

# **BYLAWS OF PREISS HEIGHTS PROPERTY OWNERS' ASSOCIATION, INC.**

## **ARTICLE I - OFFICES**

### **1. REGISTERED OFFICE AND AGENT**

The registered office and registered agent of the Corporation shall be as set forth in the Corporation's Bylaws. The Registered Agent shall be designated as the President-Elect. The registered office or the registered agent may be changed by resolution of the Board of Directors, or upon making the appropriate filing with the Secretary of State.

### **2. PRINCIPAL OFFICE**

The principal office of the Corporation shall be at 1587 Edwards Blvd. New Braunfels, TX 78132.

### **3. OTHER OFFICES**

The Corporation may not have other offices.

## **ARTICLE II – MEMBERS**

### **1. CLASSES OF MEMBERS**

The Corporation may have three (3) classes of members. Full Membership, Associate Membership and Renter Membership. Members must meet the following qualifications for membership:

(Board of Directors in conjunction with full membership members hold the right to dissolve the renter membership)

(Board of Directors in conjunction with full membership members hold the right to limit membership to any of the 3 classes of memberships. In such instance where a limit to membership shall arise, commencement at renter level will be considered first)

All members shall apply for membership. By meeting such qualifications, signing and completing forms, and paying membership fees, all members agree to abide by the Rules of the Park as posted on the PHPOA website and to be held to the consequences of such.

#### **A. Qualifications for Full Membership (Voting Members)**

- i. Applicant must be the owner of property in the designated locations on the Attached Exhibit "A" which is incorporated as if recited verbatim in these By-Laws,

- a. Any property owned by a Corporation, Limited Liability Company or Trust may only designate the President, Single Managing Member or Trustee as the “owner” of the property in accordance with these membership rules; and
- ii. All applicants must pay dues in full prior to May 31 of the year of entry; and
- iii. Membership for a “Full Member” shall cover only the named member, his or her spouse and a single generation of direct descendants (children) of the “Full Member” under the age of 18 years; and
- iv. No “Full Membership” shall be transferrable.
- v. Applicants are entitled to one (1) Full Membership for each property owned within the defined area in Exhibit “A” but must pay an individual due for each such membership; and
- vi. Number of memberships will be limited to 2 full memberships per individual family; and
- vii. Only Full Members shall have a right to vote at meetings and have one vote per membership.

**B. Qualifications for Associate Membership**

- i. Applicants must be individuals over the age of 18 years and be the direct lineal descendent of an active (paid) Full Member as outlined above,
  - a. Applicants for Associate Membership may request to have fees associated with his or her membership waived if the individual is actively enrolled full time (at least 12 hours) in a college, university or trade school until they reach the age of 24; and
- ii. Applicant must have a letter of Sponsorship from a Full Member; and
- iii. All Applicants must pay dues in full prior to May 31 of the year of entry; and
- iv. No “Associate Membership” shall be transferrable; and
- v. Applicants may have no more than 8 guests at any time; and
- vi. Membership for an “Associate Membership” shall cover only the named member, if applicable, his or her spouse and a single generation of direct descendants (children) of the “Associate Member” under the age of 18 years; and
- vii. Associate Members shall not have any right to vote at meetings.

**C. Qualifications for Renter Membership**

- i. Applicants must be individuals over the age of 18 years and have a Rental Contract for the term of at least one (1) year; and
- ii. Only one Renter Membership shall be granted per parcel of property; and
- iii. Applicant must reside in a single-family dwelling within the geographic area described in Exhibit “A” attached hereto and incorporated as if recited verbatim; and
- iv. Applicant must have a letter of Sponsorship from a Full Member; and
- v. All Applicants must be approved for Entry by a 51% vote of approval from the Board of Directors; and
- vi. All Applicants must pay dues in full prior to May 31 of the year of entry; and
- vii. No “Renter Membership” shall be transferrable; and
- viii. Applicants may have no more than 8 guests at any time; and

- ix. *Membership for a “Renter Member” shall cover only the named member, his or her spouse and a single generation of direct descendants (children) of the “Renter Member” under the age of 18 years; and*
- x. *Renter Members shall not have any right to vote at meetings.*

## **2. TERMINATION OF MEMBERSHIP**

The vote of the Board of Directors, by affirmative vote of fifty-one percent (51%), may terminate a member for cause after an appropriate hearing.

Before initiating any hearing to Terminate Membership, the following steps shall be taken in the following order:

- A. The member that has violated the Rules of the Park shall receive a verbal warning with a written documentation outlining the violation and an explanation of how the rule was violated signed by one of the Board of Directors; then
- B. If the same member continues to violate the Rules of the Park, said member shall receive a written letter outlining the second violation including an explanation of how the rule was violated and referencing the first violation. Such letter shall be signed by a majority of the Board of Directors; then
- C. If the same member continues to violate the Rules of the Park, the member shall be expelled from use of the park for a period of one (1) year to begin immediately upon receipt of a written letter outlining the continued violations signed by one of the Board of Directors. The violating member shall not be entitled to any refund of dues.

In the event that any member receives two annual expulsions in conformity with the steps outlined above, said member shall be permanently Terminated from Membership.

## **3. TRANSFER OF MEMBERSHIP**

Membership in this Corporation is not transferable or assignable.

## **4. PLACE OF MEETINGS**

The Board of Directors may designate any place, within Comal County in the State of Texas, as the place of meeting for any annual or biannual meeting or for any special meeting called by the Board of Directors. The Board of Directors may also have the option to hold a virtual meeting if deemed necessary. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be the Preiss Heights Park set as principal office.

## **5. BI-ANNUAL MEETING**

The bi-annual meetings of members shall be held on the Third Sunday of May at 2:00 p.m. and the Third Sunday of October at 2:00 p.m.

Any request for articles or discussions to be added to agenda must be submitted to the Board of Directors via electronic mail or US mail and confirm receipt no less than 2 weeks prior to scheduled meeting.

Failure to hold the annual meeting at the designated time shall not work a dissolution of the Corporation. In the event the Board of Directors fails to call the annual or biannual meeting at the designated time, any member may make demand that such meeting be held within a reasonable time, such demand to be made in writing by registered mail directed to any officer of the Corporation. If the annual meeting of members is not called within thirty (30) days following such demand, any member may compel the holding of such annual or biannual meeting by legal action directed against the Board of Directors, and all of the extraordinary writs of common law and of courts of equity shall be available to such member to compel the holding of such annual meeting.

## **6. NOTICE OF MEMBERS' MEETING**

Written or printed notice stating the place, day, and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be given not less than ten (10) nor more than sixty (60) days including weekends, before the date of the meeting, either personally, by mail, by posts to Facebook, posts on the Corporation Website or physical placards within the geographic area in the attached Exhibit "A" 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. If mailed, such notice shall be deemed to be given when deposited in the United States mail addressed to the member at the member's address as it appears on the records of the Corporation, with postage thereon paid.

## **7. SPECIAL MEMBERS' MEETINGS**

Special meetings of the members may be called by the President, the Board of Directors, by members having not less than twenty (20) percent of the votes entitled to be cast at such meeting.

Only business within the purpose or purposes described in the notice or executed waiver of notice may be conducted at a special meeting of the members.

Any person or persons entitled hereunder to call a special meeting of members may do so only by written request sent by certified mail or delivered in person to the President or Secretary. The officer receiving the written request shall within ten (10) days from the date of its receipt cause notice of the meeting to be given in the manner provided by these Bylaws to all members entitled to vote at the meeting. If the officer does not give notice of the meeting within ten (10) days after the date of receipt of the written request, the person or persons calling the meeting may fix the time of meeting and give the notice in the manner provided in these Bylaws. Nothing contained in this section shall be construed as limiting, fixing, or affecting the time or date when a meeting of members called by action of the Board of Directors may be held.

## **8. VOTING OF MEMBERS**

Only active paid Full Members shall be entitled vote. Full Members are entitled to one (1) vote per parcel of land owned (and membership dues paid) on each matter submitted to a vote of the members, except to the extent that the voting rights of members of any class or classes are limited, enlarged, or denied by these Bylaws.

Unless otherwise provided by these Bylaws, a member may vote in person or may vote by proxy executed in writing by the member and notarized or by the member's duly authorized attorney-in-fact. No proxy shall be valid after the specified meeting date, unless otherwise provided in the proxy. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and in no event shall it remain irrevocable past the specified meeting date. Elections of directors may be conducted only in person at the bi-annual meetings held May of each year.

The vote of the majority of the votes entitled to be cast by the members present, or represented by proxy at a meeting at which a quorum is present, shall be the act of the members meeting, unless the vote of a greater number is required by law or these Bylaws.

A vote may be taken by voice or show of article in hand provided by board unless a majority of members entitled to vote, either in person or by proxy object, in which case written ballots shall be used.

## **9. QUORUM OF MEMBERS**

Unless otherwise provided in these Bylaws, members holding two tenths (20%) of the votes entitled to be cast, represented in person or by proxy, shall constitute a quorum. Unless otherwise provided in these Bylaws, once a quorum is present at a meeting of members, the members represented in person or by proxy at the meeting may conduct such business as may be properly brought before the meeting until it is adjourned, and the subsequent withdrawal from the meeting of any member or the refusal of any member represented in person or by proxy to vote shall not affect the presence of a quorum at the meeting. Unless otherwise provided in these Bylaws, the members represented in person or by proxy at a meeting of members at which a quorum is not present may adjourn the meeting until such time and to such place as may be determined by a vote of the majority of the members represented in person or by proxy at that meeting.

## **10. FIXING RECORD DATES FOR DETERMINING MEMBERS ENTITLED TO VOTE AND NOTICE**

The record date for determining the members entitled to notice of a members' meeting and for determining the members entitled to vote at a members' meeting shall be the close of business on the business day preceding the date on which notice is given, such date in any case not be earlier than the 90th day before the date the action requiring the determination of members is originally to be taken.

A determination of members entitled to notice of or to vote at a members' meeting is effective for any adjournment of the meeting unless the Board of Directors fix a new date for determining the

right to notice or the right to vote. The Board of Directors must fix a new date for determining the right to notice or the right to vote if the meeting is adjourned to a date more than ninety (90) days after the record date for determining members entitled to notice of the original meeting.

## **11. VOTING LISTS**

After fixing a record date for the notice of a meeting, the Corporation shall prepare an alphabetical list of the names of all the voting members who are entitled to notice of the meeting. The list must show the address and number of votes each voting member is entitled to cast at the meeting. The Corporation shall maintain, through the time of the members' meeting, a list of members who are entitled to vote at the meeting. This list shall be prepared on the same basis and be part of the list of voting members.

Not later than two (2) business days after the date notice is given of a meeting for which a list was prepared, as provided above, and continuing through the meeting, the list of voting members must be available for inspection by any member entitled to vote at the meeting for the purpose of communication with other members concerning the meeting at the Corporation's principal office or at a reasonable place identified in the meeting notice in the city where the meeting will be held. A voting member or voting member's agent or attorney is entitled on written demand to inspect and to copy the list at a reasonable time and at the member's expense during the period it is available for inspection.

The Corporation shall make the list of voting members available at the meeting, and any voting member or voting member's agent or attorney is entitled to inspect the list at any time during the meeting or any adjournment.

## **12. ACTION BY MEMBERS WITHOUT MEETING**

Any action required by the Texas Business Organizations Code to be taken at a meeting of the members, or any action which may be taken at a meeting of the members or any committee, may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all the members entitled to vote with respect to the subject matter thereof, or all of the members of the committee, as the case may be. Such consent shall have the same force and effect as a unanimous vote.

If the Corporation's Bylaws so provide, any action required by the Texas Business Organizations Code to be taken at a meeting of the members or any action that may be taken at a meeting of the members of any committee may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by 20% of members or committee members as would be necessary to take that action at a meeting at which all of the members or members of the committee were present and voted.

Each written consent shall bear the date of signature of each member or committee member who signs the consent. Prompt notice of the taking of any action by members or a committee without a meeting by less than unanimous written consent shall be given to all members or committee members who did not consent in writing to the action.

If any action by members or a committee is taken by written consent signed by less than all of the members or committee members, any articles or documents filed with the Secretary of State as a result of the taking of the action shall state, in lieu of any statement required by this Act concerning any vote of the members, that written consent has been given in accordance with the provisions of section 6.202 of the Texas Business Organizations Code and that any written notice required by such section has been given. Pursuant to these bylaws, at least 20% of the voting members must consent to any such action.

An electronic transmission by or on behalf of a member consenting to an action to be taken is considered to be written, signed, and dated for the purposes of this section if the transmission sets forth or is delivered with information from which the Corporation can determine that the transmission was transmitted by or on behalf of the member and the date on which the electronic transmission was transmitted by or on behalf of the member. Unless the consent is otherwise dated, the date of transmission is the date on which the consent was signed. Consent given by electronic transmission is delivered to the Corporation upon the earliest of: (i) when the consent enters an information processing system, if any, designated by the Corporation for receiving consents, so long as the electronic transmission is in a form capable of being processed by that system and the Corporation is able to retrieve that electronic transmission; (ii) when a paper reproduction of the consent is delivered to the Corporation's registered office in this State by hand or by certified or registered mail, return receipt requested; (iii) when a paper reproduction of the consent is delivered to the Corporation's principal executive office, place of business, or an officer or agent of the Corporation having custody of the Corporation's records of meetings of stockholders or members by hand or by certified or registered mail, return receipt requested; or (iv) when delivered in such other manner, if any, provided by resolution of the Board of Directors or governing body of the Corporation.

### **13. COMMITTEES OF THE MEMBERS**

The members, by resolution adopted by a quorum (20% of the total voting membership) of the members, may designate one or more committees which, to the extent provided in such resolution, shall have and exercise the authority of the members in the management of the Corporation, except as limited by these Bylaws or the Texas Business Organizations Code. Each such committee shall consist of two or more voting members. The designation of such committees and the delegation thereto of authority shall not operate to relieve the members of any responsibility imposed upon it or him by law.

Committees shall be discussed and voted on at the bi-annual meetings of the voting members.

Each member of a committee shall continue as such until the next bi-annual meeting of the members of the Corporation and until a successor is appointed in the committee member's stead, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member cease to qualify as a member thereof. One member of each committee shall be appointed chairman by the person or persons authorized to appoint the members thereof. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments, but vacancies are

not required to be filled. Unless otherwise provided in the resolution designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee. Each committee may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the members.

## **ARTICLE III - DIRECTORS**

### **1. BOARD OF DIRECTORS**

To the extent not limited or prohibited by law or these Bylaws, the powers of the Corporation shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of the Board of directors of the Corporation. The Board of Directors shall manage the affairs of the Corporation and may set rules and policies for the Corporation. All members of the Board of Directors must be active Full Members who have been active members for at least five (5) years.

### **2. NUMBER AND ELECTION OF DIRECTORS**

The number of directors and officers combined shall be seven (7). The number of directors may not be decreased to fewer than three (3).

At the first bi-annual meeting of the year of members and at each first bi-annual meeting thereafter, the members shall elect directors. A director shall hold office until the next annual election of Directors and until said Director's successor shall have been elected, appointed, or designated and qualified.

### **3. REMOVAL**

A director may be removed from office, with or without cause, by the persons entitled to elect, designate, or appoint the director. If the director was elected to office, removal requires an affirmative vote equal to the vote necessary to elect the director.

### **4. RESIGNATION**

A director may resign by providing written notice of such resignation to the Corporation. The resignation shall be effective upon the date of receipt of the notice of resignation or the date specified in such notice. Acceptance of the resignation shall not be required to make the resignation effective.

### **5. VACANCIES AND INCREASE IN NUMBER OF DIRECTORS**

Any vacancy occurring in the Board of Directors shall not be filled until the next bi-annual meeting.

**6. ANNUAL MEETING OF DIRECTORS**

Following each bi-annual meeting, and at least one week prior to each bi-annual meeting, the Board of Directors elected at such meeting shall hold a meeting and shall transact such other business as shall come before the meeting. The time and place of the bi-annual meeting may be changed by resolution of the Board of Directors.

**7. REGULAR MEETING OF DIRECTORS**

Regular meetings of the Directors may be held with or without notice at such time and place as may be from time to time determined by the Board of Directors.

**8. SPECIAL MEETINGS OF DIRECTORS**

The Secretary shall call a special meeting of the Board of Directors whenever requested to do so by the President or by two (2) or more Directors. Such special meeting shall be held at the date and time specified in the notice of meeting.

**9. PLACE OF DIRECTORS' MEETINGS**

All meetings of the Board of Directors shall be held either at the principal office of the Corporation or at such other place, within Comal County, as shall be specified in the notice of meeting or executed waiver of notice.

**10. NOTICE OF DIRECTORS' MEETINGS**

Notice of any special meeting of the Board of Directors shall be given at least two (2) days previously thereto by written notice delivered personally or electronically by email or text or sent by mail to each Director at that Director's address as shown by the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, the postage thereon prepaid. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transaction at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Bylaws.

**11. QUORUM AND VOTING OF DIRECTORS**

A quorum for the transaction of business by the directors shall be a majority of the number of directors fixed by these Bylaws. The act of the majority of the directors present, in person or by proxy at a meeting at which a quorum is present shall be the act of the Directors, unless the act of a greater number is required by law or these Bylaws.

Only the members of the Board of Directors shall be present at meetings of the Board of

Directors.

A Director may vote in person or by proxy executed in writing by the director. No proxy shall be valid after the specified meeting. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and unless otherwise made irrevocable by law.

## **12. COMPENSATION**

Directors and officers, as such, shall not receive any stated salary for their services.

## **13. ACTION BY DIRECTORS WITHOUT MEETING**

Any action required by the Texas Business Organizations Code to be taken at a meeting of the Board of Directors, or any action which may be taken at a meeting of the Board of Directors or any committee, may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all the Board of Directors entitled to vote with respect to the subject matter thereof, or all of the members of the committee, as the case may be. Such consent shall have the same force and effect as a unanimous vote.

If the Corporation's Bylaws so provide, any action required by the Texas Business Organizations Code to be taken at a meeting of the Board of Directors or any action that may be taken at a meeting of the Board of Directors of any committee may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of Board of Directors or committee members as would be necessary to take that action at a meeting at which all of the Board of Directors or members of the committee were present and voted.

Each written consent shall bear the date of signature of each Director or committee member who signs the consent. A written consent signed by less than all of the Board of Directors or committee members is not effective to take the action that is the subject of the consent unless, within sixty (60) days after the date of the earliest dated consent delivered to the Corporation in the manner required by this section, a consent or consents signed by the required number of Board of Directors or committee members is delivered to the Corporation at its registered office, registered agent, principal place of business, transfer agent, registrar, exchange agent, or an officer or agent of the Corporation having custody of the books in which proceedings of meetings of Board of Directors or committees are recorded. Delivery shall be by hand or certified or registered mail, return receipt requested. Delivery to the Corporation's principal place of business shall be addressed to the President or principal executive officer of the Corporation.

Prompt notice of the taking of any action by Board of Directors or a committee without a meeting by less than unanimous written consent shall be given to all Board of Directors or committee members who did not consent in writing to the action.

If any action by Board of Directors or a committee is taken by written consent signed by less than all of the Board of Directors or committee members, any articles or documents filed with the Secretary of State as a result of the taking of the action shall state, in lieu of any statement

required by this Act concerning any vote of the Board of Directors or committee members, that written consent has been given in accordance with the provisions of section 6.202 of the Texas Business Organizations Code and that any written notice required by such section has been given.

An electronic transmission by or on behalf of a director or member of a committee consenting to an action to be taken and transmitted by or on behalf of a director or member of a committee is considered written, signed, and dated for the purposes of this section if the transmission sets forth or is delivered with information from which the Corporation can determine that the transmission was transmitted by or on behalf of the director or member of a committee and the date on which the electronic transmission was transmitted by or on behalf of the director or member of a committee. Unless the consent is otherwise dated, the date of transmission is the date on which the consent was signed.

## **ARTICLE IV - OFFICERS**

### **1. NUMBER OF OFFICERS**

The officers of a Corporation shall consist of a president, a secretary, a vice-president, a treasurer and non-officer assistants as may be deemed necessary. Multiple offices may not be held by the same person.

### **2. ELECTION OF OFFICERS AND TERM OF OFFICE**

Officers will be elected annually by the Board at the first meeting of the Board following each annual meeting of the Members, unless an officer position is directly challenged at election or a nomination for a specific position is called and accepted. In that case a membership vote will be taken for that specific position. A vacancy in any office may be filled by the Board for the unexpired portion of the term.

Each Officer may hold the same office for a period of up to four (4) consecutive years with each term being a maximum of one year. Upon reaching the fourth consecutive year of service, the officer shall step down from his or her position and shall not be permitted to hold the same position as officer for a period of at least two (2) years thereafter unless moving up from any officer position. Directors will serve in an escalating mode up to officer position or will need to step down after their 3<sup>rd</sup> year and shall not be permitted to hold Director position for a period of at last two (2) years thereafter. Position levels are determined as follows; Director 1, Director 2, Director 3, Treasurer, Secretary, Vice President and President.

### **3. REMOVAL OF OFFICERS, VACANCIES**

Any officer elected or appointed may be removed by the Board of Directors whenever, in their judgment, the best interests of the Corporation will be served thereby. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer so removed. Election or appointment of an officer or agent shall not of itself create contract rights. A vacancy in any

office because of death, resignation, removal, disqualification or otherwise, shall be filled by the voting members at the next bi-annual meeting and any vacancy shall be filled as otherwise deemed in these by-laws for a general election.

#### **4. POWERS OF OFFICERS**

Each officer shall have, subject to these Bylaws, in addition to the duties and powers specifically set forth herein, such powers and duties as are commonly incident to that office and such duties and powers as the Board of Directors shall from time to time designate. All officers shall perform their duties subject to the directions and under the supervision of the Board of Directors. The President may secure the fidelity of any and all officers by bond or otherwise.

All officers and agents of the Corporation, as between themselves and the Corporation, shall have such authority and perform such duties in the management of the Corporation as may be provided in these Bylaws, or as may be determined by resolution of the Board of Directors not inconsistent with these Bylaws.

In the discharge of a duty imposed or power conferred on an officer of a Corporation, the officer may in good faith and with ordinary care rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Corporation or another person, that were prepared or presented by: (1) one or more other officers or employees of the Corporation, including members of the Board of Directors; or (2) legal counsel, public accountants, or other persons as to matters the officer reasonably believes are within the person's professional or expert competence.

An officer is not relying in good faith within the meaning of this section if the officer has knowledge concerning the matter in question that makes reliance otherwise permitted by this subsection unwarranted.

#### **5. THE PRESIDENT**

The President shall be the chief executive officer of the Corporation and shall preside at all meetings of all Directors and Members. Such officer shall see that all orders and resolutions of the board are carried out, subject however, to the right of the directors to delegate specific powers, except such as may be by statute exclusively conferred on the President, to any other officers of the Corporation.

The President or any Vice-President shall execute contracts, bonds, mortgages and other instruments requiring a seal, in the name of the Corporation. When authorized by the board, the President or any Vice-President may affix the seal to any instrument requiring the same, and the seal when so affixed shall be attested by the signature of either the Secretary or an Assistant Secretary.

The President shall be ex-officio a member of all standing committees.

The President shall submit a report of the operations of the Corporation for the year to the

directors at their meeting next preceding the annual meeting of the members and to the members at their annual meeting.

## **6. THE VICE-PRESIDENT**

The Vice-President, or Vice-Presidents in order of their rank as fixed by the Board of Directors, shall, in the absence or disability of the President, perform the duties and exercise the powers of the President, and they shall perform such other duties as the Board of Directors shall prescribe.

## **7. THE SECRETARY**

The Secretary shall attend all meetings of the Board of Directors and all meetings of the members and shall record all votes and the minutes of all proceedings and shall perform like duties for the standing committees when required. The Secretary shall give or cause to be given notice of all meetings of the members and all meetings of the Board of Directors and shall perform such other duties as may be prescribed by the Board of Directors. The Secretary shall keep in safe custody the current minutes and all prior minutes of each meeting, the seal of the Corporation, and when authorized by the Board of Directors, affix the same to any instrument requiring it, and when so affixed, it shall be attested by the Secretary's signature.

In the absence of the Secretary, the minutes of all meetings of the board and members shall be recorded by such person as shall be designated by the President or by the Board of Directors.

## **8. THE TREASURER**

The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors.

The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements. The Treasurer shall keep and maintain the Corporation's books of account and shall render to the President and directors an account of all of the Treasurer's transactions and of the financial condition of the Corporation and exhibit the books, records and accounts to the President or directors at any time. The Treasurer shall disburse funds for capital expenditures as authorized by the Board of Directors and in accordance with the orders of the President, and present to the President's attention any requests for disbursing funds if in the judgment of the Treasurer any such request is not properly authorized. The Treasurer shall perform such other duties as may be directed by the Board of Directors or by the President.

If required by the Board of Directors, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of the office and for the restoration to the Corporation, in case of death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in the incumbent's possession or under the incumbent's

control belonging to the Corporation.

## **ARTICLE V – FINANCIAL LIMITATIONS OF BOARD OF DIRECTORS**

The Treasurer shall present a budget to the Membership annually at the May Membership Meeting. The Budget shall include the applicable of the following; Operations and Maintenance, Capital Improvements, and/or Emergent expenditures.

**Operations and Maintenance expenditures** are routine expenses the POA pays each year including but are not limited to utility payments, grounds maintenance, annual routine facility maintenance, insurance, and security.

**Capital Improvements** are new construction, additions to existing structures, or investments exceeding \$5,000 in value. Capital Improvements are approved individually by the membership at a Regular Meeting, and the Annual Budget shall include projected Capital Improvements for the coming year. New Capital Improvements not included in the Annual Budget shall be proposed to the Membership at the following Bi-Annual Membership Meeting.

**Emergent expenditures** are those funds set aside for unforeseen emergency requirements, such as storm damage repairs or expenses necessary to safeguard life, health, safety, or property from immediate harm. The Budget shall include a line item to account for anticipated emergent requirements. The Board may expend funds up to a maximum of \$2,500 per event for emergent or unforeseen requirements. The Board must report to the Members the expenditure of these funds via letter within 90 days. At a minimum, the letter will include the purpose of the expenditure, vendor, and amount. If necessary, the Board may seek additional budgetary authority from the Membership for a Capital Improvement to make permanent repairs.

Once approved by the Members, the Board has the authority to expend funds not to exceed the total Annual Budget.

## **ARTICLE VI - CERTIFICATES OF MEMBERSHIP**

### **1. CERTIFICATES OF MEMBERSHIP**

The Board of Directors may provide for the issuance of certificates only to Full Members, or cards, or other instruments evidencing membership rights, voting rights or ownership rights (hereinafter referred to as "certificates"), which shall be in such form as may be determined by the Board of Directors. Such certificates shall be signed by the President or Vice President and by the Secretary. All certificates evidencing membership of any class shall be consecutively numbered. The name and address of each member and the date of issuance of the certificate shall be entered on the records of the Corporation. If any certificate shall become lost, mutilated or destroyed, a new certificate may be issued therefore upon such terms and conditions as the Board of Directors determine.

## **2. ISSUANCE OF CERTIFICATES**

When a member has been elected to membership and has paid any initiation fee and dues that may then be required, a certificate shall be issued in that member's name and delivered to the member by the Secretary, if the Board of Directors shall have provided for the issuance of certificates of membership under the provisions of this Article VI.

## **ARTICLE VII - INDEMNIFICATION AND INSURANCE**

### **1. INDEMNIFICATION**

To the extent permitted by law, any person (and the heirs, executors, and administrators of such person) made or threatened to be made a party to any action, suit, or proceeding by reason of the fact that he or she is or was a Director or Officer of the Corporation shall be indemnified by the Corporation against any and all liability and the reasonable expenses, including attorney's fees and disbursements, incurred by him (or by his heirs, executors or administrators) in connection with the defense or settlement of such action, suit, or proceeding, or in connection with any appearance therein. Notwithstanding the above, the corporation shall indemnify a person only if he acted in good faith and reasonably believed that his conduct was in the corporation's best interests. In the case of a criminal proceeding, the person may be indemnified only if he had no reasonable cause to believe his conduct was unlawful.

### **2. INSURANCE**

The Corporation will provide indemnification insurance for its Board of Directors, and the Board shall select the amount and limits of such insurance policy.

## **ARTICLE VIII - EMERGENCY MANAGEMENT OF THE CORPORATION**

In the event of an emergency, to the extent not limited or prohibited by law or these Bylaws, the following provisions regarding the management of the Corporation shall take effect immediately. Pursuant to The Texas Business Organizations Code, an emergency exists if a majority of the Corporation's governing persons cannot readily participate in a meeting because of the occurrence of a catastrophic event.

(1) Procedures for calling a meeting of the Board of Directors are as follows: The highest-ranking Officer or the Director with the most years of service that is available in an emergency shall have full control to make executive decisions regarding the emergency until such time as the remaining members of the Board of Director and Officers can be notified.

(2) The minimum requirements for participation at the meeting of the Officers and Board of Directors are as follows: 51% of the Board of Directors available.

(3) Designation of any additional or substituted Directors is as follows: In the event that 51% of the Board of Directors are not available, then Current Committee Directors may be substituted to fill vacancies in order of length of standing, in other words, the Committee

Director with the longest tenure shall be selected first to fill such vacancies and shall continue with the next longest tenured Committee Director until such time as the required number of vacancies to reach 51% is filled.

These emergency provisions take effect only in the event of an emergency as defined hereinabove, and will no longer be effective after the emergency ends. Any and all provisions of these Bylaws that are consistent with these emergency provisions remain in effect during an emergency. Any or all of these actions of the Corporation taken in good faith in accordance with these provisions are binding upon this Corporation and may not be used to impose liability on a managerial official, employee, or agent of the Corporation.

## **ARTICLE IX - MISCELLANEOUS**

### **1. WAIVER OF NOTICE**

Whenever any notice is required to be given to any member or director of the Corporation under the provisions of the Texas Business Organizations Code or these 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.

### **2. MEETINGS BY TELEPHONE CONFERENCE, ELECTRONIC OR OTHER REMOTE COMMUNICATIONS TECHNOLOGY**

Subject to the provisions required or permitted by the Texas Business Organizations Code and these Bylaws for notice of meetings, members of the Corporation, members of the Board of Directors, or members of any committee may participate in and hold a meeting of such members, board, or committee by means of: (1) conference telephone or similar communications equipment by which all persons participating in the meeting can communicate with each other; or (2) another suitable electronic communications system, including videoconferencing technology or the Internet. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

### **3. SEAL**

The Corporation may adopt a corporate seal in such form as the Board of Directors may determine. The Corporation shall not be required to use the corporate seal and the lack of the corporate seal shall not affect an otherwise valid contract or another instrument executed by the Corporation.

### **4. CONTRACTS**

The Board of Directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute

and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

#### **5. CHECKS, DRAFTS, ETC.**

All checks, drafts or other instruments for payment of money or notes of the Corporation shall be signed by such officer or officers or such other person or persons as shall be determined from time to time by resolution of the Board of Directors and shall require the signature of two Officers.

#### **6. DEPOSITS**

All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

#### **7. GIFTS**

The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.

#### **8. BOOKS AND RECORDS**

The Corporation shall keep correct and complete books and records of account; shall keep minutes of the proceedings of the members, Board of Directors, and committees; and shall keep a record of the names and addresses of each owner or member in either written paper form or maintained by or on behalf of the Corporation on, or by means of, an information storage device or method or one or more electronic data systems, provided that any books, records, minutes, and ownership or membership records so maintained can be converted into written paper form within a reasonable time. A member of the Corporation, on written demand stating the purpose of the demand, has the right to examine and copy, in person or by agent, accountant, or attorney, at any reasonable time, for any proper purpose, the books and records of the Corporation relating to the stated purpose, at the expense of the member. Members may not request documents that infringe on the privacy of an individual, if they involve ongoing legal or contractual obligations that might expose the PHPOA officers or board to liability, pending contracts, records likely to lead to identity theft or fraud or private owner correspondence to the board.

#### **9. FINANCIAL RECORDS AND ANNUAL REPORTS**

The Corporation shall maintain current true and accurate financial records with full and correct entries made with respect to all financial transactions of the Corporation, including all income and expenditures, in accordance with generally accepted accounting practices. All records, books, and annual reports (if required by law) of the financial activity of the Corporation shall be kept with the Secretary in this state for each fiscal year and shall be available to the public for inspection and copying during normal business hours. The Corporation may charge for the reasonable expense of preparing a copy of a record or report.

**10. FISCAL YEAR**

The fiscal year of the Corporation shall be as determined by the Board of Directors to be June 1<sup>st</sup> to May 31<sup>st</sup>.

**ARTICLE X – CONSTRUCTION**

**1. PRONOUNS AND HEADINGS**

All personal pronouns used in these Bylaws shall include the other gender whether used in masculine or feminine or neuter gender, and the singular shall include the plural whenever and as often as may be appropriate. All headings herein are for convenience only and neither limit nor amplify the provisions of these Bylaws.

**2. INVALID PROVISIONS**

If any one or more of the provisions of these Bylaws, or the applicability of any such provision to a specific situation, shall be held invalid or unenforceable, such provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of these Bylaws and all other applications of any such provision shall not be affected thereby.

**ARTICLE XI - AMENDMENT OF BYLAWS**

Unless a bylaw adopted by the members provides otherwise as to all or some portion of these Bylaws, the Members may amend or repeal these Bylaws or adopt new Bylaws.

Adopted by the Full Members on \_\_\_\_\_.

\_\_\_\_\_

Secretary

\_\_\_\_\_

President