

48 per lot  
MAMEE 250 per LOT  
OCT. EVERY YEAR

---

**BYLAWS OF**  
**BAR X PROPERTY OWNERS' ASSOCIATION**

---

These Bylaws govern the affairs of BAR X PROPERTY OWNERS' ASSOCIATION, a nonprofit corporation.

**ARTICLE I**  
**NAME AND OFFICES**  
**Corporate Name**

§1. The name of the corporation is BAR X PROPERTY OWNERS' ASSOCIATION hereinafter referred to as the "Association".

**Principal Office**

§2. The Association's principal office in Texas will be located at the business office on the BAR X RANCH. The Association may have such other offices, in Texas or elsewhere, as the Board of Trustees may determine. The Board may change the location of any office of the Association.

**Registered Office and Registered Agent**

§3. The Association will maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical with the Association's principal office in Texas. The Board may change the registered office and the registered agent as permitted in the Texas Non-Profit Corporation Act.

**Meeting Place**

§4. Meetings of members and trustees shall be held at a public place within the boundaries of BAR X RANCH as may be designated and directed by the Board of Trustees. However, meetings of members or trustees will be allowed offsite in cases of special circumstances, for example, flooding or other impediments to access to the meeting site in the BAR X RANCH. Notice shall be given as provided in the Bylaws, except that notice of change in the place for a meeting pursuant to this section shall be given as follows: (1) for a Board of Trustees meeting, to each Trustee as least three hours before the meeting; and (2) for a meeting of members, by posting notice of the change of location at the original meeting site, and at a publicly accessible point near the original meeting site, at least three hours before the time scheduled for the beginning of the meeting.

§2. The Association will have one class of members.

**Class of Members**

§1. Every person or entity who is an owner of a fee, an undivided fee interest, or a purchaser thereof under a contract of sale of any property which is subject to a maintenance charge assessment by the BAR X PROPERTY OWNERS' ASSOCIATION, each such person or entity being hereinafter referred to as "Owner", shall be a member of the BAR X PROPERTY OWNERS' ASSOCIATION. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation or hold only a mineral interest in the property. No Owner shall have more than one membership. Membership shall be apportioned to and may not be separated from ownership of the property which is subject to assessment by the Association. Ownership of such property shall be the sole qualification for membership.

**ARTICLE III  
MEMBERS  
Membership**

§6. "Declaration" shall mean and refer to the Declaration of Restrictions for BAR X RANCH, SECTION ONE, and all sections presently, or hereafter, platted as sections of BAR X RANCH.

§5. "Declarant" shall mean and refer to BAR X PROPERTY OWNERS' ASSOCIATION, a non-profit corporation under the laws of the State of Texas.

§4. "Owner" shall mean and refer to the record owner of a fee, undivided fee interest or a purchaser thereof under a contract of sale, whether one or more persons or entities, of any Lot which is part of the Properties subject to a maintenance charge capable of being assessed by the Association, but excluding those having such interest merely as security for the performance of any obligation and those having only an interest in the mineral estate.

§3. "Lot" and/or "Lots" shall mean and refer to a plot of land subject to the jurisdiction of the Association as is more fully specified in the said Declaration of Restrictions.

§2. "Properties" shall mean and refer to that certain property described in the Declaration of Restrictions for BAR X RANCH, SECTION ONE, a subdivision in Brazoria County, Texas, and any additional sections of BAR X RANCH as presently, or hereafter, platted into subdivisions known as BAR X RANCH.

§1. "Association" shall mean and refer to BAR X PROPERTY OWNERS' ASSOCIATION, a Texas Non-Profit Corporation, its successors and assigns.

**ARTICLE II  
DEFINITIONS**

## **Membership Fees and Dues**

§3. The Board may set and change the amount of the maintenance fee, if any, payable to the Association by members. Dues are payable by the last day of each fiscal year. *[Note: At the time of the enactment of these Bylaws, the fiscal year is January 1<sup>st</sup> to December 31<sup>st</sup>].* The dues for a new member's first year will be prorated from the first day of the month in which the member is admitted to membership through the end of the fiscal year. A member is responsible for any maintenance fees owed the Association when the member purchases or otherwise obtains ownership of the property which gives rise to their membership.

## **Voting Rights**

§4. Each member is entitled to one vote for each lot owned by the member at the time of the meeting where the vote is taken. When more than one person holds such interest in any Lot, only one (1) person shall be deemed a member. The vote for such Lot shall be exercised as they determine amongst themselves, but in no event shall more than one (1) vote be cast with respect to any lot.

## **Transferring Membership**

§5. Membership in the Association is transferable only upon transfer of the fee interest in the property. No person may in any way rent, sell, lease, assign, transfer, give or convey any privilege of membership in the Association separately from the fee interest in the property.

## **ARTICLE IV MEETINGS OF MEMBERS Annual Meetings**

§1. The regular annual meeting of the members of the Association shall be held on the THIRD Saturday in April of each year beginning in 2000, at 10:00 a.m., at the Association Club House on BAR X RANCH. If such a date for the meeting of the members is a legal holiday in Texas, the meeting will be held at the same hour on the first Saturday following which is not a legal holiday. At the annual meeting, the members will elect trustees and transact any other business that may come before the meeting. If, in any year, the election of trustees is not held on the day designated for the annual meeting, or any adjournment of the annual meeting, the Board will call a special meeting of the members, as soon as possible, to elect trustees.

## **Special Meetings**

§2. Special meetings of the members may be called by the President, the Board of Trustees or upon the written request of the members who are entitled to vote one-tenth (1/10<sup>th</sup>) of all votes of the votes entitled to be cast at such meeting.

§5. The presence at a meeting of members holding one-tenth (1/10<sup>th</sup>) of the total votes entitled to be cast, represented in person or by proxy, shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or by these Bylaws. The members present at a duly called or held meeting at which a quorum is present may continue to transact business, even if enough members leave so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of members required for a quorum. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat, shall have the power to adjourn the meeting, and reschedule, without notice, other than an announcement at the meeting. The vote of the majority of 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 as required by law, the Articles of Incorporation, the Declaration, or these Bylaws.

**Quorum**

§4. A member in good standing is entitled to vote at a meeting of the members of the Association. A member in good standing is one who has paid all required maintenance fees and is not otherwise suspended as of the date of the notice of the meeting. The record date for determining the members entitled to notice at any meeting of members will be January 31<sup>st</sup> of each year. After a record date is fixed, an alphabetical list of members entitled to receive notice, including their addresses and number of votes each is entitled to cast, will be prepared. The list will contain a listing of all members entitled to vote at the meeting and will be available for inspection at the principal office of the Association from two business days after notice is given until the meeting is held. Any member entitled to vote at the meeting is entitled access to the list for the purpose of communicating with other members. The member or the member's agent or attorney may make the inspection on written demand and receive a copy of the list at a reasonable time and at the member's expense.

**Eligibility to Vote at Members' Meetings**

§3. Written or printed notice of any members' meeting, including the annual meeting, shall be given by, or at the direction of, the President or the Secretary or any person or persons authorized to call a meeting, by mailing a copy of such notice, postage paid, at least ten (10) days, but not more than sixty (60) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such members to the Association for the purpose of the notice. The record date for determining the members entitled to notice of any meeting of members will be February 1<sup>st</sup> of each year. After fixing the record date, the Board will cause to be prepared an alphabetical list of all members entitled to notice of any meeting of the members. Such notice shall specify the place, day and hour of the meeting, and the purpose of the meeting.

**Notice of Meetings**

## **Actions of Membership**

§6. The membership will try to act by consensus. However, if a consensus is not available on a matter or proposal, the vote of a majority of voting members in good standing, present and entitled to vote at a meeting at which a quorum is present, is enough to constitute the act of the membership unless law or these Bylaws require a greater number. Voting will be by ballot or voice, except that the election of trustees will be by secret ballot.

## **Proxies**

§7. A member entitled to vote at a meeting may do so in person or by proxy. All proxies must be in writing, bear the signature of the member giving the proxy, or by his duly authorized attorney-in-fact, and must specify the date on which they are executed. No proxy shall be valid after three (3) months from the date of its execution. Each proxy shall be revocable unless expressly provided therein to be irrevocable. Use of proxies are further governed by ARTICLE XVII. §3.

## **Voting by Mail**

§8. The Board may authorize members to vote by mail on the election of Trustees or on any other matter that the members may vote on.

## **Rules of Orders**

§9. Roberts Rules of Order (latest revised edition) will be the controlling procedure for all meetings.

## **ARTICLE V BOARD OF TRUSTEES Management of Association Board of Trustees**

§1. The affairs of this Association shall be managed by a Board of Trustees, and such officers and agents as said Board may employ.

## **Number, Qualifications and Tenure of Trustees**

§2. The number of trustees will be at least three and not greater than nine. Trustees shall be Texas residents. Trustees will be members in good standing of the Association. Each trustee will serve for a term of two (2) years. The trustees' terms will be staggered so that the terms of approximately half of the trustees will begin in even-numbered years; the terms of the remaining trustees, in odd-numbered years. Each trustee shall hold office until the next annual meeting of the members at the end of their two year term and until his/her successor shall have been elected and accepted the office, or the position otherwise filled. The number of trustees will be determined at the annual

§6. Any trustee may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Resignation**

§5. The Board will fill any vacancy in the Board and any trustee position to be filled due to an increase in the number of trustees. A vacancy is filled by the affirmative vote of a majority of the remaining trustees, even if it is less than a quorum of the Board, or if it is a sole remaining trustee. A trustee selected to fill a vacancy will serve for the unexpired term of his or her predecessor in office.

**Vacancies**

§4. Any member, in good standing, and who has been duly nominated may be elected as a trustee. Election to the Board of Trustees shall be by secret written ballot. At such election the members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to cast under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. In case of a tie, the winner shall be determined by lot or coin flip as the presiding officer may choose. Cumulative voting shall not be permitted. Trustees will be elected at the annual meeting of the members. Each trustee will hold office until a successor is elected and qualified. A trustee may be elected to succeed himself or herself as trustee but may not serve more than four years out of every six years.

(a) An Election Committee will be appointed by the POA Board to conduct the annual POA Board elections in all aspects.

(b) The Election Committee will be in charge of the form of the ballot and proxy printed and put in the Annual Newsletter which is sent out in March to all POA members in good standing.

(3) Proxies and ballots mailed to the Association must be received at an official US Postal Service box under the auspices and control of the Election Committee and in compliance with the election rules.

**Election**

§3. At any meeting at which the election of a trustee is held, any voting member in good standing may nominate a person, with the second of any other voting member in good standing.

**Nominating Trustees and Electing Trustees**

The number of trustee positions can be decreased only at the expiration of a trustee's term of office.

## **Removal**

§7. Any trustee may be removed from the Board, with cause, by a majority vote of the members of the Association present at any meeting entitled to vote. "Cause" is not definitively defined, but can be non-exclusively defined as committing a prohibitive act as set forth in the Bylaws. Another non-exclusive cause for removal of a trustee is absence from three consecutive Board meetings without satisfactory excuse. A meeting to consider removing a trustee may be called and noticed and proceed, following the procedures provided in these Bylaws for a special meeting of the members of the Association. The notice of the meeting will state that the issue of removal of a trustee will be on the agenda and notice will state the proposed cause for removal. At the meeting, the trustee may present evidence and witnesses of why he or she should not be removed and may be represented by an attorney at and before the meeting. Also at the meeting, the Association will consider possible arrangements for resolving the problems that are in the mutual interest of the Association and the Trustee.

## **Compensation**

§8. No trustee shall receive compensation for any service he or she may render to the Association; provided, however, any trustee may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

## **Rules for Elections of Trustees**

§9. The following rules shall apply to election of trustees:

- a. The election of the Board of Trustees shall be held at the annual POA meeting by secret ballot.
- b. Proper use of the ballot shall be written on the ballot and explained by the Election Committee (EC) at the beginning of the Annual Meeting.
- c.
  1. To be eligible to vote a person represented by a proxy or voting in person must have paid all required maintenance fees and must not otherwise be suspended as of the date of the notice of the meeting, as provided in the POA By-Laws.
  2. A member with a dispute concerning voting eligibility shall state the dispute and the grounds for it in writing and deliver that statement to the Board of Trustees no later than seven days after the date of the notice of the Annual Meeting.
- d. The POA management shall give the EC an alphabetical list of all eligible voters along with a section, block and lot list, not later than April 6<sup>th</sup>.
- e. All proxies must be in writing and contain the following legible information:

1. Legible name of the person giving the proxy.
  2. Signature of the person giving the proxy.
  3. Date of proxy signing.
  4. Name of the person to whom the proxy is given.
- The section, lot and block numbers should be included but are not essential.
- f. The newsletter shall contain:
    1. One (1) proxy.
    2. Self-addressed, security envelope in which to place the proxy.
    3. A Board approved newsletter.
  - g. The EC shall have a US Postal box at a US Post Office ("mail box"). The key to this mail box shall be kept in the double locked proxy box.
    1. Two (2) EC representatives will be needed to open the locked proxy box, in order to get the mail box key.
    2. The envelopes that are collected from the mail box must be stamped with the date received and initialed by the EC representatives opening the mail box.
    3. All initialed mailed in proxies shall be placed in the double locked proxy box in the POA office.
    4. One member chosen by the EC shall keep one combination to the locked proxy box. The secretary of the POA shall hold the second combination. The member chosen shall not be a candidate for Trustee or a relative of a candidate for Trustee. If the Secretary is a candidate for Trustee or a relative of a candidate for Trustee, then another officer shall hold the second combination.
    5. The proxy box shall contain a registration page, which shall be signed and dated by those who open the proxy box.
    6. A majority of EC members must be present at any EC activity to take official action and to approve the physical security of the proxy box.
  - h. Proxies delivered to the office shall be placed in a sealed security envelope, signed and dated by the office personnel and placed in the proxy box.
    1. The proxies shall remain sealed and locked in the proxy box until the EC opens the envelopes and counts the proxies during the week before the Annual Meeting.
    2. The proxies are to be handed out to the persons designated to vote the proxies at the Annual Meeting.
    3. The Secretary of the POA and a member of the EC shall collect as necessary the mailed proxies. These shall be deposited in the "proxy box". In the case of the inability of either of these persons to discharge their duties, that person may choose a substitute in their stead.
    4. Mailed proxies must be received in the EC's mail box at least 24 hours



- prior to the time scheduled for the start of the Annual Meeting.
5. All proxies must be checked by the Election Committee for compliance with these rules and the By-Laws. The Election Committee may permit the Board Secretary or his/her aids to check proxies that are delivered in person on the morning of the Annual Meeting.
- i. Any POA member who has sent in a proxy and decides to attend the Annual Meeting and cast his or her vote must pick up their proxy from the Secretary of the POA Board or a person designated by the Secretary.
    1. The Secretary shall mark the proxy "void" and the member shall sign and date the voided proxy.
    2. All voided proxies shall be kept to be placed with the ballots at the end of the Annual Meeting for the POA records.
    3. The Secretary of the POA Board shall correct the total number of proxies held by the previously designated proxy holder and mark that number on that person's ballot.
  - j. As ballots are handed out at the Annual Meeting, the name of the recipient of the ballot (or the person who granted a proxy to the recipient) shall be checked off on the list of eligible voters so there will be no duplicate voting.
  - k. There shall be two (2) EC members at each sign in table at the Annual Meeting.
  - l. No proxies shall be accepted or revoked at the Annual POA Meeting after the business of the meeting begins.
  - m. Any persons or relative of a person running for a POA office shall not be present in the room when votes are being counted.
  - n. The ballots shall be counted by the EC and/or their appointees and the results announced by the Chair of the EC.
  - o. Immediately after the election, all ballots and tallies will be sealed in an envelope.
    1. The seal of the envelope will be dated and initialed by those who counted the ballots.
    2. All proxies shall be returned to those to whom the proxy was designated, except as otherwise provided herein.
    3. The envelope and the contents will be stored for one (1) month in the POA office.
    4. If an election is challenged immediately after the results are announced a recount may take place immediately as provided in Robert's Rules of Order. No recount shall be permitted after the Annual Meeting is adjourned.

§5. The presence of three trustees or a majority of the number of trustees then in office constitutes a quorum for transacting business at any Board meeting. The trustees present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough trustees leave the meeting so that less than a quorum remains. However, no action may be approved without the affirmative vote of at least two (2) trustees. Every act of, or decision done or made by, a majority of the trustees present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board, unless the act of a greater number is required by law. For the purpose of determining a quorum, a trustee who is represented by a valid proxy is deemed present.

**Quorum**

§4. Notice of any special meeting of the Board of Trustees shall be given at least two (2) days prior to the meeting, pursuant to ARTICLE XVI.

**Notice**

§3. Special Board meetings may be called by, or at the request of, the President or any two trustees. The person or persons calling a special meeting will inform the Association's Secretary as to the information to be included in the notice of the meeting. The Secretary of the Association will give notice to the trustees as these Bylaws require. Special meetings shall be held at Bar X Property, unless circumstances require designation of an alternative location off the Bar X premises.

**Special Meetings**

§2. Regular meetings of the Board of Trustees shall be held monthly, at the Club House or business office at the BAR X PROPERTY OWNERS' ASSOCIATION, or as otherwise specified by the Board at its previous meeting. Notice of the meeting shall be otherwise posted, along with the proposed agenda. Any such posting is not mandatory for the meeting to proceed.

**Regular Meetings**

§1. The annual meeting of the Board of Trustees may be held without notice other than these Bylaws. The annual Board meeting shall be held on the Monday, first following the annual meeting of the members, at the business office on the BAR X RANCH. If such date for the annual meeting of the Board is a legal holiday in Texas, the meeting will be held at the same hour on the first Monday following which is not a legal holiday.

**ARTICLE VI  
MEETING OF TRUSTEES  
Annual Meeting**

If a quorum is never present at any time during a meeting, a majority of the trustees present may adjourn and reconvene the meeting once without further notice.

### **Proxy**

§6. A trustee may attend and vote by proxy. All proxies must be in writing, must bear the signature of the trustee giving the proxy, and must bear the date on which the proxy was executed by the trustee. Each proxy shall be revocable and may not be made irrevocable. No proxy is valid after three (3) months from the date of its execution. Use of a proxy is further governed by ARTICLE XVII §3.

### **Informal Action by Trustees**

§7. Any action required by law to be taken at a meeting of the Board of Trustees, or any action which may be taken at a meeting of the Board, may be taken without a meeting if consent is in writing setting forth the action to be taken, shall be signed by all the trustees entitled to vote with respect to the subject matter thereof. Such consent shall have the same force in any articles or documents.

§8. Trustees will discharge their duties, including any duties as committee members, in good faith, with ordinary care, and in a manner they reasonably believe to be in the Association's best interest. In this context, the term "ordinary care" means the care that ordinarily prudent persons in similar positions would exercise under similar circumstances. In discharging any duty imposed or power conferred on trustees, trustees may, in good faith, rely on information opinions, reports, or statements, including financial statements and other financial data, concerning the Association or another person that has been prepared or presented by a variety of persons, including officers and employees of the Association, professional advisors or experts such as accountants of legal counsel. A trustee is not relying in good faith if he or she has knowledge concerning a matter in question that renders reliance unwarranted.

Trustees are not deemed to have duties of trustees of a trust with respect to the Association or with respect to any property held or administered by the Association, including property that may be subject to restrictions imposed by the donor or transferor off the property.

### **Duty to Avoid Improper Distributions**

§9. Trustees who vote for or assent to improper distributions are jointly and severally liable to the Association for the value of improperly distributed assets, to the extent that, as a result of the improper distribution or distributions, the Association lacks sufficient assets to pay its debts, obligation, and liabilities. Any distribution made when the Association is insolvent, other than in payment of corporate debts, or any distribution that would render the Association insolvent, is an improper distribution. A distribution made during liquidation without payment and discharge of a provision for payment and discharge of all known debts, obligations, and liabilities are also improper. Trustees

§ 11. The Board will try to act by consensus. However, if a consensus is not available, the vote of a majority of trustees present in person or by proxy and voting at a meeting at which a quorum is present is enough to constitute the act of the Board, unless the act of a greater number is required by law or by some other provision of these Bylaws. A trustee who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the decision of the Board, a trustee who is represented by proxy in a vote is considered present.

**Actions of Board of Trustees**

§ 10. Contracts or transactions between trustees, officers, or members who have financial interest in the matter are not void or avoidable solely for that reason. Nor are they void or avoidable solely because the trustee, officer, or member is present at or participates in the meeting that authorizes the contract or transaction, or solely because the interested party's votes are counted for the purpose. However, every trustee with any personal interest in the transaction must disclose all material facts concerning the transaction, including all potential personal benefits and potential conflicts of interest, to the other members of the Board or other group authorizing the transaction. The transaction must be approved by a majority of the uninterested trustees or other group with the authority to authorize the transaction.

**Interested Trustees**

A trustee is not liable if, in voting for or assenting to a distribution, the trustee: (1) acts in good faith and with ordinary care on information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by one or more officers or employees of the Association, legal counsel, public accountants, or other persons as to matters the trustee reasonably believes are within the person's professional expert competence; or a committee of the Board of which the trustee is not a member; (2) while acting in good faith and with ordinary care considers the Association's assets to be at least that of their book value; (3) in determining whether the Association made adequate provision for paying, satisfying, or discharging all of its liabilities and obligations, relied in good faith and with ordinary care on financial statements or other information concerning a person who was or became contractually obligated to satisfy or discharge some or all of these liabilities or obligations. Furthermore, trustees are protected from liability if, in exercising ordinary care, they act in good faith and in reliance on the written opinion of an attorney for the Association.

Trustees held liable for an improper distribution, are entitled to contribution from persons who accepted or received the improper distributions knowing they were improper. Contribution is in proportion to the amount received by each such person.

present at a Board meeting at which the improper action is taken are presumed to have assented, unless they dissent in writing. The written dissent must be filed with the Secretary of the Association before adjournment of the meeting or mailed to the Secretary by registered mail immediately after adjournment.

**ARTICLE VII**  
**POWERS AND DUTIES OF THE BOARD OF TRUSTEES**  
**Powers**

§1. The Board of Trustees shall have the power to:

- (a) Suspend the member's voting rights and the right to use facilities or services provided by the Association during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations of any governmental entity;
- (b) Exercise all powers, duties and authority vested in the Board, on behalf of the Association, which are not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- (c) Declare the office of a member of the Board of Trustees to be vacant in the event such member shall be absent and not represented by proxy for three (3) consecutive regular meetings of the Board of Trustees; and
- (d) Employ a manager, an independent contractor, or such other employees as it shall deem necessary, and to prescribe their duties and the terms of employment services.
- (e) Establish rules governing conduct, actions, and activities in the public areas, common areas and areas owned or controlled by the Association within the BAR X RANCH and to provide for the exclusion of a person violating those rules from those areas.

**Duties**

§2. It shall be the duty of the Board of Trustees to:

- (a) Cause to be kept correct and complete books and records of account, minutes of the proceedings of the Association's members and its Board of Trustees, and to keep at the Association's registered office or principal office in this State a record of the names and addresses of its members entitled to vote and to make all books and records available for inspection by any member or their agent or attorney for any proper purpose at any reasonable time;
- (b) Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;
- (c) Fix the amount of the annual assessment against properties subject to the jurisdiction of the Association and to take such actions as it

§3. The Board may elect other officers as the affairs of the Association may require, each of whom shall hold office for such period, having such authority, and perform such duties as the Board may, from time to time, determine.

**Special Appointments**

§2. The election of officers shall take place at the first regular meeting of the Board of Trustees following each annual meeting of the members.

**Election of Officers**

§1. The Association's officers will be a president, a secretary, vice president, and a treasurer, each of whom shall be selected from the Board of Trustees and shall be at all times a member of the Board of Trustees. The Board may create additional officer positions, define the authority and duties of each such position, and elect or appoint persons to fill the positions. The same person may hold any two or more offices, except for president and secretary.

**ARTICLE VIII  
OFFICERS AND THEIR DUTIES  
Enumeration of Officers**

- (d) Items given to secure payment thereof; Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) Procure and maintain such liability and hazard insurance as it may deem appropriate on any property or facilities owned by the Association;
- (f) All Board members shall have equal authority except for those powers assigned to them by virtue of offices they are appointed to; and
- (g) Prepare and approve an annual budget for BAR X PROPERTY OWNERS' ASSOCIATION.
- (h) Cause to be prepared an independent annual audit of the Association's financial records and secure an annual financial statement from an independent CPA firm, all according to generally accepted accounting principles in the United States of America. If the audit report is limited by qualifications, then the Board shall make reasonable efforts to cure the condition that resulted in the qualification.

## **Removal and Resignation**

§4. Any officer may be removed from office with or without cause by the Board whenever in the judgment of the majority of the Board members, the Association's best interests shall be served by such removal. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

§5. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he/she replaces.

### **President**

§6. The president is the Association's chief executive officer. He or she will supervise and control all of the Association's business and affairs and will preside at the meetings of the members and of the Board. The president may execute any deeds, mortgages, bonds, contracts, or other instruments that the Board authorizes to be executed. The president may delegate his or her authority to co-sign checks to an office manager hired by the Board. However, the president may not execute instruments on the Association's behalf if this power is expressly delegated to another officer or agent of the Association by the Board, these Bylaws, or by statute. The president will perform other duties prescribed by the Board and all duties incident to the office of president.

### **Vice President**

§7. When the president is absent, cannot act, or refuses to act, a vice president will perform the president's duties. When acting in the president's place, the vice president has all the powers of and is subject to all the restrictions on the president.

### **Secretary**

§8. The Secretary will:

- (a) Give all notices as provided in the Bylaws or as required by law.
- (b) Take minutes of the meetings of the members and the Board and keep the minutes as part of the corporate records.
- (c) Maintain custody of the corporate records and seal.
- (d) Affix the corporate seal to all documents as authorized.
- (e) Keep a register of the mailing address of each member, trustee, officer, and employee of the Association.
- (f) Perform duties as assigned by the president or the Board.
- (g) Perform all duties incident to the office of secretary.

§1. The Board may adopt a resolution establishing one or more committees delegating specified authority to a committee, and appointing or removing members of a committee. A committee will include one or more trustees and may include persons who are not trustees. If the Board delegates any of its management authority to a committee, the majority of the committees will consist of trustees. The Board may also delegate to the president its power to appoint and remove members of a committee that have not been delegated any management authority of the Board. The Board may establish qualifications for membership on a committee.

### Establishing Committees

The Board of Trustees shall appoint such committees as it deems appropriate in carrying out its purposes.

## ARTICLE IX COMMITTEES

- staff, under the treasurer's supervision.
- (i) All such clerical duties may be delegated by the treasurer to the office
  - (h) Perform all of the duties incident to the office of a treasurer.
  - (g) Perform other duties as assigned by the president or the Board.
  - (f) Prepare financial reports monthly and annually according to Generally Accepted Accounting Principles in the United States of America.
  - (e) Maintain the Association's financial books and records according to Generally Accepted Accounting Principles in the United States of America.
  - (d) Write checks and disburse funds to discharge the Association's obligations. However, funds may not be drawn from the Association or its accounts for amounts greater than \$1,500 without the signature of the president, vice president or office manager in addition to that of the treasurer. This requirement of a second signature shall also apply to checks that total greater than \$1,500.00 in the aggregate to the same payee for the same project or purchase.
  - (c) Deposit all moneys in the Association's name in banks, trust companies, or other depositories as these Bylaws provide or as the Board directs.
  - (b) Receive and give receipts for moneys due and payable to the Association from any source.
  - (a) Have charge and custody of and be responsible for all the Association's funds and securities.
- §9. The Treasurer will:

### Treasurer

- (h) All such duties may be delegated by the secretary to the office staff, under the secretary's supervision.



### **Authorization of Specific Committees**

- §2. (a) The following committee is authorized: **Architectural Control Committee**  
(b) The Board of Trustees may appoint the following standing committees: Maintenance, Election, Waterways, Capitol Improvements, Financial/Legal, and any other committees as authorized by Section 1.  
(c) The Board will define the activities and scope of authority of the committees by resolution, subject to the Declaration of Restrictions.

### **Term of Office**

§3. Each committee member will continue to serve on the committee until a successor is appointed. However, a committee member's term may terminate earlier if the committee is terminated, or if the member dies, ceases to qualify, resigns, or is removed as a member. A vacancy on a committee may be filled by an appointment made in the same manner as an original appointment.

### **Committee Chair**

§4. One member of each committee will be designated as the committee chair. The chair shall be elected by the Board of Trustees. The chair will call and preside at all meetings of the committee.

### **Notice of Meetings**

§5. Written or printed notice of a committee meeting will be delivered to each member of a committee not less than twenty-four (24) hours before the time set for the meeting. The notice will state the place, day and time, of the meeting, and the purpose or purposes for which it is called.

### **Quorum**

§6. One-half of the number of committee members constitutes a quorum for transacting business at any meeting of the committee. The committee members present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough committee members leave so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of committee members required for a quorum. If a quorum is never present at any time during a meeting, the chair may adjourn and reconvene the meeting once without further notice.

### **Action of Committees**

§7. Committees will try to take action by consensus. However, if a consensus is not available, the vote of a majority of committee members present and voting at a

**Potential Conflicts of Interest**

§3. The Board may accept, on the Association's behalf, any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Association. The Board may make gifts and give charitable contributions not prohibited by these Bylaws, the Articles of Incorporation, State law, and provisions set out in federal tax law that must be complied with to maintain the Association's federal and state tax status.

**Gifts**

§2. All the Association's funds will be deposited to the credit of the Association in banks, trust companies, or other depositories that the Board selects, so that such deposits are fully insured by the FDIC or FSLIC.

**Deposits**

§1. The Board may authorize any officer or agent of the Association to enter into a contract or execute and deliver any instrument in the name of, and on behalf of, the Association. This authority may be limited to a specific contract or instrument, or it may extend to any number and type of possible contracts and instruments.

**Contracts**

**ARTICLE X  
TRANSACTIONS OF ASSOCIATION**

§11. A committee member can be removed with or without cause by a vote of the majority of the Board of Trustees.

§10. Each committee may adopt its own rules, consistent with these Bylaws or with other rules that may be adopted by the Board.

**Rules**

§9. Committee members may not receive salaries for their services.

**Compensation**

§8. A committee member may not vote by proxy.

**Proxies**

meeting at which a quorum is present is enough to constitute the act of the committee unless the act of a greater number is required by statute or by some other provision of these Bylaws. A committee member who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the act the committee.

§4. The Association may not make any loan to a trustee, employee or officer of the Association. A member, trustee, officer, employee or committee member of the Association may not lend money to and otherwise transact business with the Association except as otherwise provided by these Bylaws, the Articles of Incorporation, and applicable law. Such a person transacting business with the Association has the same rights and obligations relating to those matters as other persons transacting business with the Association. The Association may not borrow money from or otherwise transact business with a member, trustee, officer, employee or committee member of the Association unless the transaction is fully described in a legally binding instrument and is in the Association's best interests. The Association may not borrow money from or otherwise transact business with a member, trustee, officer, employee or committee member of the Association without full disclosure of all relevant facts and without the Board's approval, not including the vote of any person having a personal interest in the transaction.

#### **Prohibited Acts**

§5. As long as the Association exists, and except with the Board's or the members' prior approval, no member, trustee, officer, employee or committee member of the Association may:

- (a) Do any act in violation of these Bylaws or a binding obligation of the Association.
- (b) Do any act with the intention of harming the Association or any of its operations.
- (c) Do any act that would make it impossible or unnecessarily difficult to carry on the Association's intended ordinary business.
- (d) Receive an improper personal benefit from the operation of the Association.
- (e) Use the Association's assets, directly or indirectly, for any purpose other than carrying on the Association's business.
- (f) Wrongly transfer or dispose of Association property, including intangible property such as good will.

#### **ARTICLE XI BOOKS AND RECORDS Required Books and Records**

§1. The Association will keep correct and complete books and records of account according to Generally Accepted Accounting Principles in the United States of America. The books and records include:

- (a) A file-endorsed copy of all documents filed with the Texas Secretary of State relating to the Association, including but not limited to the Articles of Incorporation, and any Articles of Amendment, Restated Articles, Articles of Merger, Articles of Consolidation, and Statement of Change of Registered Office or Registered Agent.
- (b) A copy of all Bylaws, including these Bylaws, and any amended versions or amendments to them.

§3. Any member may have an audit conducted of the Association's books. That member bears the expense of the audit unless the members vote to authorize payment of audit expenses. The member requesting the audit may select the accounting firm to conduct it. A member may not exercise these rights so as to subject the Association to an audit more than once in any fiscal year.

### Audits

§2. Any member, trustee, officer, or committee member of the Association may inspect and receive copies of all corporate books and records required to be kept under the Bylaws. Such a person may, by written request, inspect or receive copies if he or she has a proper purpose related to his or her interest in the Association. Requests by the same member in excess of four times a year are deemed excess and will not be honored unless good cause can be shown. He or she may so through his or her attorney or other duly authorized representative. The inspection may take place at a reasonable time, no sooner than five days and no later than ten working days after the Association receives a proper written request. The Board may establish reasonable copying fees, which may cover the cost of materials and labor but not exceed 50 cents per page. The Association will provide requested copies of books or records no later than thirty working days after receiving a proper written request and a deposit to cover the anticipated cost of complying with the request. No original records will be permitted to leave the corporate offices.

### Inspection and Copying

- (c) Minutes of the proceedings of the members, Board, and committees having any of the authority of the Board.
- (d) A list of the names and addresses of the members, trustees, officers, and any committee members of the Association.
- (e) An independently audited financial statement prepared according to Generally Accepted Accounting Principles in the United States of America, showing the Association's assets, liabilities, and net worth at the end of the three (3) most recent fiscal years, beginning with fiscal year 2005.
- (f) An independently audited financial statement prepared according to Generally Accepted Accounting Principles in the United States of America, showing the Association's income and expenses for the three (3) most recent fiscal years, beginning with fiscal year 2005.
- (g) All rulings, letters, and other documents relating to the Association's federal, state, and local tax status.
- (h) The Association's federal, state, and local tax information or income-tax returns for each of the Association's three most recent tax years.

**ARTICLE XII  
FISCAL YEAR**

§1. The fiscal year of the Association shall begin on the first day of January and end on the 31<sup>st</sup> day of December of every year.

**ARTICLE XIII  
ASSESSMENTS**

§1. As more fully provided in the Declaration, each member is obligated to pay the Association certain annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum, and the Association may bring an action at law against the Owners personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of any of the facilities or services provided by the Association or by abandonment of his Lot.

**ARTICLE XIV  
CORPORATE SEAL**

§1. The Association shall have a seal in circular form having within its circumference the name of the Association and the word "Texas".

**ARTICLE XV  
INDEMNIFICATION**

§1. The Association will indemnify a trustee, officer, committee member, employee, or agent of the Association who was, is, or may be named defendant of respondent in any proceeding as a result of his or her actions or omissions within the scope of his or her official capacity in the Association. For the purposes of this article, an agent includes one who is or was serving at the Association's request as a trustee, officer, partner, venturer, proprietor, partnership, joint venture, sole proprietorship, trust, employee-benefit plan, or other enterprise.

The Association will indemnify a person only if he or she acted in good faith and reasonably believed that his or her conduct was in the Association's best interests. In case of a criminal proceeding, the person may be indemnified only if he or she had no reasonable cause to believe that the conduct was unlawful. The Association will not indemnify a person who is found liable to the Association or is found liable to another on the basis of improperly receiving a personal benefit from the Association.

§2. The Association will pay or reimburse expenses incurred by a trustee, officer, committee member, employee, or agent of the Association in connection with the

§6. Any indemnification of expenses will be reported in writing to the Association's members. The report will be made with or before the notice or waiver of notice of the next membership meeting, or with or before the next submission to members of a consent to action without a meeting. In any case, the report will be sent within the 12-month period immediately following the date of indemnification.

§5. The Association will authorize indemnification and determine that expenses to be reimbursed are reasonable in the same manner that it determines whether indemnification is permissible.

- (a) Majority vote of a quorum consisting of trustees who, at the time of the vote, are not named defendants or respondents in the proceeding.
- (b) If such a quorum cannot be obtained, by a majority vote of a committee of the board, designed to act in the matter by a majority vote of all trustees, consisting solely of two or more trustees who at the time of the vote are not named defendants or respondents in the proceeding.
- (c) Determination by special legal counsel selected by the Board by the same vote as provided in subparagraphs (1) or (ii), above, or if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all trustees.
- (d) Majority vote of members, excluding trustees or other members who are named defendants or respondents in the proceeding.

§4. Before the Association may pay any indemnification expenses (including attorney's fees), the Association must specifically determine that indemnification is permissible, authorize indemnification, and determine that expenses to be reimbursed are reasonable, except as provided in subparagraph (c), below. The Association may make these determinations and decisions by any one of the following procedures:

**Procedures Relating to Indemnification Payments**

§3. The indemnity permitted under these Bylaws includes indemnity against judgments, penalties, (including excise and similar taxes), fines, settlements, and reasonable expenses (including attorney's fees) actually incurred in connection with the proceeding. If the proceeding was brought by or on behalf of the Association, the indemnification is limited to reasonable expenses actual incurred by the person in connection with the proceeding.

**Extent and Nature of Indemnity**

person's appearance as a witness or other participation in a proceeding involving or affecting the Association when the person is not a named defendant or respondent in the proceeding.

## **ARTICLE XVI NOTICES**

§1. Any notice required or permitted by these Bylaws to be given to a member, trustee, officer, or member of a committee of the Association may be given by mail, hand delivery, e-mail or facsimile. If mailed, a notice is delivered when deposited in the mail addressed to the person at his or her address as it appears on the corporate records, with postage. If given by e-mail or facsimile, a notice is deemed delivered when transmitted to the person at his or her address as it appears on the Association's records. A person may change his or her address in the Association's records by giving written notice of the change to the secretary of the Association.

### **Special Waiver of Notice**

§2. Whenever any notice is required by law or under the Articles of Incorporation or these Bylaws, a written waiver signed by the person entitled to receive such notice is considered the equivalent to giving the required notice. A waiver of notice is effective whether signed before or after the time stated in the notice being waived.

### **Waiving Notice by Attendance**

§3. A person's attendance at a meeting constitutes waiver of notice of the meeting unless the person attends for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

## **ARTICLE XVII SPECIAL PROCEDURES CONCERNING MEETINGS Meeting by Telephone**

§1. The Board of Trustees and any committee of the Association may hold a meeting by telephone conference-call procedures. In all meetings held by telephone, members must be arranged in such a manner that all persons participating in the meeting can hear each other; the notice of a meeting by telephone conference must state the fact that the meeting will be held by telephone as well as all other matters required to be included in the notice; and a person's participating in the conference-call meeting constitutes his or her presence at the meeting.

### **Decision Without Meeting**

§2. Furthermore, in accordance with the Articles of Incorporation, action may be taken without a meeting when there are signed written consents by the number of members, board members, or committee members whose votes would be necessary to take action at a meeting at which all persons entitled to vote were present and voted. Each written consent must be signed and bear the date of signature of the person signing it. A telegram or similar transmission by a member, trustee, or committee member, or a

§1. These Bylaws may be altered, amended or repealed or new Bylaws adopted at an annual meeting of the members, attended by a quorum, by a vote of a majority of members present in person or by proxy who are eligible to vote. The notice of any meeting at which these Bylaws are altered, amended or repealed, or at which new Bylaws are adopted, will include the text of the proposed bylaw provisions as well as the text of any existing provisions proposed to be altered, amended, or repealed. Alternatively, the notice may include a fair summary of those provisions.

**ARTICLE XVIII  
AMENDING BYLAWS**

- (a) An instrument revoking the proxy is delivered to the secretary or other designated officer;
- (b) The proxy authority expires under the proxy's terms; or
- (c) The proxy authority expires under the terms of these Bylaws.

occurs:

§3. A person authorized to exercise a proxy may not exercise the proxy unless it is delivered to the officer presiding at the meeting before the business of the meeting begins. The election rules adopted by the Board of Trustees or the Election Committee shall provide procedures to prevent the same lot from being double-voted, by proxy and in person. If a person who has duly executed a proxy and personally attends a meeting, the proxy will not be effective for that meeting. A proxy filed with the secretary of the Association or other designated officer remains in force until the first of the following

**Proxy**

The Association will give prompt notice of the action taken to persons who do not sign consents. If the action taken requires documents to be filed with the secretary of state, the filed documents will indicate that these written consent procedures were followed to authorize the action and filing.

Consents must be delivered to the Association. A consent signed by fewer than all members, trustees, or committee members is not effective to take the intended action unless the required member of consents are delivered to the Association within 30 days after the date that the earliest-dated consent was delivered to the Association. Delivery may be made to the Association's registered office, registered agent, principal place of business, or an officer or agent having custody of books in which the relevant proceedings are recorded. If the delivery is made to the Association's principal place of business, the consent must be addressed to the president or principal executive officer.

photographic, facsimile, or similar reproduction of a signed writing, will be treated as an original being signed by the member, trustee, or committee member.



## **Conflict**

§2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

## **ARTICLE XIX MISCELLANEOUS PROVISIONS Legal Authorities Governing Construction of Bylaws**

§1. These Bylaws will be construed under Texas law. All references in these Bylaws to statutes, regulations, or other sources of legal authority will refer to the authorities cited, or their successors, as they may be amended from time to time.

### **Legal Construction**

§2. To the greatest extent possible, these Bylaws shall be construed to conform to all legal requirements and all requirements for obtaining and maintaining all tax exemptions that may be available to nonprofit Associations. If any Bylaw provision is held invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability will not affect any other provisions, and the Bylaws will be construed as if they had not included the invalid, illegal, or unenforceable provision.

### **Headings**

§3. The headings used in the Bylaws are for convenience and may not be considered in construing the Bylaws.

### **Number**

§4. All singular words include the plural, and all plural words include the singular.

### **Power of Attorney**

§5. A person may execute any instrument related to the Association by means of a power of attorney if an original executed copy of the power of attorney is provided to the secretary to be kept with the corporate records.

### **Parties Bound**

§6. The Bylaws will bind and inure to the benefit of the members, trustees, officers, committee members, employees, and agents of the Association and their respective heirs, executors, administrators, legal representatives, successors, and assigns except as the Bylaws otherwise provide.

(seal)

Its: Secretary

By: *Evelyn O'Hara*  
Evelyn O'Hara  
5-21-07  
Date

BAR X PROPERTY OWNERS' ASSOCIATION

I certify that I am the duly elected and acting secretary of THE BAR X  
PROPERTY OWNER'S ASSOCIATION and that these Bylaws constitute the  
Association's Bylaws. These Bylaws were duly adopted at a meeting of the membership  
at the Annual Meeting on April 21, 2007.

CERTIFICATE OF SECRETARY

President

Its:

By: *Larry Pike*  
Larry Pike  
5/21/07  
Date

BAR X PROPERTY OWNERS' ASSOCIATION