

**BYLAWS OF COUNCIL CREEK SOUTH PROPERTY OWNERS  
ASSOCIATION, INC.**

ARTICLE 1

**Offices**

1.01 The principal office of the corporation in the State of Texas shall be located within the subdivision known as Council Creek South, Units One, Two and Three, Burnet County, Texas. The corporation may have such other offices as the Board of Directors may determine or as the affairs of the corporation may require from time to time.

1.02 The corporation shall have and continuously maintain in the State of Texas a registered office and a registered agent whose office is identical with such registered office as required by the Texas Business Organizations Code. The registered office may be, but need not be, identical with the principal office of the corporation in the State of Texas, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE 2

**Purpose**

2.01 The Council Creek South Property Owners Association (CCSPOA) is a non-profit Corporation established for the purpose of constructing, owning, operating and maintaining the commonly-owned parks and recreational facilities of the Council Creek South (CCS) Subdivision and all usual and necessary accessories thereto, assessing and collecting the annual fees for the maintenance thereof as prescribed in the Subdivision Deed Covenants, Conditions and Restrictions (CC&Rs), as may be amended from time to time, administering the Subdivision and regulations, representing CCS property owners in relations with public agencies and other organizations, and engaging in such other activities as are intended to promote the general welfare and common interests of the lot owners. The principal functions of the Corporation shall include, but not be limited to, the following:

1. Assess, collect, and disburse the annual maintenance fees provided for by the Subdivision CC&Rs.
2. Assure proper operation, maintenance, and use of the parks, subdivision public roads, and recreational facilities of the Subdivision and establish and enforce the rules and regulations regarding the use of these facilities.
3. Provide for proper architectural control and upkeep of properties in Subdivision by assuring adherence to established restrictions and building standards.
4. Maintain security and safety in the Subdivision and prevent unauthorized use of its facilities by outsiders and ineligible property owners.
5. Represent CCSPOA in dealing with the County Commissioners, law enforcement authorities, emergency response organizations, tax agencies, public and private utilities, and other public agencies and authorities.
6. Cooperate with other similar organizations in pursuing common interests and objectives.

7. Promote social interchange and community spirit among residents.

### ARTICLE 3

#### **Membership**

3.01 Membership in the corporation shall be composed of all persons now, or hereafter, owning property in CCS Subdivision, Units One, Two, or Three, which such property of said subdivision is that shown and designated in accordance with the plat, or plats, of CCS Subdivision, Units One, Two, and Three, recorded in the plat records of Burnet County, Texas, and which such person makes application for membership in the corporation and pays all fees, dues, and assessments established by the corporation. For the purpose of these Articles, a “member” is defined as follows:

- (a) Every lot owner (whether one or more, a natural person or otherwise) owning fee simple title to a lot, or lots, within said subdivision and paying all fees, dues, and assessments as set, established, requested and assessed by the corporation, and who are required by deed or other restriction or lien to pay the full property maintenance assessment set out in any of the restrictions and/or covenants of record affecting lots in CCS Subdivision, Units One, Two, and Three, Burnet County, Texas;
- (b) If more than one owner has a fee simple interest in any one lot it is specifically provided that such multiple owners are considered as a unit to be one member;
- (c) If any lot owner owns more than one lot, it is specifically provided herein that such owner shall have only one membership.

3.02 Each member as aforesaid, who is not delinquent in payment of dues and/or assessments, shall have the right to cast one vote per Director for the election of Directors. Cumulative voting is herein expressly denied in the election of Directors. Furthermore, each member as aforesaid shall have the right to cast one vote in the determination of any matters properly presented to the membership of the corporation.

3.03 The Board of Directors, by affirmative vote of two-thirds (2/3) of all the members of the Board, may suspend or expel a member for cause after an appropriate hearing and may, by a majority of those present at any regularly constituted meeting, terminate the membership of any member who becomes ineligible for membership, or suspend or expel any member who shall be in default in the payment of dues and assessments for the period fixed in Article XII of these ByLaws, or who shall be in default of any additional assessments that may be made by the Board of Directors.

3.04 Any member may resign by filing a written resignation with the Secretary, but such resignation shall not relieve the member so resigning of the obligation to pay any dues, assessments, or other charges theretofore accrued and unpaid.

3.05 A former member, upon written request filed with the Secretary, and upon payment in full of all delinquent dues and assessments on his property, may, by the affirmative vote of two-thirds (2/3) of the Board of Directors, be reinstated to membership on such terms as the Board may deem appropriate.

3.06 Membership in this corporation is not transferable or assignable.

## ARTICLE 4

### **Meetings**

4.01 An annual meeting of the members shall be held on the last Saturday in April in each year, at the hour set by the Board of Directors, for the purpose of electing Directors and for the transaction of other business as may come before the meeting. If the day fixed for the annual meeting shall be on a legal holiday in the State of Texas, such meeting may be held on the next succeeding business day. If the election of Directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as possible.

4.02 Special meetings of the members may be called by the President, the Board of Directors, or not less than one-tenth (1/10) of the members having voting rights.

4.03 The Board of Directors may designate any place as the place of for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be the registered office of the corporation in the State of Texas; but if all of the members shall meet at any time and place, either within or without the State, the consent to the holding of a meeting, such meeting shall be valid without call or notice, and at such meeting any corporate action may be taken.

4.04 Written or printed notice stating the place, day, and hour of any meeting of members shall be delivered, either personally or by mail or by e-mail to each member entitled to vote at such meeting, not less than ten (10) or more than fifty (50) days before the date of such meeting, by or at the direction of the President, or the Secretary, or the Officers or persons calling the meeting. In case of a special meeting or when required by statute or the Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the corporation, with postage thereon prepaid.

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

4.06 The members holding 20% percent of the vote which may be cast at any meeting shall constitute a quorum at such meeting. If a quorum exists, 51% of votes present are required to pass an action. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting from time to time without further notice.

4.07 At any meeting of members, a member entitled to vote may vote by proxy executed in writing by the member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

4.08 Where Directors or Officers are to be elected by members, such election may be conducted by mail in such manner as the Board of Directors shall determine.

## ARTICLE 5

### **Board of Directors, Duties, Compensation, Indemnification**

5.01 The affairs of the corporation shall be managed by its Board of Directors. Directors need not be residents of Texas. Directors must be members of the Corporation and must be current in payment of dues, maintenance fees, and assessments...

5.02 The number of Directors shall be five (5). The number of Directors may be changed by amendment to these Bylaws as provided in Article XV hereof. Three (3) of the Directors shall be elected in odd-numbered years, two (2) shall be elected in even-numbered years. Terms shall be for two years. "No director may serve more than two (2) consecutive terms. Following a one-year lapse of service, previous Board Members become eligible for additional term/terms. If no applicants are available to fill a vacancy and all current Board Directors agree, then a director may serve any number of consecutive terms on a term by term basis."

5.03 A regular meeting of the Board of Directors shall be held without other notice than this Bylaw, immediately after, and at the same place as, the annual meeting of members. The Board of Directors may provide by resolution the time and place for the holding of additional regular meeting of the Board without other notice than such resolution.

5.04 Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) Directors. The person or persons authorized to call special meetings of the Board may fix any place as the place for holding any special meetings of the Board called by them.

5.05 Notice of any special meeting of the Board of Directors shall be given at least five (5) days previously thereto by written notice delivered personally or sent by mail or e-mail to each Director at his 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 so addressed with 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 a transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board needs be specified in the notice or waive of notice of such meeting, unless specifically required by law or by the Bylaws.

5.06 A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

5.07 The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws.

5.08 Any vacancy occurring in the Board of Directors and any directorship to be filled by reason of an increase in the number of Directors shall be filled by the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

5.09 Directors as such shall not receive any stated salaries or other compensation for their services, but, by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board, but nothing herein shall be construed to preclude any Director from serving the corporation in any other capacity and receiving compensation for services rendered.

5.10 Indemnification: Officers and Directors of the Corporation shall not be subject to any personal liability in connection with the performance of their corporate duties, and every Director and Officer shall be indemnified by this Corporation against all expenses and liabilities, including counsel fees reasonably incurred or imposed upon him in connection with any controversy to which he may be made a party or in which he may become involved by reason of his being or having been a Director or Officer of this Corporation, whether or not he is a Director or Officer at the time such expenses are incurred, unless the Director or Officer involved is adjudged guilty of negligence or misconduct in the performance of his duties in connection with the subject of such controversy, provided that, in the event of a voluntary settlement of any such controversy by the Office or Director involved, the indemnification provided herein shall apply only when the Board of Directors approves such settlement and any reimbursement to such involved Director or Officer as being in the best interests of the Corporation. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or Office may be entitled.

5.11 Any action required by law to be taken at a meeting of the Directors or any action which may be taken at a meeting of Directors, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all the Directors.

## ARTICLE 6

### **Officers**

6.01 The Officers of the Corporation shall be a President, a Vice President, a Secretary, a Treasurer, and such other Officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect or appoint such other Officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary.

6.02 The Officers of the corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board. If the election of Officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.

6.03 Any Officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever, in its judgment, the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

6.04 Any vacancy in any office because of death, resignation, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

6.05 The President shall be the principal executive officer of the corporation and shall in general supervise and control all of the business affairs of the corporation. He shall preside at all meetings of the members and of the Board of Directors. He may sign, with the Secretary or any other proper officer of the corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by statute to some other officer or agent of the corporation; and in general he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

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

6.07 If required by the Board of Directors, the Treasurer shall give a bond, paid for by the corporation, for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. He shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Article VIII of the Bylaws; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

6.08 The Secretary shall keep the Minutes of the meetings of the Members and the Board of Directors in one or more books provided for that purpose; give all notices in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records and of the seal of the corporation and affix the seal of the corporation to all documents, the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these Bylaws; keep a register of the mailing address of each member which shall be furnished to the Secretary by each member; and, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Board of Directors.

6.09 If required by the Board of Directors, the Assistant Treasurers shall give bond, paid for by the corporation, for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Treasurers and Assistant Secretaries in general shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the President or the Board of Directors.

## ARTICLE 7

### **Committees**

7.01 Decisions and policies of the Board of Directors shall be carried out by two Standing Committees of three members each and shall include a Maintenance Committee and a Security and Safety Committee. Other special committees may be established by the Board of Directors from time to time as deemed necessary to perform such duties or functions as the Board may prescribe.

Members of the committees shall be appointed by the President, with the committee chair to be selected by the members of the committee. Insofar as possible, at least one member of each standing committee shall be selected from the Board of Directors, in accordance with their individual abilities and personal preferences. Whether or not a Director serves on a committee, a Director shall be placed in charge of each committee.

The duties and responsibilities of the Standing Committees shall include, but not be limited to, the following:

(1) Maintenance Committee.

(A) Look after the maintenance and operation of the park, including the boat launch, and roads of the subdivision. (B) Advise the Board of maintenance requirements and costs. (C) When necessary, define duties of, select, and supervise the work of the subdivision caretaker. (D) Obtain bids, purchase supplies and equipment, and arrange maintenance and repair work as authorized by the Board of Directors, supervise work performed and assure conformance to specifications. (E) Procure and coordinate voluntary assistance for maintenance and construction work.

(F) Deal with County Commissioners regarding the maintenance of county roads within the subdivision and with any other county officials and matters pertaining to their jurisdiction. (G) Plan and carry out beautification projects.

(2) Security and Safety Committee.

(A) Maintain regular contact with local law enforcement officials whose jurisdiction includes Council Creek South. (B) Encourage and facilitate participation in "Neighborhood Watch" program and set up periodic meetings of residents to discuss security issues. (C) Maintain regular contact with local emergency response organizations and encourage fire wise activities by Council Creek South property owners.

7.02 Each member of a committee shall continue as such until the next annual meeting of members and until his successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

7.03 One member of each committee shall be appointed Chairman by the person or persons authorized to appoint the members thereof.

7.04 Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of original appointments.

7.05 Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of the majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

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

## ARTICLE 8

### **Fiduciary, Source, Use and Control of Funds and Property**

8.01 The Board of Directors shall procure and maintain such liability and hazard insurance as it may deem appropriate on any property and facilities managed and/or owned by the association.

8.02 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. Such authority may be general or confined to specific instances.

8.03 The principal source of funds to be used by the Corporation in carrying out its activities shall be the annual maintenance fees as provided in the Subdivision Deed Restrictions and by annual membership dues, the amount of which shall be set each year by the Board of Directors.

8.04 No other fees, dues, or assessments shall be imposed unless approved by a vote of a majority of the members present at the Annual Meeting or at a Special Meeting of members called for such purpose.

8.05 The Board of Directors may accept on behalf of the Corporation Any contributions, gifts, bequests or devises, monetary, material, or otherwise to be used for the general purposes or special purpose of the Corporation, and may engage in special fund raising campaigns as it deems necessary to meet the financial needs of the corporation.

8.06 The Board of Directors shall have full authority to expend corporate funds as it deems necessary to carry out the established purposes and objectives of the corporation, subject to the following restrictions and limitations:

(A) Unless otherwise approved by the members, the funds and assets of the corporation may be used only for the general benefit of members of CCSPOA as a whole, in accordance with the purposes and objectives as established in Article II above.

(B) Expenditures shall be limited to funds currently available (income on a year-to-year basis). No debt shall be incurred or properties mortgaged except as approved by members.

(C) No funds shall be spent for additional facilities (capital assets) or major improvements, nor shall existing facilities or properties be disposed of, without the approval of members.

(D) The approval required for exceptions to the foregoing restrictions and limitations shall consist of a majority vote of the members attending the Annual General Meeting or Special Meeting of the members called for such purpose, or amendment of these Bylaws. The requirements for meetings described in Article 4 above apply to these meetings.

8.07 All checks, drafts, or orders for the payment of money, notes, or evidences of indebtedness issued in the name of the corporation shall be signed by such Officer or Officers, agent or agents, of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the

Treasurer or an Assistant Treasurer and countersigned by the President or Vice-President of the corporation.

8.08 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.

## ARTICLE 9

9.01 The Board of Directors may provide for the issuance of certificates evidencing membership in the corporation, which shall be in such form as may be determined by the Board. Such certificates shall be signed by the President or a Vice-President and by the Secretary or an Assistant Secretary and shall be sealed with the seal of the corporation. 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 may be issued therefore on such terms and conditions as the Board of Directors may determine.

9.02 When a member has been elected to membership and has paid any initiation fee and dues that may then be required, a certificate of membership shall be issued in his name and delivered to him by the Secretary, if the Board of Directors shall have provided for the issuance of certificates of membership under the provisions of Paragraph 8.01 of this Article 8.

## ARTICLE 10

10.01 The corporation shall keep correct and complete books and records of account 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 or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the corporation may be inspected by any member or his agent or attorney for any proper purpose at any reasonable time.

## ARTICLE 11

11.01 The fiscal year of the corporation shall begin on the first day of January and end on the last day of December in each year.

## ARTICLE 12

### **Fees and Assessments**

12.01 The Board of Directors may, within limits of Deed CC&Rs, determine from time to time the amount of fees, assessments, and annual dues payable to the corporation by members.

12.02 Fees, assessments and dues shall be payable to the corporation upon the member receiving a notice or statement therefore.

12.03 When any member shall be in default in the payment of any fees, dues, or assessments for a period of 3 months from the time such member received a statement or

notice of same, his membership may be terminated by the Board of Directors in the manner provided in Article III of these Bylaws.

#### ARTICLE 13

13.01 The Board of Directors shall provide a corporate seal, which shall be in the form of a circle and shall inscribe thereon the name of the corporation and the words “Corporate Seal of Council Creek South Property Owners Association, Inc.”.

#### ARTICLE 14

14.01 Whenever any notice is required to be given under the provisions of the Texas Business Organizations Code or under the provisions of the Articles of Incorporation or the Bylaws of the corporation, 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 deemed equivalent to the giving of such notice.

#### ARTICLE 15

15.01 These Bylaws may be altered, amended, or repealed and new Bylaws may be adopted by a majority (51 percent) of the voting members of Council Creek South Property Owners Association, Inc. All eligible voters will be provided the opportunity to vote in accordance with Article 4 of these Bylaws.