

By-Laws

Of

Kipling Oaks Civic Club, Inc.

Article I: Name & Location

The name of the corporation is Kipling Oaks Civic Club, Inc., d.b.a. Kipling Oaks Homeowners Association (hereinafter referred to as "the Association"). The principle address of the Association shall be P.O. Box 605, Pinehurst, Texas 77362, but meetings of the directors and officers may be held at such places within the State of Texas, as may be designated by the Board of Directors.

Article II: Definitions

Section 1. "Association" shall mean and refer to Kipling Oaks Civic Club, Inc. a Texas non-profit corporation, its successors and assigns.

Section 2. "Owner" shall mean and refer to the resident record owner of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation and those having only an interest in the mineral state.

Section 3. "Property" shall mean and refer to the real property of Kipling Oaks Sections 1, 2, 3, 4, 5 and 6 as recorded in the Map of Records of Montgomery County, Texas, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Subdivision" shall mean and refer to Kipling Oaks Sections 1, 2, 3, 4, 5 and 6 and such additions thereto, according to the above maps or plats thereof, filed for record in the Map of Records of Montgomery County, Texas, and the property encompassed by its boundaries.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Property with the exception of public areas such as parks.

Section 6. "Member" shall mean and refer to every person or entity that holds membership in the Association. No person shall be a member unless he or she is an owner of property in Kipling Oaks Subdivision Sections 1, 2, 3, 4, 5 or 6. A member cannot vote or serve as an Officer or Board Member if they owe any maintenance

charges, or other costs identified in the Deed Restriction and/or if they have any deed restriction violations that have been turned over to the Association's attorney.

Article III: Annual and Special Meeting of Members

Section 1. Annual Meetings – The annual meeting of the members shall be held at 3:00 p.m. on the third Sunday of January or thereabouts.

Section 2. Special Meetings – Special meetings of the members may be called at any time by (1) the President of the Association, (2) a majority of the Board of Directors or (3) upon written request by 10 or more of the members entitled to vote.

Section 3. Notice of Meetings – Notice to be made by a sign placed at the entrance to the subdivision no later than 5 days prior to the meeting date.

Section 4. Voting of Members – Members are entitled to vote only with regard to the annual election. However, at special meetings of the members, at such times as is deemed necessary or advisable, a vote may be taken to ascertain the opinion of the members as to specific matters. Any vote which may be taken at such meeting or meetings will be considered as advisory only, and will not bind the Board of Directors in its action with regard to the matters submitted. Only one (1) vote may be cast per residence. No proxies or absentee ballots are allowed.

Section 5. Quorum – A quorum at any meeting of the members shall consist of a majority thereof, represented in person. A majority of the members present at any meeting shall be deemed to express the decision of the majority as to any matters that may come before such meeting.

Article IV: Board of Directors Section

Section 1. Number – The affairs of the Association shall be managed by a Board of seven (7) Directors who shall be members of the Association. The number of Directors may change, from time to time, but, at no time shall the number be less than five (5) or greater than nine (9).

Section 2. Term of Office – At the annual meeting of the members of the Association, the members shall elect Directors whose position are open for election for terms of three (3) years.

Section 3. Removal – Any Director may be removed from the board, with or without cause, by a majority of the Board. In the event of the death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve out the remaining term of his predecessor.

Section 4. Compensation – No Director shall receive compensation for any service rendered to the Association. However, any Director may be reimbursed for his actual expense incurred in the performance of his duties.

Article V: Nomination and Election of Directors

Section 1. **Nomination** -- Nominations for election to the Board of Directors shall be made by a nomination committee. Nominations may also be made from the floor at the annual meeting. The Nomination Committee shall consist of a chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors two months prior to each annual meeting of the members, to serve until the annual election shall be properly completed. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall, in its discretion, determine, but not less than the number of vacancies to be filled. These nominations shall be submitted to the Board of Directors by the Nominating Committee no later than thirty (30) days prior to the annual election. Further, any member of the Association who is nominated by another member of the Association from the floor shall be entitled to run for the Board of Directors.

Section 2. **Election** -- The annual election shall be held in conjunction with the annual meeting of the members. Election to the Board of Trustees shall be by individual hand raising unless a motion to elect such Director (s) by acclamation is duly made and seconded. At such election, the members may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the By-Laws. Only members of the Association present may vote. No proxies or absentee ballots are allowed. The persons receiving the largest number of votes shall be elected. The newly elected Directors shall take office immediately.

Section 3. **Conflict of Interest** -- When acting as a member of the board of Directors, each person shall place the interests of the Association and its members before the individual interest, or the interests, of any other group or association of persons. In the event any member of the Board of Trustees has any individual interest which may be in conflict with the interest of the Association, he shall immediately make such fact known to the Board of Directors, and he shall be disqualified from participating in discussions or actions of the Board with respect to such matters. In the event that any member of the Board becomes in such a position that his individual interests are and shall continue to conflict with the Association over an extended period of time and in such a manner as to directly or indirectly affect a substantial amount of business of the Board, such member may be disqualified from acting on the Board and may be removed from the Board as provided in Article IV, Section 3 thereof.

Article VI: Regular Meetings

Section 1. **Regular meetings** -- Regular monthly meetings of the Board of Directors shall be held at 7:00p.m. on the first Thursday of each month. Said meeting dates and/or time may be rescheduled by a majority vote of the Board of Directors. No notice shall be required for regular meetings of the Board of Directors for which the time has been fixed.

Section 2. **Quorum** -- A majority of the number of Directors shall constitute a quorum for the transaction of business. Whenever a vacancy on the Board of Directors shall prevent a quorum from being present, then, in such event, the quorum shall consist of a majority of the members of the Board of Directors excluding the vacancy. Every act or

decision done or made by a majority of the Directors present at a duly held meeting shall be regarded as the act of the Board.

Section 3. **Agenda** – The order of business at such regular meetings shall be:

- a) Acceptance of the minutes of the prior meeting
- b) Unfinished business
- c) Reports of officers and committees
- d) New business
- e) Open floor
- f) Adjournment

Article VII: Powers and Duties of the Board of Directors

Section 1. **Powers** – Subject to and consistent with the Articles of Incorporation and these By-Laws, the Board of Directors shall have power to:

1. Adopt and publish rules and regulations governing use of the park facilities, and to establish penalties for infractions thereof.
2. Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, Articles of Incorporation or deed restrictions.
3. Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors. However, if the reason for the absence is due to a prolonged illness or the board deems the absence appropriate, the board may waive this rule.
4. Employ an independent contractor, or other such employees as they deem necessary, and to prescribe the conditions, compensations and duties of their work.
5. Enter into management or maintenance agreements with other parties to operate, maintain or perform all, or any part, of the affairs and business of the Association. Such agreements shall be rendered at the regular monthly meetings.
6. Amend the Articles of Incorporation by vote of a majority of the Board of Directors in office.
7. The Board of Directors shall have power (and such power expressly is delegated to said Board by the members) to make and alter any by-law or by-laws by a majority vote of the Board of Directors, including the fixing and altering of the number of Directors that is consistent with the By-Laws and Articles of Incorporation, provided that if the Board shall make or alter any by-law or by-laws fixing the qualifications, classifications or term of office of any member or members of the Board of Directors then in office, then the altered by-law or by-laws are not applicable to those Directors until the term that they are serving ends. If they are re-elected the altered by-law or by-laws shall apply to those Directors.

Section 2. Duties – It shall be the duty of the Board of Directors to:

1. Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting, or at any special meeting. Minutes shall be taken at all regular monthly meetings and the annual meeting of the members. Said minutes shall be delivered at the following regular monthly meeting.
2. As more fully provided in the Deed Restrictions pertaining to Kipling Oaks Civic Club, Inc. d.b.a. Kipling Oaks Homeowners Association, Montgomery County, Texas, to:
 - a) Fix the amount of the annual maintenance dues against each residence at least thirty (30) days in advance of each annual meeting. Any changes in assessments of the community as a whole shall require approval by a vote of those entitled voters present at the annual meeting;
 - b) Send written notice of annual maintenance dues or special assessments;
 - c) To procure and maintain adequate liability and hazard insurance on the property owned by the Association;
 - d) To cause officers or employees having fiscal responsibilities to be bonded, as the Board may deem appropriate;
 - e) To cause the park area and facilities, if any, to be maintained;
 - f) To enforce, or cause to be enforced, the Deed Restrictions of Kipling Oaks Civic Club, Inc.

Article VIII: Officers and Their Duties

Section 1. Enumeration of Officers – The officers of the Association shall be a President, Vice President, Secretary and Treasurer, who shall at all times be members of the Board of Directors, and such other officers as the Board, from time to time, by resolution creates.

Section 2. Election of Officers – The election of officers shall take place at the first regular meeting of the Board of Directors following each annual meeting of the members

Section 3. Term – The officers of the Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year except in the event a Director resigns, is removed, or otherwise is disqualified to serve.

Section 4. Special Appointments – The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period,

have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal – Any officer may be removed from office with or without cause, by a majority vote of the Board of Trustees, subject to the limitations of Article IV, Section 3. Any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of the receipt or any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies – 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 replaced.

Section 7. Duties – The duties of the officers are as follows:

- A. **President** – The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out, and shall sign instruments on behalf of the Association. The President shall initial all checks written on the Association's checking account(s).
- B. **Vice President** – The Vice President shall act in the place and stead of the President in the event of absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.
- C. **Secretary** – The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it upon minutes of the meetings of the Board of Directors and members and upon all other papers requiring said seal; serve notice of special meetings of the Board and of special meetings of the members of the Association together with their addresses; and perform such duties as required by the Board.
- D. **Treasurer** – The Treasurer, or the President in the absence of the Treasurer, shall receive and control the deposit in appropriate bank accounts all moneys of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall oversee the keeping of the proper books of account, shall oversee the preparation of an annual budget; and shall present a statement of income and expenditures which will be presented to the Board at its regular monthly meeting. Copies of these documents shall be made available to the members as requested.

Article IX: Committees

The Board of Directors may appoint committees as deemed appropriate in carrying out its purposes, such as an Architectural Control Committee as provided for in the Deed Restrictions.

Article X: Books and Records

The books, records and paper of the Association shall at all times, during reasonable hours, be subject to inspection by any member for any proper purpose upon request to the President or Treasurer.

Article XI: Corporate Seal

The Association shall have a seal, in circular form, having within its circumference the words: Kipling Oaks Civic Club, Inc.

Article XII: Fiscal Year

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of each year.

Article XIII: Amendments

Section 1. These By-Laws may be amended by a majority of a quorum of the Board of Directors.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles of Incorporation shall control; and in the case of any conflict between the Deed Restrictions and these By-Laws, the Deed Restrictions shall control.