Clerk's File No. 20140341568 in the Official Public Records of Real Property of Harris County, Texas.

Effective September 17, 2015 this Amendment to Article VIII of the By-Laws, hereby amends, consolidates, and supersedes the aforementioned Amendment. In addition, this amendment supersedes the Voting, Tabulation of Ballots, and Access to Ballots Policy that was recorded on October 24, 2014 and recorded under County Clerk's File No. 20140495646 in the Official Public Records of Real Property of Harris County, Texas. All Owners are subject to this Amendment.

Section 1. The election of the Board of Directors shall be by written ballot as hereinafter provided. At such election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of Articles III and IV of these by-laws. The name(s) receiving the largest number of votes shall be elected. There shall not be cumulative voting.

Section 2. Nominations for election to the Board of Directors shall be made by a Nominating Committee that shall be one of the standing committees of the Association.

Section 3. At the August regularly scheduled meeting of the Board, the Board of Directors shall appoint a board member who is not a candidate during the upcoming election in October of that year to be the Managing Director of Elections and shall serve for one year until the next regularly scheduled August board meeting. The Managing Director of Elections shall serve as the Chairman of both the Nominating Committee and the Elections Committee. The appointment of the Managing Director of Elections will be announced at the regularly scheduled August Board meeting.

Section 4. The Nominating Committee shall consist of the Chairman, who shall be the Managing Director of Elections, and one or more members of the Association. At the August regularly scheduled meeting of the Board, the Board of Directors shall appoint the members of the Nominating Committee. The members of the Nominating Committee shall serve for one year until the next regularly scheduled August Board meeting. The appointment of the members of the Nominating Committee will be announced at the regularly scheduled August Board meeting.

Section 5. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine,

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but not less than the number of vacancies that are to be filled. Such nomination shall be made from among members of the Association in good standing at the time of nomination. Nominations shall be placed on a written ballot as provided in Section 7 and shall be made in advance of the time fixed in Section 7 for the mailing of such ballots to the members.

Section 6. The Election Committee shall consist of three or more members of the Association. At the August regularly scheduled meeting of the Board, the Board of Directors shall appoint the members of Election Committee. The members of the Election Committee shall serve for one year until the next regularly scheduled August Board meeting. The appointment of the members of the Election Committee will be announced at the regularly scheduled August Board meeting.

In accordance with Subsection 209.00594 of the Texas Property Code, a person who is a candidate in an Association election or who is otherwise the subject of an Association vote, or a person related to that person within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code, may not tabulate or otherwise be given access to the ballots cast in that election or vote. Said individuals may not serve on Election Committee. A person who tabulates votes or who performs a recount under Section 209.0057(c) of the Texas Property Code may not disclose to any other person how an individual voted. Notwithstanding any other provision of the By-Laws or the Texas Property Code, only a person who tabulates votes or who performs a recount under Section 209.0057(c) of the Texas Property Code may be given access to the ballots cast in the election or vote. This section may not be construed to affect a person's obligation to comply with a court order for the release of ballots or other voting records.

Section 7. For an election or vote taken at a meeting of the Association, not later than the tenth (10th) day or earlier than the sixtieth (60th) day before the date of an election or vote, the Association shall give written notice of the election or vote to each Owner entitled to vote. For an election or vote not taken at a meeting of the Association, the Association shall give written notice of the election or vote to all Owners entitled to vote on any matter under consideration. This notice shall be given not later than the twentieth (20th) day before the latest date on which a ballot may be submitted to be counted.

At least ten (10) days before any absentee or other ballot is disseminated to the membership, the Association shall provide notice to each member (the "Notice"). The Notice shall state:

1. That the member may submit his or her name to be placed on the ballot for election to the Board of Directors;
2. The number of positions available on the Board that will be filled at the upcoming election;
3. The telephone number, fax number, email address and/or physical address at which the member may notify the Association that he or she wishes to have his or her name placed on the ballot for the election; AND
4. Any other information necessary to inform the members how to have their name listed on the ballot for the election.

The Notice must be issued by one of the following methods:

1. Notice may be given by regular mail to each member at the address listed in the Association's records, being the address of the Property within the

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Subdivision, or another address provided to the Association by the Owner in writing; OR

2. Notice may be given by:

- a. Posting the Notice in a conspicuous manner reasonably designed to provide notice to Association members on the Association's common areas; OR
- b. Posting the Notice in a conspicuous manner reasonably designed to provide notice to Association members on other conspicuously located privately owned property in the Subdivision; OR
- c. Posting the Notice on any internet website maintained by the Association or other internet media; AND
- d. Sending the Notice by email to each Owner who has registered an email address with the Association.

3. A member who does not timely submit his or her name in accordance with the Notice is not entitled to have his or her name listed on the ballot; however, that member may still utilize proxies.

4. During the ten (10) day notice period, any member that has submitted his or her name in the manner prescribed in the Notice shall be placed on the ballot for the upcoming election. No absentee ballot, other ballot, or proxy that displays the names of candidates running for election may be provided to the membership until the ten (10) day notice period has expired.

A provision in a dedicatory instrument that disqualifies an Owner from voting in the election of Board members or any matter concerning the rights or responsibilities of the Owner is void.

Section 8. The Association is not required to provide an Owner, unless a dedicatory document provides otherwise, with more than one voting method. However, an Owner must be allowed to vote by absentee ballot or proxy. The voting rights of an Owner may be cast in the following manner:

1. In person or by proxy at a meeting of the Association; or
2. By absentee ballot; or
3. By electronic ballot; or
4. By any method of representative or delegated voting provided by a dedicatory instrument.

Absentee or electronic ballots may:

1. Be counted as an Owner present and voting for the purpose of establishing a quorum only for items appearing on the ballot;
2. Not be counted if the Owner attends the meeting to vote in person;
3. Not be counted on the final vote of a proposal if the motion was amended at the meeting to be different from the exact language on the absentee or election ballot; and,
4. A nomination taken from the floor in a board member election is not considered an amendment to the proposal for the election.

The solicitation for votes by absentee ballot must include the following:

1. An absentee ballot that contains each proposed action with the opportunity to vote for or against each proposal;
2. The following language: "By casting your vote via absentee ballot you will forgo the opportunity to consider and vote on any action from the floor on these proposals, if a meeting is held. This means that if there are amendments to these proposals, your votes will not be counted on the final vote on these measures. If you desire to retain this ability, please attend

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any meeting in person. You may submit an absentee ballot and later choose to attend any meeting in person, in which case any in-person vote will prevail."

An Electronic ballot is defined as a ballot given by:

1. Email, facsimile, or posting on an internet website, for which the identity of the Owner submitting the ballot can be confirmed; and
2. The Owner can receive a receipt of the electronic transmission and receipt of the ballot.

If the electronic ballot is posted on an internet website, a notice of the posting shall be sent to each Owner that contains instructions on obtaining access to the posting on the website.

Section 9. Any vote cast in an election or vote by a member must be in writing. Electronic votes constitute written ballots. In an Association wide election, written ballots are not required for an uncontested race. The Association shall include on each absentee ballot or other ballot for a board member election the name of each eligible candidate from whom the Association received a request to be placed on the ballot.

In order to allow for secret and unsigned ballots, the Association shall adopt rules to ensure that:

1. An Owner cannot cast more votes than an Owner is eligible to cast in an election or vote;
2. The Association counts every vote cast by an Owner that is eligible to cast a vote; and,
3. In any election for the Board, each candidate may name one person to observe the counting of the ballots, provided that this does not entitle any observer to see the name of the person who casts any ballot, and that any disruptive observer may be removed.

All elections of the Board of Directors shall be made by written, secret, absentee, or electronic ballots that shall:

1. Describe the vacancies to be filled;
2. Set forth the names of those nominated by the Nominating Committee for such vacancies in accordance with the By-Laws; and,
3. Contain spaces for write-in votes by the members for each vacancy.

Such ballot shall be prepared and mailed by the General Manager to the members at least twenty (20) days in advance of the date set forth therein for a return (which date shall be a date on or before the day before the annual meeting or special meeting called for elections). If the election of the Board of Directors is uncontested then written ballots are not required.

Each member shall be mailed a ballot on which he/she may cast the number of votes to which he/she is entitled. If the ballot is completed by the delegated member's proxy, the delegated member's proxy must sign the ballot with the delegated proxy's signature and include the following after their signature, the word "for", and then the name of the delegating member. A copy of the proxy must be enclosed in the "ballot" envelope along with the completed ballot. The proxy holder must complete the ballot and the envelope in accordance with the voting instructions.

The completed ballot shall be returned in the manner hereinafter outlined. The ballot shall be placed in a sealed envelope marked "ballot". The sealed "ballot" envelope shall include the member's name and unit number. Such

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"ballot" envelope may, in turn, be placed in another sealed envelope with such other information as the Board of Directors may determine will serve to establish an Owner's right to cast the vote or votes stated therein. The ballot shall be returned to the General Manager at 5805 Lumberdale Road.

Upon receipt of each ballot, the General Manager shall record each ballot that is received so that he/she can verify which members have sent in their ballots. This will enable the General Manager to determine whether the member requesting a proxy has already submitted a ballot. If a ballot has already been received, a proxy will not be sent to the member. The General Manager shall then immediately place the envelope(s) in a safe or other locked place until the day set by the Board of Directors for the counting of the ballots. On that day, the General Manager will turn over the unopened "ballot" envelopes to the Election Committee. The ballots and other election materials will be placed in an envelope and the Election Committee shall proceed to open the "ballot" envelopes and the count the votes.

The Election Committee shall compare the number of ballots/votes counted by the Election Committee against the list of ballots/votes received by the General Manager as described above; and if the vote is by proxy, that a proxy has been filed with the General Manager as provided in Article XIV, Section 2, and that such proxy is valid. The procedure above shall be followed in such a manner that the vote of any member or his/her proxy shall not be disclosed to anyone. All of the election materials will be placed in a sealed envelope by the Election Committee and turned over to the Managing Director of Elections.

The tally of the votes will be provided by the Election Committee to the Managing Director of Elections who will in turn notify the candidates of the result of the election. Additionally, the Managing Director of Elections will announce the results of the election at the regular annual meeting of the membership provided in Article XIII, Section 1. Once the announcement is completed, the tally of the votes will be placed in a sealed envelope by the Managing Director of Elections and delivered to the General Manager who will store the sealed envelope and their contents in a safe or other locked place for the next sixty (60) days.

Section 10. Any member may, not later than the fifteenth (15) day after the later of the date of any meeting of Owners at which an election or vote was held or the date of the announcement of the results of an election or vote, demand a recount of the votes. A demand for a recount must be submitted in writing either: (1) by verified mail to the Association's mailing address at 5805 Lumberdale Road; or (2) in person to the General Manager. In accordance with Section 209.002 of the Texas Property Code, verified mail is defined as any method of mailing for which evidence of mailing is provided by the United States Postal Service or a common carrier.

The Association must estimate the costs for the performance of the recount by a person qualified to tabulate votes under Subsection 209.0057(c) and must send an invoice for the estimated costs to the requesting Owner at the Owner's last known address according to the Association's records not later than the twentieth (20th) day after the date the Association receives the Owner's demand for the recount.

The Owner demanding the recount must pay the invoice(s) described in the paragraph above in full to the Association on or before the thirtieth (30th) day after the invoice(s) is sent to the Owner. If the invoice(s)

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described above is not paid by the deadline prescribed above, the Owner's demand for a recount is considered withdrawn and a recount is not required.

If the estimated costs are lesser or greater than the actual costs the Association must send a final invoice to the Owner on or before the thirtieth (30th) business day after the date the results of the recount are provided. If the final invoice includes, additional amounts owed by the Owner, any additional amounts not paid to the Association before the thirtieth (30th) business day after the date the invoice is sent to the Owner may be added to the Owner's account as an assessment. If the estimated costs exceed the final invoice amount, the Owner is entitled to a refund. The refund shall be paid to the Owner at the time the final invoice is sent.

Following receipt of payment, the Association shall, at the expense of the Owner demanding the recount, retain for the purpose of performing the recount, the services of a person who is qualified to tabulate votes under the Texas Property Code subsection 209.0057. The Association shall enter into a contract for the services of a person who:

1. Is not a member of the Association or related to a member of the Association board within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code; and
2. Is:
  - a. A current or former:
    - (1.) County judge; or
    - (2.) County elections administrator; or
    - (3.) Justice of the peace; or
    - (4.) County voter registrar; or
  - b. A person agreed on by the Association and the member(s) demanding the recount.

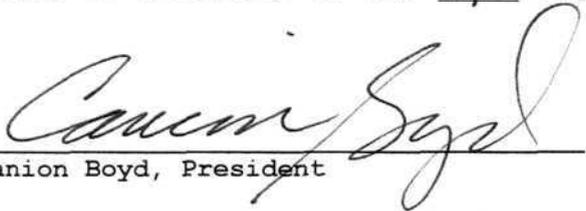
On or before the thirtieth (30<sup>th</sup>) day after the date of receipt of payment for a recount, the recount must be completed and the Association must provide each Owner who demanded the recount with notice of the results of the recount. If the recount changes the results of the election, the Association shall reimburse the demanding Owner for the cost of the recount not later than the thirtieth (30th) day after the date the results of the recount are provided. Any action taken by the Board in the period between the initial election vote tally and the completion of the recount is not affected by any recount.

### CERTIFICATION

I, the undersigned, being the President of the Forrest Lake Townhouse Association, Inc., hereby certify that the foregoing Policy was adopted by at least a majority of the Forrest Lake Townhouse Association, Inc.'s Board of Directors.

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Approved and adopted by the Board of Directors on the 17 day of  
September 2015.

  
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Canion Boyd, President

Forrest Lake Townhouse Association, Inc.