

BYLAWS OF PINE FOREST ACRES PROPERTY OWNERS ASSOCIATION, INC.

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ARTICLE 1. **NAME AND LOCATION**

1.01.00. Name. The name of the corporation is Pine Forest Acres Property Owners Association Inc., referred to hereinafter as "Corporation."

1.01.01. Charter. The Corporation was duly chartered on April 6, 2015 (Charter No. 802189880), pursuant to the provisions of the Chapter 22 of the Texas Business Organizations Code.

1.01.02. Location. The principal office of the Corporation and such other offices, either within or without the State of Texas, shall be established as the Board of Directors may determine as necessary.

ARTICLE 2. **PURPOSE, GENERAL POWERS, AND MISSION STATEMENT**

2.00.00. Purpose:

The purpose of the corporation is for any lawful purpose permitted by the Nonprofit Laws of the State of Texas;

To engage in the business of enforcing the covenants and deed restrictions accepted by the property owners of the subdivision, operating and managing the property owners association in accordance with its bylaws, and collecting the assessment fees and determining their use; and

To further the interest of the Pine Forest Acres Subdivision, its residents and property owners, or any of them, and to do anything or things and to undertake any activities which in the opinion of the Board of Directors of this corporation will be beneficial to such subdivision, its residents and property owners, or any of them, either directly or indirectly.

2.01.00. General Powers:

The general powers are as follows:

1. To perform any lawful act as prescribed by the powers of the Secretary of State of Texas and Section 501(c) (3) of the IRS.
2. The Corporation's ability to generate income are hereby limited so that at least 60% of the association's gross income for the tax year consists of exempt function income (as

defined by the Internal revenue Code). In addition, the Corporation's powers are limited so that at least 90% of the association's expenses for the tax year consists of expenses to acquire, build, manage, maintain, or care for its property. No private shareholder or individual can profit from the association's net earnings except by acquiring, building, managing, or caring for association property or by a rebate of excess membership dues, fees, or assessments.

3. No substantial part of the activities of the Corporation shall be carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public office.

ARTICLE 3. MEMBERS

3.01.00. The Corporation shall have one class of members.

3.01.01. In addition to the rights set forth herein, the qualifications and rights of the members shall be as follows:

Each lot in the Pine Forest Acres subdivision shall be entitled to one membership interest in the Corporation. Such membership interest will be allowed one vote. In the event that a lot has more than one owner, such lot owner's shall be responsible for designating a single person from one of its owners for voting purposes. The Board of Directors may disallow any votes from a single lot that has multiple owners if such owners submit conflicting votes or fail to designate an owner for voting purposes. A membership interest's right to vote is conditioned upon the lot owner of the membership interest being current on his/her/its annual membership dues and/or special assessments for the current year. The Board of Directors shall have the right to either allow or disallow all votes from membership interests with any delinquencies. There is only one class of membership consisting of the lot owners of the subdivision and none others. Membership rights are neither assignable nor transferable.

3.01.02. The Corporation may issue a certificate, card, or other instrument evidencing membership rights, voting rights, or ownership rights as authorized by the Board of Directors.

3.02.00. Immunity From Liability. The members of the Corporation are not personally liable for a debt, liability, or obligation of the Corporation.

3.03.00. Annual Meeting. The Corporation shall hold an annual meeting of the members at a time and place that is set by the Board of Directors.

3.04.00. Failure to Call Annual Meeting.

3.04.01. If the Board of Directors of the Corporation fails to call the annual meeting of

members at the designated time, a member of the Corporation may demand that the meeting be held within a reasonable time. The demand must be made in writing and sent to an officer of the Corporation by registered mail.

3.04.02. If the annual meeting is not called before the forty-fifth day after the date of demand, a member of the Corporation may compel the holding of the meeting by legal action directed against the Board of Directors, and each of the extraordinary writs of common law and of courts of equity are available to the member to compel the holding of the meeting. Each member has a justifiable interest sufficient to enable the member to institute and prosecute the legal proceedings.

3.04.03. Failure to hold the annual meeting at the designated time shall not result in the winding up and termination of the Corporation.

3.05.00. Special Meetings of Members. A special meeting of the members of the Corporation may be called by:

- (1) the President;
- (2) the Board of Directors;
- (3) members having not less than twenty-five percent of the votes entitled to be cast at the meeting.

3.06.00. Notice of Meeting of Members. The Corporation shall provide written notice of the place, date, and time of a meeting of the members of the corporation and, if the meeting is a special meeting, the purpose or purposes for which the meeting is called. The notice shall be delivered to each member entitled to vote at the meeting not later than the tenth day and not earlier than the sixtieth day before the date of the meeting. Notice may be delivered personally sent by facsimile or email.

3.07.00. Preparation and Inspection of List of Voting Members.

3.07.01. After setting a record date for the notice of a meeting, the Corporation shall prepare an alphabetical list of the names of all its voting members. The list must identify:

- (1) the members who are entitled to notice and the members who are not entitled to notice of the meeting;
- (2) the address of each voting member; and
- (3) the number of votes each voting member is entitled to cast at the meeting.

3.07.02. Not later than the second business day after the date notice is given of a meeting for which a list was prepared in accordance with Subsection 3.07.01, and continuing through the meeting, the list of voting members must be available at the Corporation's

principal office, website, or at a reasonable place in the municipality in which the meeting will be held, as identified in the notice of the meeting, for inspection by members entitled to vote at the meeting for the purpose of communication with other members concerning the meeting.

3.07.03. A voting member or voting member's agent or attorney is entitled on written demand to inspect and, at the member's expense, copy the list at a reasonable time during the period the list is available for inspection from the Corporation's web site.

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

3.08.00. Quorum of Members.

3.08.01. Members of the Corporation holding fifty-percent (50%) of the votes entitled to be cast, in person or by proxy, constitute a quorum.

3.08.02. Except in matters that by law require the vote of greater than a majority of members, 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 is the act of the members meeting. In matters that by law require the vote of greater than a majority of members, the vote required by law shall prevail.

3.09.00. Voting of Members.

3.09.01. Each member of the Corporation is entitled to one vote on each matter submitted to a vote of the Corporation's members.

3.09.02. A member may vote in person or by proxy executed in writing by the member or the member's attorney-in-fact.

3.09.03. Unless otherwise provided by the proxy, a proxy is revocable and expires eleven months after the date of its execution. A proxy may not be irrevocable for longer than eleven months.

3.09.04. A member vote on any matter may be conducted by mail, by facsimile transmission, by electronic message, or by any combination of those methods.

3.10.00. Election of Directors. A member entitled to vote at an election of directors is entitled to vote, in person or by proxy, for as many persons as there are directors to be elected and for whose election the member has a right to vote.

3.11.00. Record Date for Determination of Members.

3.11.01. The record date for determining members of a corporation may be set by the Board of Directors.

3.11.02. If a record date is not set by the Board of Directors:

- (1) members on the date of the meeting who are otherwise eligible to vote are entitled to vote at the meeting;
- (2) members at the close of business on the business day preceding the date notice is given, or if notice is waived, at the close of business on the business day preceding the date of the meeting, are entitled to notice of a meeting of members; and
- (3) members at the close of business on the later of the day the board of directors adopts the resolution relating to the action or the sixtieth day before the date of the action are entitled to exercise any rights regarding any other lawful action.

3.11.03. The Board of Directors of the Corporation may set a new date for determining the right to notice of or to vote at any adjournment. The Board shall set a new date if the meeting is adjourned to a date more than ninety days after the record date for determining members entitled to notice of the original meeting.

**ARTICLE 4.
BOARD OF DIRECTORS**

4.00.00. Authority of the Board of Directors. The Board of Directors has the general power to control and manage the affairs, funds, and property of the Corporation; disburse the Corporation's monies and dispose of its property in fulfillment of the Purposes of the Corporation, subject to all limitations set forth herein in these by-laws. The fiduciary responsibilities of individual Directors are those specified for directors in the Chapter 22 of the Texas Business Organizations Code, as amended.

4.01.00. Appointment of an Executive Director. The Board of Directors shall appoint the Executive Director who shall be responsible to the Board for the administrative and business management of the Corporation. The Board of Directors is solely responsible for the recruitment, appraisal, compensation, and retention or dismissal of the Executive Director.

4.02.00. Number. The number of Directors shall not be less than three, and not more than eleven.

4.03.00. Election.

4.03.01. Persons are eligible for election by nomination by any Board member or any member. Election of the directors shall be by majority vote of the members. Voting shall be by secret ballot if requested by any Director. The election of Directors shall occur at the

scheduled annual meeting or a special meeting of the members called for such purpose.

4.03.02. The Directors elected at the first and organizational meeting shall serve an initial term until the next annual meeting of the members.

4.04.00. Term.

4.04.01. Directors shall be elected for a term consisting of a one-year term each. Directors may serve more than one term.

4.04.02. For a director who is elected to fill a vacancy pursuant to Article 4.05.00, the limitation specified in Article 4.04.01 does not apply until the incumbent completes the remaining portion of the unexpired term of the vacancy that the incumbent had been elected to fill.

4.05.00. Vacancies. Any vacancy which exists on the Board shall be filled by a majority vote of the Board when necessary. A nomination may be made by any Director. A nomination may also be made by a Member at the Annual meeting. A Director elected to fill a vacancy shall serve for the remaining portion of said term.

4.06.00. Primary Responsibilities of the Board of Directors. The Board of Directors is vested with a fiduciary responsibility to set policy, fiscal guidance, and ongoing governance of the Corporation, and empower its Executive Director with the authority to carry out that responsibility. Some of the specific powers the Board is authorized are listed below in sections 4.06.01 – 4.06.05; these powers are listed below are not cumulative and are hereby included without limitation to any other powers the Board may have:

4.06.01. Board of Director can procure and maintain general public liability insurance and property damage and fire and extended coverage insurance covering property owned by the Association as deemed appropriate by the Board.

4.06.02. Board of Director can cause the Common Areas to be maintained including effecting repairs, replacements, and additions as deemed appropriate by the Board.

4.06.03. Board of Director can cause the exterior of the dwellings on the Lots to be properly maintained as deemed appropriate by the Board.

4.06.04. Board of Director can foreclose the lien against any property for which assessments are not paid within ninety (90) days after due date or bring an action by law against the Owner personally obligated to pay the same.

4.06.05. Board of Director can fix the periodic assessments against each Lot at least thirty (30) days in advance of the due date as deemed appropriate by the Board.

4.07.00. Removal of Directors.

4.07.01. Removal by Members. A Director of the Board may be removed by a majority vote of the total Members of the Corporation whenever in the member's judgment the best interests of the Corporation would be served thereby. Removal from the Board automatically revokes any election as an officer of the Board.

4.08.00. Conflicts of Interest. It is the responsibility of each Director to make full disclosure to the Board of Directors concerning any actual or potential conflicts of interest in any matter which is the subject of business before the Board. No Director may vote on any matter in which he or she has any actual or potential conflict of interest. Directors shall disclose in writing to the Board of Directors any persons to whom they are closely related or organization with which they are affiliated who or which presently transacts business with the Corporation or might reasonably be expected to do so in the future. Each disclosure shall be updated and resubmitted on a yearly basis. An affiliation with an organization shall be considered to exist when a Director or a member of his or her immediate family, close relative, affectional or life partner is an officer, director, partner, employee, or agent of the other organization, or has any substantial interest or dealing with the other organization. Closely related persons shall include, in addition to spouses, children, siblings, and blood relatives, affectional relationships between persons of the same or opposite sex.

4.09.00. Obligations and Liabilities. Neither the Board of Directors nor any officer, agent, or employee of this corporation shall have power to obligate this corporation for any amount in excess of the value of this corporation's net assets at the time such obligation is incurred.

4.10.00. Limitations on Powers.

4.10.01 Annual Assessment. The Board of Directors, or anyone acting under the Board's power, may not increase the maintenance assessment found in Article 7, or its successor provision, of the Declaration of Covenants, Conditions, and Restrictions of Pine Forest Acres Subdivision, to an amount which is more than ten percent (10%) above the maximum annual assessment for the previous year, unless it has the approval of such an increase of at least 51% of the Members voting.

4.10.02 Special Assessment. The Board of Directors, or anyone acting under the Board's power, may not assess a special assessment to an amount which is more than fifty percent (50%) of the annual membership assessment for the previous year, unless it has the approval of at least 66% of the Members voting.

ARTICLE 5. BOARD MEETINGS

5.01.00. Regular Meetings of the Board. The regular meetings of the Board shall be as set by a majority of the Board at any place as a majority of the existing Board shall select; provided, however, that should any such meeting day fall on a legal holiday, such meeting date shall occur on the next Saturday following the holiday. The Board of Directors may reschedule regular meetings as deemed necessary by a majority vote.

5.02.00. Annual Meeting. The annual meeting day shall be every year as set by a majority of the Board, and shall be held at any suitable place as a majority of the existing Board shall select.

5.03.00. Special Meetings of the Board. Special meetings of the Board may be called by or at the request of the Chair or any two Directors. The person or persons authorized to call special meetings for the board may fix any place, either within or without the State of Texas, as the place for holding any special meeting of the Board.

5.04.00. Waiver of Notice. Notice of any special meeting of the Board shall be given at least three days previous thereto by written notice, delivered personally or sent by mail or electronic transmission to each Director at his or her address 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, with postage thereon. If notice is given by electronic transmission, such notice shall be deemed to be delivered upon transmission. 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, unless a Director attends a meeting for the express purpose of objecting to the transaction of any business. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of such notice of such meeting, unless specifically required by law or by these Bylaws.

5.05.00. Quorum. A majority of the Board of Directors qualified to vote shall constitute a quorum for the transaction of business at any meeting of the Board.

5.06.00. Board Meetings by Teleconference. Regularly scheduled or specially called meetings of the Board of Directors and any committees or subcommittees of the Board of Directors may be conducted with all or some members of the Board or committee participating by teleconference call on a telephone equipped to provide speaker phone participation by all members of the Board or committee or sub-committee of the Board of Directors. Teleconference participation in the business of the Corporation shall not dispense with the normal written transactions of business conducted by such participation, and minutes shall reflect members of the Board or committees participating by teleconference.

5.07.00. Manner of Acting. The act of a majority of the Directors present at a meeting at which a quorum is present in person or by teleconference shall be the acts of the Board of Directors, unless the acts of a greater number is required by law or by these Bylaws.

ARTICLE 6. COMMITTEES OF THE BOARD

6.01.00. Creation and Authority. The Board of Directors may designate and appoint one or more committees. Each is to act in an advisory nature, not having the power to act on behalf of the Board of Directors. Each shall be chaired by a member chosen by the board. The chair may appoint volunteers to serve as full voting members of the Board committees. Each committee,

shall report directly to the Board of Directors. The Chair shall appoint committee chairs of each Board committee (normally at the annual meeting) and be an official voting member of each said committee.

6.01.02. Authority. During the intervals between the regular meetings of the Board of Directors a quorum of the board shall possess and may exercise all the powers of the Board of Directors for ordinary business while the board is not in session except authority:

- (i) which has been delegated to another committee in accordance with these Bylaws;
- (ii) to remove or elect any Director, ratify the removal or election of any Director or to elect or remove any member of the Executive Committee or any principal officer
- (iii) to change the number or members of the Board of Directors;
- (iv) to amend or to suspend the Bylaws;
- (v) to alter or amend the Certificate of Formation; or
- (vi) to take any action which the Board of Directors and the Members may specifically reserve to itself during Board Meetings or as may be reserved in the Certificate of Formation.

6.02.00. Between regular board meetings, meetings of the Board of Directors may be by teleconference or conducted by email, in accordance with the provisions of Article 6.06.00 of these Bylaws.

6.03.00. Other Committees. Other committees not having and exercising the authority of the Board of Directors in the management of the Corporation may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present.

6.04.00. Terms of Office. Each member of a committee shall continue as such until the next annual meeting of the Board of Directors or until his or her successor is appointed, unless the committee shall be sooner terminated, or unless such member shall cease to qualify as a member thereof.

6.05.00. Vacancies. 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.

6.06.00. Quorum. Unless otherwise provided in the resolutions of the Board of Directors 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.

6.07.00. Rules. Each committee may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the Board of Directors.

ARTICLE 7. INDEMNIFICATION

7.01.00. The Corporation shall indemnify any member of the Board 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, whether by or in the right of the Corporation or any other party, by reason of the fact that he or she is or was a member of the Board or an officer of the Board, or of any committee of the Corporation against expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by or imposed on him or her in connection with such action, suit, or proceeding.

ARTICLE 8. ANNUAL REPORT

8.01.00. The officers of the Board of Directors shall oversee and prepare an annual report of the business of the Corporation to the Board of Directors and the members.

ARTICLE 9. CONTRACTS, DEPOSITS, AND FUNDS

9.01.00. 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.

9.02.00. Funds. Checks, drafts, and transfers from the deposit account of the Corporation to cover ongoing expenses of the Corporation shall be authorized by the Treasurer of the Corporation. Telephone transfers of funds by any of the Board of Directors from one account to another shall be routinely and contemporaneously recorded on the appropriate form and such record shall include the following information:

- a. the account number from which the transfer was made;
- b. the account number into which the transfer was made;
- c. the exact amount of the transfer;
- d. the bank officer/employee making the transfer;
- e. the date and time the transfer was made; and
- f. the signature of an Officer of the Board of Directors or person authorized to make such transfer.

9.02.01. The forms recording the information required by Articles 9.02.00a through 9.02.00f shall be maintained in chronological order by the Treasurer of the Corporation on a quarterly basis.

9.03.00. Deposits. All funds of the Corporation shall be deposited in any number of interest-bearing accounts that fall within FDIC-protected limits and transferred in accordance with these Bylaws and standard operating procedures. All deposits shall be timely made.

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

ARTICLE 10. ACCOUNTS, MINUTES, ETC.

10.01.00. The Corporation shall keep complete and correct books and records of accounts, and shall also keep minutes of the proceedings of its members, Board of Directors, and Committees having any of the authority of the Board of Directors, and shall keep at the registered, principal office, or official web site, a record of the names and addresses of the members entitled to vote. All books and records of the Corporation may be inspected by any Director or his or her agent or attorney for any proper purpose at any reasonable time.

ARTICLE 11. FISCAL YEAR

11.01.00. The fiscal year of the Corporation shall be the calendar year.

ARTICLE 12. DISCRIMINATION

12.01.00. The Corporation and its agents shall not discriminate in the securing or offering of services or employment against persons or organizations due to race, creed, national origin, gender, color, religious affiliation, sexual, or affectional orientation, or persons with disabilities.

ARTICLE 13. AMENDMENTS TO THE BYLAWS

13.01.00. These Bylaws may be altered, amended, or repealed and new bylaws may be adopted by a quorum of at least 66% of the voting members present or by teleconference at any regular meeting or at any special meeting, if at least fourteen days' written notice is given of intention to alter, amend, or repeal, or to adopt new bylaws at such meetings. Bylaws may be suspended only by a quorum of at least 66% of the voting members present at any regular or specially called meeting of the Board of Directors.

13.01.01. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

ARTICLE 14.
PARLIAMENTARY AUTHORITY

14.01.00. The rules established by the Board of Directors or, if none established, as contained in Robert's Rules of Order, as may be revised and amended from time to time, shall govern all cases wherein they do not conflict with the law, the charter, or these Bylaws. The Chair has the authority to appoint a Parliamentarian as needed.

ARTICLE 15.
PROXY

15.01.00. Proxy. Directors shall not be permitted to vote in elections by proxy.

ARTICLE 16.
VOTING

16.01.00. Voting. At any meeting of the Directors, every Director present shall be entitled to one vote and, except as otherwise provided by law or by these Bylaws, the act of the majority present at any meeting at which a quorum is present shall be the act of the Directors.

ARTICLE 17.
PERSONAL LIABILITY

17.01.00. No Director shall be held personally liable for any debts of the Corporation.

ARTICLE 18.
LOANS

18.01.00. The Corporation shall not make any loan of money or property to, or guarantee the obligation of, any Director, Officer, or Employee. Provided, however, that the Corporation may advance money to a Director, Officer, or Employee of the Corporation for expenses reasonably anticipated to be incurred in the performance of their duties so long as such individual would be entitled to be reimbursed for such expense absent that advance.

ARTICLE 19.
DISSOLUTION

19.01.00. In the event that the Corporation is dissolved or for any reason ceases to operate, the assets of the Corporation, if any, are to be transferred to the State of Texas or to an educational, religious, charitable, or other similar organization that is qualified for exemption under Internal Revenue Code § 501(c)(3), as amended, or any successor statute.

I, the undersigned, being the Secretary of Pine Forest Acres Property Owners Association, Inc., hereby certify that the foregoing are the Bylaws of the said Corporation as accepted and approved by the Board of Directors, effective this _____ day of _____, 20__.

Secretary, Board of Directors