

# Bylaws of Balcones Woods Club, Inc.

## ARTICLE I NAME AND LOCATION

The name of the corporation is BALCONES WOODS CLUB INC., hereinafter referred to as the "Association". The registered office of the corporation shall be located at P.O. Box 14508, 6010 Brooks, Austin, Texas 78761, but meetings of members and directors may be held at such places within Travis County, Texas, as may be designated by the Board of Directors.

## ARTICLE II DEFINITIONS

Section 1. "Association" shall mean and refer to BALCONES WOODS CLUB, INC., its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to Balcones Woods, a partnership, composed of Greater Northwest, Inc., a Texas corporation, and Austex Development Co., Ltd., a Texas limited partnership, its successors and assigns if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions and any amendments thereto applicable to the Properties recorded in the Office of the County Clerk of Travis County, Texas.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

## ARTICLE III ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association monthly and special assessments which are secured to the full extent provided by law, 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 six percent (6%) per annum; and the Association may either (1) bring an action at law against the Owner personally obligated to pay the same or (2) foreclose the lien against the property, or (3) both. Interest, costs, and reasonable attorney's 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 nonuse of the Common Area or abandonment of his lot.

#### ARTICLE IV MEETINGS OF MEMBERS

Section 1. Rights and Obligations of Members. Members, as the same are defined in the Declaration of Covenants, Conditions and Restrictions, which are recorded in Book 4174, Page 852, etc., of the Deed Records of Travis County, Texas shall constitute the voting members and shall be entitled to participate in the affairs of the Association and shall be subject to assessments, and shall receive the required notices as set forth in these bylaws and in other instruments concerning this association.

Section 2. Annual Meetings. Each regular annual meeting of the members shall be held on the third or fourth Tuesday or Thursday of each January of each year, at the hour of 7 o'clock, P.M. If the day for the annual meeting of the members is a legal holiday, the meeting shall be held at the same hour on the first day following which is not a legal holiday.

Section 3. Special meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote one-tenth (1/10) of all the votes of the membership.

Section 4. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days, but not more than 50 days, before such meeting to each member entitled to vote thereat, addressed to the members address last appearing on the books of the Associations or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in case of a special meeting, the purpose of the meeting. Such notice shall also specify those members nominated for election to the Board of Directors, the Operating Committee, and to any other position which the members are permitted to elect or recommend. Such notice shall be deemed delivered when deposited in the United States Mail, addressed to the member at his address as set out above.

Section 5. Quorum. The presence at the meeting of the members entitled to cast, or of proxies entitled to cast, one tenth (1/10) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. 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 from time to time without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 6. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

Section 7. Action Taken Without Meeting. Members shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of two-thirds (2/3) of all members entitled to vote, and filing the same with the secretary of the Association. Any action so approved shall have the same effect as though taken at a meeting of the members.

Section 8. Business Agenda. The business agenda of any meeting shall be limited to those items spelled out in the notice of the meeting. Members wishing to propose items for the annual meeting must submit those items in writing to the board of directors by December 1. Those items requested by 28 or more members are to be included in the agenda of the meeting. Items requested by less than 15 members will be included if approved by a majority of the board. A proxy is to be included with each meeting notice to allow each member to vote on the business items for that meeting.

## ARTICLE V

### BOARD OF DIRECTORS; SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of the Association shall be managed by a board of not less than three directors, the exact number of which shall be determined at each annual meeting.

Section 2. Term of Office. At each annual meeting, the members shall elect 1/3 of the directors for a term of three years. If the number of directors is changed, then any directors elected following such change shall be for terms of from one to three years respectively so that insofar as it is possible, 1/3 of the number of the board will be elected each year thereafter.

Section 3. Removal. Any director may be removed from the board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of a majority of all of the directors and filing the same with the secretary of the Association. Any action so approved shall have the same effect as though taken at a meeting of the directors.

## ARTICLE VI

### NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination 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 prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. 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 that are to be filled. Such nominations, either by the Nominating Committee or from the floor at the annual

meeting, shall be made from among members who have been members of the Association for at least one year prior to the nomination. No director shall be elected to serve a successive term as directors.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

## ARTICLE VII MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held every three months without notice, at such place and hour as may be fixed from time to time by resolution of the board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by a majority of the directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as an act of the board.

## ARTICLE VIII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power to:

- (a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and use of the recreational facilities of a member during any period in which such members 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 60 days for infraction of published rules and regulations.
- (c) 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 bylaws, the Articles Of Incorporation or the Declaration;
- (d) 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; and
- (e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

(f) foreclose the lien against any lot or property for which assessments are not paid within thirty (30) days after the due date or to bring an action at law against the owner personally obligated to pay the same, or both.

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

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a report thereof to the members at the annual meeting of the members, or at any special meeting when such report is requested in writing by one-fourth (1/4) of the members who are entitled to vote;

(b) supervise all officers, agents and employees of this association and to see that their duties are properly performed;

(c) as more fully provided in the Declaration to:

(1) fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every owner subject thereto, such assessment notice being mailed with the notice of the annual meeting of the members;

(d) issue, or 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 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 adequate liability and hazard insurance on property owned by the association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Area to be maintained;

(h) cause the exterior of any dwelling to be maintained when such is deemed necessary by the board of directors and to levy a special assessment against each lot for the cost thereof, provided that the member is given due notice and opportunity to correct any maintenance deficiency.

## ARTICLE IX OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president, a vice-president, a secretary, and a treasurer, and such officers as the board may from time to time by resolution create. All officers shall be members of the Association.

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

Section 3. Term. The officers of this Association shall be elected annually by the board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise 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 the board. 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 receipt of such notice 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 an appointment by the board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President (a) The president shall preside at all meetings of the Board of Directors and members; shall see that orders and resolutions of the board are carried out; shall sign all leases, mortgages, deeds and other written instruments; shall co-sign promissory notes; and shall exercise and discharge such other duties as required by the board.

Vice-President (b) The vice-president shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the board.

Secretary (c) The secretary shall record the votes and keep the minutes of all meetings and the proceedings of the board and of the members; serve notice of the meetings of the board and of the members; keep appropriate current records showing the members of the association together with their addresses; and shall perform such other duties as required by the board.

Treasurer (d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the association and shall disburse such funds as directed by resolution of the board of directors; shall co-sign promissory notes of the Association; keep proper records of books of accounts; in the case where an independent certified public accountant is not used to keep the association books, cause an audit of the association books to be made by a certified public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its annual regular meetings and deliver a copy of each to the members. The treasurer shall serve as member of the Operating Committee and shall perform his responsibilities in conjunction with the duties of that committee.

ARTICLE X  
COMMITTEES

The board of directors shall appoint an Architectural Control Committee, as provided in the Declaration. The board shall also appoint a Nominating Committee and an Operating Committee, as provided in these bylaws. In addition, the board shall appoint such other committees as deemed appropriate in carrying out the purposes of the Association. All committee members shall be members of the Association.

## ARTICLE XI OPERATING COMMITTEE

Section 1. Purpose. An operating committee shall be designated, by resolution adopted by a majority of the directors, which shall have and exercise the following authority in the day-to-day management of the Association. The designation of this committee and the delegation of limited authority thereto shall not operate to relieve the board of directors, or any individual director, of any responsibility imposed upon it or him by law.

Section 2. Composition of the Operating Committee. The committee shall be composed of eleven (11) members, consisting of a president; vice-president; secretary; treasurer, who shall also be the Association treasurer; six members-at-large; and the immediate past president.

Section 3. Election. The Board of Directors shall elect or appoint the members of the committee except for the president as noted below, taking into consideration the committee membership recommendations expressed by a vote of the Association members at each annual meeting.

(a) The President of the operating Committee shall be nominated as provided in ARTICLE VI, Section 1 (by a nominating committee). Election to the Operating Committee shall be by secret Written Ballot, as Provided in Article VI, Section 2.

Section 4. Term. The members of the Operating Committee shall be elected annually by the board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 5. Duties. The duties of the Operating Committee shall be as follows:

- (a) to conduct monthly meetings to discharge their duties;
- (b) to enforce the rules and regulations adopted by the board of directors governing the use of the Common Areas and facilities and to enforce the penalties for infraction thereof which are established by the Board of Directors;
- (c) to enforce suspension of Common Area privileges, as directed by the Board of Directors;
- (d) to establish a welcoming committee to greet new members of the association;
- (e) to assist the association's secretary in maintaining current membership records;
- (f) to monitor, maintain, and collect the Common Area assessments due the Association;

g) to authorize ordinary expenditures for the association within the limits of the annually approved budget, without prior approval by the board of directors. Any two of the following officers shall jointly sign all checks in amounts exceeding \$50.00: president, vice-president, treasurer. Checks up to and including \$50.00 shall be signed by any one of the aforementioned officers.

(h) to maintain and make available to the board of directors or Association officers records of all financial transactions and the proceedings of all meetings for the purpose of review and sanction.

(i) The president of the operating committee shall be empowered as a voting member of the BOARD OF DIRECTORS.

Section 6. The Board of Directors shall by resolution develop operating rules and regulations for the operating committee.

## ARTICLE XII BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation, and the bylaws of the Association shall be maintained by the directors, officers and members of the operating committee for inspection by any member. New members of the Association

shall be provided copies of the Declaration, the Articles of Incorporation, the Bylaws, and the rules and regulations governing the use of the Common Area and facilities.

## ARTICLE XIII AMENDMENTS

These bylaws may be amended at a regular or special meeting of the members by a vote of two-thirds (2/3) of a quorum of membership. Votes may be cast in person or by proxy.

## ARTICLE XIV MISCELLANEOUS

(1) The fiscal year of the Association shall begin on the first day of January and end on the thirty-first day of December of every year.

(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.

(3) Report of the Annual Meeting of the Members. Within thirty days following each annual meeting, a notice shall be delivered to each member which sets forth:

(a) the names of the current directors, officers, and all committee members;

(b) a summary of the action taken by the members at the annual meeting.

(4) Indemnity. The association shall indemnify an association official against and reimburse such official for the following arising by reason of the official's status:

(a) judgments, fines and amounts paid in settlement of an action against the official, if the official is adjudged not to have been negligent nor guilty of misconduct in the performance of an official duty;

(b) amounts paid in settlement of an action against the official actually and reasonably incurred if the settlement is adjudged to be to the Association's advantage to dispose of trouble some, time consuming and expensive litigation against its officials and is adjudged not to have been the result of reckless or willful conduct in the performance of an official duty;

(c) expenses (including attorney's fees) actually and reasonably incurred in connection with the defense or settlement of an action if the official is adjudged not to have been guilty of reckless or willful conduct in the performance of an official duty.

As used herein:

(a) Association Official--shall mean a person who is or was a director, official, committee member, employee or agent of the association, or is or was serving at the request of the association as a director, officer, committee member, employee or agent of another corporation, partnership, a joint venture, trust or other enterprise or entity.

(b) Action--shall mean an action, suit, or proceeding, whether civil, criminal, administrative or investigative, whether by or in the right of the association or otherwise, against an official by reason of his status as an association official.

(c) Adjudged--means a determination made by a majority of the board of directors not involved in the matter in controversy (whether or not a quorum), by independent council selected by the board of directors or by a court of competent jurisdiction.

The foregoing bylaws are the bylaws, as amended through January 27, 1994, adopted by members of the BALCONES WOODS CLUB, INC. on the 27th day of January, 1994. All bylaws effective prior to January 27, 1994, are hereby repealed and declared ineffective.

EXECUTED this 27th day of January, 1994.