October 2026 Proposed
Bylaws of

EMERALD FOREST HOMEOWNERS ASSOCIATION

Revised-October 11, 1983
Revised - March, 1991
Revised – March, 1996
Revised - March, 1998
Revised -March 5, 2002
Revised - November 18, 2008
Revised – February ??, 2027

ARTICLE I. GENERAL PROVISIONS

Section 1. Name of Organization

The name of the organization shall be the Emerald Forest Homeowners Association hereafter referred to as EFHOA.

Section 2. Legal Status

The EFHOA is an assumed name of the Emerald Forest Community Improvement Association as established in the Deed Restrictions for Emerald Forest, Phase I, College Station, Texas, recorded 12/6/78, the State of Texas, County of Brazos.

The ~~Deed Restrictions~~Restrictive Covenants shall be used as the governing documents in the use of the land in Emerald Forest. If any differences exist between the ~~Deed Restrictions~~Restrictive Covenants and this document, the ~~Deed Restrictions~~Restrictive Covenants shall ~~apply~~ prevail.

Section 3. Office Location

EFHOA shall maintain an office located at 8500 Appomattox in the recreational area of the subdivision or at such other location within Bryan or College Station, Texas as determined appropriate by the Board of Directors.

~~**Section 4. Membership Subject to Bylaws**~~

~~All memberships shall be subject to all of the Bylaws as adopted, or hereafter adopted, and such Bylaws shall be considered as an essential part of the contract of membership by the ***Association*** and each member.~~

Section 45. Memberships.

All property owners are members of EFHOA. M~~m~~emberships shall ~~be considered family memberships and~~ shall entitle the household to ~~the~~ use ~~and enjoyment of~~ the recreational facilities. The membership of ~~the ***Association***~~EFHOA shall be limited to the owners of lots in said subdivision. No family, partnership, LLC, or other entity may hold more than one membership from an individual property (one property is one membership) . An a~~A~~ctive member shall be a dues paying member

Commented [LA1]: Section 4 was moved after Section 5 because it makes since to define Membership before Membership subject to Bylaws.

Commented [LA2]: *[TPC 209.0059 (a) "A provision in a dedicatory instrument that would disqualify a property owner from voting in a property owners' association election of board members or on any matter concerning the rights or responsibilities of the owner is void."*

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in good standing with ~~the Association~~EFHOA. An i~~I~~nactive member shall be a member whose membership has been suspended by action of the Board of Directors. Inactive members shall not be entitled to use of ~~the Association~~EFHOA facilities, ~~nor to vote in any elections,~~ nor eligible to serve ~~as an Officer or Director~~ in an official capacity on behalf of ~~the Association~~EFHOA, but can vote in any election and on matters regarding the rights and responsibilities of property owners.

Section 5. Membership Subject to Bylaws

All memberships shall be subject to all ~~of~~ the Bylaws as adopted, or hereafter adopted, and such Bylaws shall be considered as an essential part of the contract of membership ~~by the Association~~ between EFHOA and each member.

Section 6. Suspension of Membership

The Board of Directors shall have the power to suspend any member ~~for conduct prejudicial to the interest of the *organization* and/or~~ for the non-payment of dues, upon affirmative vote of the majority of all members of the Board of Directors, in accordance with TPC-209.006 (or successor statute). Owners may request a hearing and are entitled to due process to cure the violation and avoid the fine or suspension. ~~Before any member may be suspended for such conduct, the Secretary shall notify the member in writing by registered mail to his last address listed with registered office of the Association that at a regular meeting of the Board of Directors, time and place of which meeting shall be set out in said notice, and which notice shall be mailed at least ten (10) days prior to the date of the meeting, the question of his or her suspension will be considered and acted upon, advising the member of the reason and opportunity to be present. If the member so notified does not appear at the appointed time and does not advise the Board in writing of his reason for not so appearing, the Board, at its discretion, may either continue the matter until the next regular meeting of the Board, or then and there proceed to act upon the matter. The Board of Directors will have the power to reinstate to active status any suspended membership after satisfying the Board of Directors' written requirements.~~

Section 7. Transfer of Memberships

All memberships shall be transferred upon sale of property. ~~No family may own more than one membership.~~

Section 8. Establishment and Payment of Annual Dues Assessment

A. The Board of Directors shall have authority to establish the annual dues to be paid each year by the members provided, however, ~~that~~ dues shall not be increased more than 10% per year without a vote of the members as specified in the Restrictive Covenants. The annual dues shall not exceed the sum of $~~4~~500 per year. ~~Increases in the Membership rates will be voted upon by the members in accordance with the Deed Restrictions.~~ Further, the Board shall have the authority to determine reasonable fees for any other services rendered or privileges granted by the Association.

B. Annual dues are payable January 1st and will be delinquent if not received by ~~the Treasurer~~ EFHOA or the designated management company by February 1st. If

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the assessment is not paid within 30 days after the delinquency date, the assessment shall bear interest and ~~the Association~~EFHOA may bring legal action against the owner as specified in the ~~Deed Restrictions~~Restrictive Covenants. Delinquent memberships are automatically subject to suspension of the use of facilities as prescribed in the ~~Deed Restrictions~~Restrictive Covenants. Delinquent dues may be collected as prescribed in the ~~Deed Restrictions~~Restrictive Covenants. Annual dues are not refundable. ~~In the case of a member who transfers the qualifying property, the pro-rata share of the dues shall be applied toward the membership of the new owner. New members obtaining membership after January 1st shall pay the pro-rata share of the membership dues for the remainder of the year.~~ The fiscal year, for dues purposes, shall begin on January 1st of each year and shall end on December 31st of the same year.

ARTICLE II. MEMBERSHIP MEETINGS

Section 1. ~~Annual~~ Meetings

Commented [LA3]: Changed the format to combine all meetings under one category: Meetings

A. Annual Meetings

An annual meeting of ~~the Association~~EFHOA members shall be held at ~~the registered office of the Association or at~~ a designated meeting place within Bryan or College Station, Texas at a time set by the Board of Directors on the second Tuesday in the month of October of each year. Members may participate in ~~any discussion or deliberation at~~ the annual meeting in the proper order of ~~-~~business.

If environmental or health factors prevent the meeting from taking place in person, it will either be postponed or occur electronically.

B. Board Meetings

All regular or special Board Meetings must be open to all members. Members may address the Board at the beginning of the meeting but may not participate in any discussion or deliberation unless expressly so authorized by a majority of a quorum of the Board or outlined in the meeting notice.

The Board shall take action on the following topics only if it is done in an open Board meeting for which prior notice has been given (Texas Property Code 209.0051 (h) (or its successor statute)):

1. fines;
2. damage assessments;
3. initiation of foreclosure actions;
4. initiation of enforcement actions (excluding temporary restraining orders or violations involving a threat to health or safety);
5. increases in assessments;
6. levying of special assessments;
7. appeals from a denial of architectural control approval;
8. a suspension of a right of a particular owner before the owner has an opportunity to attend a Board meeting to present the owner's position, including any defense, on the issue;

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9. lending or borrowing money;
10. the adoption or amendment of a dedicatory instrument;
11. the approval of an annual budget or the approval of an amendment of an annual budget;
12. the sale or purchase of real property;
13. the filling of a vacancy on the Board;
14. the construction of capital improvements other than the repair, replacement, or enhancement of existing capital improvements; or
15. the election of an officer.

C. Executive Session of Board Meetings

The Board may adjourn a regular or special Board meeting and reconvene in a closed executive session. Only actions involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, confidential communications with the Association's attorney, matters involving the invasion of privacy of individual owners, or matters that are to remain confidential by request of the affected parties and agreement of the Board may be considered in closed Executive Sessions. Following the executive session, any decisions made, including a general explanation of expenditures approved must be summarized orally and will be placed, in general terms, in the Board meeting minutes.

Commented [LA4]: CH - TPC 209.0051 (c)

D. Special Meetings

Special meetings of EFHOA ~~the Association~~ members may be called by the Board of Directors or may be called upon by a petition ~~written request~~ of no~~t~~ less than ten (10) percent of the active members. Parties calling the meeting will set the agenda.~~,~~

E. Standing Committees Meetings

See Article V for details on Standing Committees

Section ~~3~~2. Notice of Meetings

Commented [LA5]: In compliance with TPC 209.0051

~~Written or printed n~~Notice of all meetings will be placed on the website. Notice of Annual and Board Meeting will additionally be sent out via email and posted on the entrance sign.~~,~~ Notice stating the time, place~~,~~ and purpose ~~of any meeting~~ of ~~the Association~~EFHOA's meetings shall be as follows:

A. Annual Meeting notice ~~members~~, shall be ~~delivered personally, electronically or deposited in the mail, postage pre-paid, to the las known address of each member, at least (10) days prior to such meeting.~~ mailed and emailed to each property owner not later than the 10th day or earlier than the 60th day before the date of the meeting.

B. Board Meeting notice must be provided at least 144 hours (6 days) before the start of the meeting.

C. Notices for Special Board Meetings will be communicated at least 72 hours (3 days) before the

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start of the meeting.

~~A.~~ D Meetings of the EFHOA during which a Board-approved proposal for membership to vote on special assessments, increase in ~~changes to~~ dues beyond 10 percent, and/or amendments to the Bylaws require 30 days' notice that ~~and~~ includes all proposed changes.

~~B.~~ F. Committee Meetings shall provide notice on the website.

Section ~~4~~3. Business to be Transacted at Meetings

Any and all business of ~~the Association~~EFHOA, excepting special assessments and the amendment of the Bylaws, may be transacted at the annual meeting without regard to the stated purposes contained in the notice thereof. N~~, but n~~o business shall be transacted at special meetings other than that specified in the notices of such special meetings. ~~If Bylaws will be amended at an annual meeting, advance notice is required.~~

~~***Business to be Transacted at Closed Executive Session of Board Meetings.*** Only actions involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, confidential communications with the Association's attorney, matters involving the invasion of privacy of individual owners, or matters that are to remain confidential by request of the affected parties and agreement of the Board may be considered in closed executive sessions. Following the executive session, any decisions made shall be summarized orally and will be placed, in general terms, in the Board meeting minutes.~~

Section ~~4~~5. Quorum~~.~~

At any meeting at which bylaws are proposed to be amended, there shall be a quorum of 20% of active members. Except as provided in the ~~Deed Restrictions~~Restrictive Covenants, all other matters taken up at a meeting shall require no quorum. For any meeting called for a membership vote on an increase in annual dues (above 10 percent) or a special assessment, a quorum of sixty percent (60%) of all members shall be required.

Section ~~5~~6. Membership Voting~~.~~

For the purpose of voting, representation and quorum count, each household ~~family~~ membership shall be counted as one vote. This vote may be cast by any member of the ~~family~~household 18~~21~~ years of age or older. The vote may be cast in person and also electronically, absentee, or by directed proxy provided the proxy voter has a signed statement in writing directing ~~him~~ them to cast the vote. Complete and signed ballots will be returned to EFHOA in accordance with the instructions contained on the ballot per Texas Property Code sections 209.0058 and 209.00592. Any electronic, absentee, or directed proxy vote will be nullified and will not count toward quorum if the measure they were voting has been amended or changed.

ARTICLE III. BOARD OF DIRECTORS

Section 1. General Powers.

Commented [LA6]: This section was moved to meetings. Section 1 above

Commented [LA7]: This is something where the Deed Restrictions differ and will need some discussion and possibly consultation on how it will be handled. Should less than 10% of the HOA be able to dictate what the majority are OK with ?

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The purpose of the Board of Directors is to administer and manage the business and affairs of EFHOA as provided for in this document and the Restrictive Covenants. ~~The affairs of the Association shall be managed by its Board of Directors~~. The affairs of ~~the Association~~EFHOA shall be taken to include, but not necessarily be limited to, promulgation of Rules and Regulations for the use of the facilities by members and guests, the implementation and enforcement of deed restrictions as defined in the respective declarations, maintenance of EFHOA assets and property, collect and properly manage the dues and other revenues of the Association with full accountability. ~~and the definition of the Association policy relating to the use of the facilities by guests of the members.~~ The Board may engage any entity to perform the day-to-day functions of EFHOA and to provide for the management, administration, and operation of the Subdivision.

~~Board members are entitled to receive credit for half of the annual dues for the first year of service and full credit for each year thereafter. Years must be served consecutively.~~

~~Criteria for award:~~

~~1. Knowledge of job description.~~
~~2. Plan of Work including goals and objectives for the year to be submitted to the President within four weeks of taking office.~~
~~3. Attendance at a majority of board meetings.~~
~~4. Annual report submitted to the President prior to the annual meeting. Such report to indicate performance against the Plan of Work for the current year served.~~

~~Determination of award:~~

~~A Board Awards Committee made up of the President, one other member of the Board, the EFHA Manager and two (2) members at large of EFHOA will meet shortly before the annual meeting to evaluate each board member's performance. The board member will receive notification of the Committee's decision by letter.~~

Section 2. Number, Tenure and Qualifications of Directors

~~The association~~EFHOA shall have seven (7) directors, which shall constitute the Board of Directors. All seven (7) directors shall be Active Members in good standing of ~~the Association~~EFHOA. At least five (5)~~0~~ Board members must reside in the Subdivision. At each annual meeting in October, all directors will be elected to two (2) year terms to fill the vacancies of those whose terms expire on the date of such annual meeting.

Section 3. Term Limits

No Board member may serve more than two (2) consecutive terms on the Board in the same position and more than six years consecutively. After taking one year off, the person may run for any elected Board position.

Section ~~3~~4. Election of Directors

At least 30 days prior to the annual meeting, taking place in October of each year, the

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Nominating Committee shall request nominations from the membership for all director positions expiring that year. At least Ten (10) days but less than Sixty (60) days prior to the annual meeting, the Nominating Committee, through the Board, shall ~~propose~~provide by written notice to the membership, ~~that~~ with at least one (1) member's ~~person~~ name nominated to fill each director-~~-~~term expiring. The election shall be conducted in writing with ballots signed by the members, casting one (1) vote for each director-position open. Additional nominations shall be accepted from the floor and may be written in on the ballot at the meeting. At the close of nominations, each candidate for each position will be given up to three (3) minutes to share their interests and qualifications. ~~Nominees~~ Candidates receiving the greater number of votes shall be considered elected to fill the position or existing vacancies. Votes shall be counted by the Secretary and results announced during the meeting. An observer of the count may be designated by each candidate in accordance with TPC 209.0058. If the Secretary is running for reelection or a different Board position, another Board member, who is not seeking reelection, will oversee the election. If in the event of a tie the outcome will be resolved by a coin toss.

Section 5~~4~~. Meetings

The Board shall meet at least once ~~bi-monthly~~ every two months and at such other times and intervals as they deem necessary. Five members of the Board shall constitute a quorum. The President or any three (3) Directors may call special meetings of the Board by written notice to each Director at least ~~three~~ ten(~~3~~10) days prior to the date of such special meetings. The Board shall keep a record of each regular or special Board meeting in the form of written minutes of the meeting, which shall be posted on EFHOA website upon approval.

Section 6~~5~~. Removal and Replacement of Directors

Any member of the Board may be removed from office by a majority vote of the membership at any meeting called in accordance with these Bylaws. A Board member may be censured or removed from office by a vote of 5 Board members for failing to attend more than 50% of Board meetings without an excused absence, if they verbally intimidate, threaten or abuse fellow Board members or members, or if they do not comply with declarations, Bylaws, local ordinances or state law. The Board shall have the authority to appoint a replacement who will serve until the next annual meeting for the ~~unexpired term of any~~ Director removed from office or otherwise unable to complete ~~his~~ their full term of office. The Nominating Committee shall be responsible for ~~and is the sole source for~~ recommendations of individuals, including previous candidates, as replacement Directors.

Section 7~~6~~. Annual Reports

The Board of Directors shall prepare and submit to the members at each annual meeting a report covering its activities and a full financial report ~~expenditures~~ during the twelve (12) calendar months immediately preceding said annual meeting. The Board of Directors' report shall contain the Board's recommendations for the ensuing year.

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ARTICLE IV. OFFICERS AND DIRECTORS

Section 1. ~~Election of~~ Officers and Directors

The Board of Directors shall be comprised of four officers, consisting of ~~of this Association shall be a~~the President, Vice President, Secretary and Treasurer, and three At Large Directors, all elected by a majority vote of the general membership at the annual meeting (Article III ~~ill~~, Section 43). ~~The Executive Committee shall be comprised of these officers and is empowered to act in emergency situations that arise between scheduled Board meetings and require immediate action. The officers shall hold office until their successors are elected and qualified. The officers may be recalled by a majority vote of the Board of Directors.~~

Section 2. President

The President shall preside at the membership meetings of ~~the Association~~EFHOA and shall preside at the meetings of the Board of Directors. ~~He shall appoint and remove, subject to confirmation by the Board of Directors, all standing committees, designating the Chairman thereof, and all special committees as may be directed~~. They~~He shall be~~may serve as an ex-officio, ~~a~~ member of all committees. ~~He~~ They shall be the Administrative Officer of ~~the Association~~EFHOA and shall perform all other acts properly belonging to ~~his~~ the office, including executive supervision of all activities of ~~the Association~~EFHOA ~~and its employees~~. The President shall be responsible for ensuring the Board activities comply with Texas State Law and the dedicatory instruments of EFHOA.

Section 3. Vice ~~-~~President

The Vice~~-~~ President, in the absence of the President, shall act in their~~his~~ stead. The Vice ~~-~~ President shall conduct an administrative audit of ~~the Association~~EFHOA annually and advise the Board of Directors of ~~his~~ the findings. Such audit shall include but not be limited to all policies, procedures and systems with review of the bylaws. They shall exercise and discharge such other duties as may be required by the Board of Directors.

Section 4. Secretary

The Secretary shall liaise with the Property Management Company and shall issue calls for meetings of ~~the Association~~EFHOA and of the Board of Directors, keep the minutes, ~~maintain adequate membership records~~, keep all EFHOA~~Association~~ records except financial records, and attend to the correspondence pertaining to the office in accordance with state law. ~~He~~ They shall perform such other duties pertaining to the office as may be required of ~~him~~ them by the Board of Directors. The Secretary shall keep the minutes of the Annual Meeting, which shall be corrected and approved by the Board of Directors as a draft at the next Board meeting. These Board-approved minutes shall be posted on the EFHOA website, within two months of the annual meeting. The minutes must be clearly marked as "draft" and shall be corrected and approved by the homeowners at the next Annual Meeting. Board meeting minutes maintained by the Secretary shall be posted on the website within one week after approval. All EFHOA records are to be open to the inspection by any member, upon request, in compliance with Texas Property Code 209.005 and shall ensure compliance with the Document Retention policy. This includes all EFHOA records held by officers and the Property Management Company.

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Section 5. Treasurer

The Treasurer, in accordance with General Accepted Accounting Principles (GAAP), shall ~~attend to keeping~~keep the financial records~~accounts~~ of ~~the Association~~EFHOA. They will work with the contracted property management company to oversee all ~~, collecting its~~ revenues and ~~paying its bills~~expenditures as approved by the Board of Directors. They shall confirm that payments match itemized invoices. They shall prepare the annual operating budget, monitor and report auditing and expenditures in the operating budget, bring to the Board activities that will require payment out of the reserve account and audit the balances in all EFHOA accounts. They will also be responsible for providing a Financial Report with the most updated data at the Board of Directors meetings and after being approved, will be placed on the EFHOA website within two weeks of the meeting. ~~He shall deposit funds of the Association as received by him in the name of the Association as authorized by the Board. He shall perform such other duties pertaining to his office as may be required of him by the Board. Any account carried by the Association shall require the signature of any two of the officers for withdrawal of any funds over $500.00 from such account.~~ They~~He~~ shall also be responsible for assuring the tax returns are filed on behalf of the EFHOA on time. ~~preparing the tax returns for the Association.~~ The Treasurer shall approve and authorize the Property Management Company to render a statement of accounts and share the details of the books within a week, when requested by any member of the Board of Directors.

Commented [LA8]: BHHS pays approved contracted payments without board approval - Board has pre approved contracts. (lawn, pool, irrigation, etc.) Anthing outside these routine payments are approved by the board. - There are not signatures on checks it is all doen electronically.

Section 6. At-Large Directors

There will be three (3) at-large directors who shall serve two (2) year terms on alternating cycles to help fulfill the mission of the Board. An at-large board member is a full voting director who does not hold a specific executive title (like President, Vice President, Secretary, or Treasurer). Their primary duty is to provide versatile support, represent the general membership, participate in governance, and step into flexible roles such as chairing or serving on committees or special projects as needed.

Section 76. Vacancies in Officer Positions

~~Vacancies in an officer position will be filled by the Board of Directors, to serve until the next annual meeting of the membership~~. Any vacancy occurring in an elected office shall be filled by appointment of the Board of Directors, with the appointee serving until the next annual meeting, at which time the membership shall elect an officer to serve the remainder of the unexpired term.

ARTICLE V. COMMITTEES

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Section 1. Creation of Committees

The following standing committees are authorized by these Bylaws. Additional committees of temporary or permanent character may be created by the Board of Directors at their discretion. Duties, scope, size and the duration of a committee shall~~may~~ be assigned or amended ~~to committees~~ by the Board of Directors. The chair~~man~~ of each committee shall be appointed by the Board ~~President.~~ Each committee chair~~man~~ shall take applications from interested members in good standing via the web, and ~~then~~ appoint committee members ~~from the membership~~.

Section 2. General Committee Guidelines:

All committees shall have at least 2 non-Board members on them. All committee membership applications will be solicited through the website. If there are not enough volunteers to serve on a committee, the committee may cease to exist for that year. If necessary, a Board member will be responsible for these duties. Any committee chaired by a board member may have a non-board member co-chair. Committee meetings will be posted on the website calendar. All committee meetings will be open to EFHOA members and announced 7 days in advance. Members will be given the opportunity to be heard and to address the committee in the proper order of business. Committees may be dissolved by a quorum vote of the Board.

Section 3~~2~~. Standing Committees.

a.~~.~~ Auditing.

This committee shall be chaired by the Vice President of EFHOA~~and shall be responsible for~~ Responsibilities include reviewing~~all activities of the Association and taking such action as is necessary to assure the continuation and confidence in the Association by its members and other in the community in which they exist~~. and providing recommendations to the Board for updating the organization's governing documents to ensure legal compliance, operational accuracy, and relevance to current practices, for member satisfaction and enjoyment of the neighborhood. This committee will evaluate the Property Management Company's performance based on the contract.

b. Architectural Review Committee

This will be applicable according to specific Restrictive Covenants. Its membership must be in compliance with TPC 209.00505 (strictly defining who can and cannot serve on the committee).

c. Capital Improvements Committee

This committee is an advisory group that researches, plans, and oversees major, long-term community projects in consultation with the property management company and the Board. This committee would present recommendations, contractor bids, and budget scopes to the Board for approval.

d. Finance Committee

This committee shall be chaired by the Treasurer and will give guidance and make recommendations to the Board concerning the proper handling of the funds.

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e. Grounds and Maintenance
This committee shall be chaired by a member of the Board of Directors and shall be responsible for the physical assets of ~~the Association~~ EFHOA including maintenance of the buildings and common areas. This committee will work with the Board to contract with landscaping services, contact the proper City departments and members when necessary to ensure proper maintenance and to protect the overall appearance of the subdivision and all physical assets of ~~the Association~~ EFHOA.

f. Nominating Committee
This committee shall be responsible for communicating openings to membership and nominating candidates for the Board of Directors at each annual meeting and replacement of Directors unable to complete their term of office.

g. Pool and Clubhouse
This committee shall be responsible for the operations of the swimming pool and the club house area and for establishing rules and rental rates for usage.

h. Social and ~~Program~~ Outreach Committee
This committee shall be responsible for creating community by producing and coordinating all recreational, competitive or social functions undertaken by EFHOA. This committee will be responsible for making recommendations to the Board as to the desirability, cost, etc. of such functions.

1. Communications
This committee is responsible for monthly electronic communications, such as newsletters, social media and updating members of happenings in the HOA and key items from board meetings and other committees. The committee shall manage social media and will work with the Property Management Company to assure the Website is up-to-date and esthetically pleasing. The committee is also responsible for conducting an annual survey collecting information on what the members enjoy and want about improving our community.

~~2~~ **2. Membership**- This committee shall be responsible for welcoming all new members to our neighborhood, ~~accuracy and preparation of the annual directory, and accuracy of our web site.~~

i. Tennis Courts
This committee shall be responsible for the operations of the tennis/pickle ball ~~-~~court and establishing rules with regard to usage and recommending maintenance and upgrades to the Board.

j. Traffic, Rules and Security
This committee shall be chaired by a member of the Board of Directors and shall be responsible for the safety of our neighborhood by monitoring traffic and road conditions as well as the rules set forth in the ~~Deed Restrictions~~Restrictive Covenants. They will be responsible for researching and making recommendations to the Board for the hiring ~~and supervising~~ of a security service for EFHOA and monitoring the service's performance. ~~members as well as working with various departments of the City to~~

Commented [LA9]: A committee is not allowed to make a contract without board approval. They don't have the authority.

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~~insure adherence to city codes and ordinances by the EFHA membership. The committee shall make recommendations to the Board who shall approve all such rules or modifications prior to publication.~~

ARTICLE VI. FINANCE

Section 1. Finances
The fiscal year of ~~the Association~~EFHOA shall begin on the first day of January each year and end on the last day of December of the same year. Annual dues payable January 1st of each year shall be considered to cover the period from January 1st of the current year to December 31st of the same year for purposes of determining the standing of members.

Section 2. Annual Budget
An annual budget shall be prepared by the Board of Directors prior to the annual meeting of each year covering the period from January 1st through December 31st of the following year. Texas Property Code Section 209.0051(h)(11) (or its successor code) requires that approval of the annual budget and approval of an amended annual budget take place at an open meeting for which prior notice was given to homeowners.

The Board shall manage the affairs of EFHOA in accordance with the annual budget and may not make expenditures that exceed the total approved operating budget by more than $10,000.00 without the prior affirmative vote or written consent of a majority of 60% of the Membership.

Reserve funds shall be used for capital projects and emergency repairs involving community assets. Capital projects shall be outlined at the annual meeting. The Board may repair or replace EFHOA property, as necessary, using reserve funds set aside for that purpose. In the event of an unforeseen emergency repair, the Board may exceed the budget but must notify all Members in writing within 30 days, detailing the emergency and the costs incurred.

Section 3. Annual Financial Report
~~The Association~~EFHOA will furnish a year-to-date report at the annual meeting and final annual report shall be released following the audit and posted on the HOA website. A draft annual financial report will be shared by February 15th of each year. ~~a written :financial report to the membership at the end of each fiscal year.~~

ARTICLE VII. SPECIFIC RIGHTS OF MEMBERS

Section 1. Voting Rights
Each ~~Active~~ household membership shall be entitled to one vote on each matter submitted to the vote of the membership.~~, which vote may be cast by the holder of said family membership.~~

Section 2. Copies of Bylaws

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A copy of the current Bylaws will be provided on the EFHOA website. ~~Members shall be furnished with a copy of the Bylaws and shall receive a copy of amendments thereto.~~

Section 3. Attendance at Meetings of the Board of Directors
Any ~~Active~~ member ~~in good standing~~ may attend any meeting of the Board of Directors and be heard in the proper order of business.

Section 4. Inspection of Books and Records
All books and records, including ~~and~~ financial records of ~~the Association~~EFHOA may be inspected by any member, their~~or his~~ agent, or their~~his~~ attorney for any proper purpose at any reasonable time provided, as specified in Texas Property Code Section 209.005 (or its successor code) and the EFHOA Copy Policy on the website. This code describes, in detail, the process for requesting records, the requirements for the Board to provide requested records, and the petition process if access to the records is denied. ~~an officer of the Association is present~~. A written request must be submitted by certified mail containing sufficient detail describing the requested records. Each member or member's designated representative will have a right to either inspect the requested books and records before obtaining copies or to have EFHOA forward copies of the requested books and records.

Section 5. Service on Committees
Any active members in good standing may serve on EFHOA Committees

ARTICLE VIII. BYLAWS

Section 1. Amendment of Bylaws
~~These Bylaws may be amended at any annual meeting or at any special meeting called for the purpose by an affirmative vote of two-thirds (2/3) of the members present.~~ The Bylaws may be amended at any annual meeting or at any special meeting called for the purpose by an affirmative vote of two-thirds (2/3) of the members present, provided that a quorum of 20% of members has been met. Amendment by member vote is the only valid method for making changes to the Bylaws. Any provision regarding a reduction in the quorum requirement is not applicable to a meeting to amend the Bylaws. The Board of Directors may not amend or repeal the Bylaws.

Section 2. Resolution of Interpretations
~~Resolution of i~~Interpretations, ~~if necessary,~~ of these Bylaws, ~~if necessary,~~ shall be resolved by a quorum of ~~the sole province of~~ the Board of Directors and reflected in minutes.~~.~~

Article IX. Miscellaneous

Section 1. Management Certificate
EFHOA shall record an amended management certificate in Brazos County within 30 days after there has been a change in any information in the recorded certificate. The certificate must also be filed electronically with the Texas Real Estate Commission (TREC) and posted on EFHOA website.

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Section 2. Management Agent
The Board on behalf of EFHOA may, but is not required to, contract a professional management agent or agents, or manager, at a compensation rate established by the Board, to perform such duties and services as the Board shall authorize. The managing agent shall not accept any remuneration from vendors, independent contractors, or others providing goods or services to EFHOA, whether in the form of commissions, fees, gifts, or otherwise; anything of value must benefit EFHOA. Any financial or other interest that the managing agent has in any firm providing goods or services to the Association shall be disclosed promptly to the Board.

Section 3. Director Inspection of Books and Records
Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of EFHOA and to make a copy of relevant documents at the expense of EFHOA.

Section 4. Legal Representation
Any law firm retained by EFHOA shall represent EFHOA as an organization and shall not represent individual Board members or homeowners in their individual capacities. A majority of the full Board must authorize communications with legal counsel on behalf of the Association. Any vote will occur in a special or regular board meeting and recorded in the minutes of that meeting.

Section 5. Parliamentary Rules
Simple parliamentary procedure shall govern the conduct of EFHOA proceedings when not in conflict with Texas Law, the Articles of Incorporation, the Declarations, or these Bylaws.

ARTICLE ~~I~~X. INDEMNIFICATION

Section 1. When Indemnification is Required, Permitted, and Prohibited

~~A.~~ EFHOA shall indemnify a Director, officer, or committee member who was, is, or is threatened to be named as a defendant or respondent in a claim or proceeding to the extent indemnification is consistent with the Texas Business Organizations Code Title 1 Chapter 8 (or its successor code).~~The Corporation shall indemnify a director, officer, committee member, employee, or agent of the Corporation who was, is, or may be named defendant or respondent in any proceeding as a result of his or her actions or omission within the scope of his or her official capacity in the Corporation. For the purposes of this article, an agent includes one who is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise~~. However, ~~the Corporation~~EFHOA shall indemnify a person only if he or she acted in good faith and reasonably believed that the conduct was in ~~the Corporation~~EFHOA's best interests. EFHOA shall not indemnify any person for any costs, expenses, or liabilities incurred as a result of an action taken or omitted that the person knew was in violation of the laws of the State of Texas. ~~–~~In a case of criminal proceeding, the person may be indemnified only if he or she had no reasonable cause or believe that the conduct was unlawful. ~~The~~

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~~Corporation~~EFHOA shall not indemnify a person who is found liable to ~~the Corporation~~EFHOA or is found liable to another on the basis of improperly receiving a personal benefit. A person is conclusively considered to have been found liable in relation to any claim, issue, or matter if the person has been adjudged liable by a court of competent jurisdiction and all appeals have been exhausted.

A report in writing shall be provided to members when an indemnification or advance of expenses takes place.

~~B. The termination of a proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent does not necessarily preclude indemnification by the Corporation.~~

~~C. The Corporation shall pay or reimburse expenses incurred by a director, officer, committee member, employee, or agent of the Corporation in connection with the person's appearance as a witness or other participation in a proceeding involving or affecting the Corporation when the person is not a named defendant or respondent in the proceeding.~~

~~D. In addition to the situations otherwise described in this paragraph, the Corporation may indemnify a director, officer, committee member, employee, or agent of the Corporation to the extent permitted by law. However, the Corporation shall not indemnify and person in any situation in which indemnification is prohibited by the terms of Section 1 above.~~

~~E. Before the final disposition of a proceeding, the Corporation may pay indemnification expenses permitted by the bylaws and authorized by the Corporation. However, the Corporation shall not pay indemnification expenses to a person before the final disposition of a proceeding if: the person is a named defendant or respondent in a proceeding brought by the Corporation; or the person is alleged to have improperly received a personal benefit or committed other willful or intentional misconduct.~~

~~F. If the Corporation may indemnify a person under the bylaws, the person may be indemnified against judgments, penalties, including excise and similar taxes, fines, settlements, and reasonable expenses (including attorney's fees) actually incurred in connection with the proceeding. However, if the proceeding was brought by or on behalf of the Corporation, the indemnification is limited to reasonable expenses actually incurred by the person in connection with the proceeding.~~

~~**Section 2. Procedures Relating to Indemnification Payments**~~

~~A. Before the Corporation may pay any indemnification expenses (including attorney's fees), the Corporation shall specifically determine that indemnification is permissible, authorize indemnification, and determine that expenses to be reimbursed are reasonable, except as provided in Section 2 (c), below. The Corporation may make these determinations and decisions by any one of the following procedures:~~

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~~(i) Majority vote of a quorum consisting of directors who, at the time of the vote, are not named defendants or respondents in the proceeding.~~

~~(ii) Determination by special legal counsel selected by the Board of Directors by vote as provided in paragraph Section 2 A (i) or 2 A (ii), or is such a quorum cannot be obtained and such committee cannot be established, by a majority vote of all directors.~~

~~B. The Corporation shall authorize indemnification and determine that expenses to be reimbursed are reasonable in the same manner that it determines whether indemnification is permissible. If the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification and determination of reasonableness of expenses shall be made in the manner specified by Section 2 A (ii), above, governing the selection of special legal counsel. A provision contained in the articles o(incorporation, the bylaws, or a resolution of members or the Board of Directors that requires the indemnification permitted by Section 1, above, constitutes sufficient authorization of indemnification even though the provision may not have been adopted or authorized in the same manner as the determination that indemnification is permissible.~~

~~C. The Corporation shall pay indemnification expenses before final disposition of a proceeding only after the Corporation determines that the facts then known would not preclude indemnification and the Corporation receives written affirmation and undertaking from the person to be indemnified. The determination that the facts then known to those making the determination would not preclude indemnification and authorization of payment shall be made in the same manner as a determination that indemnification is permissible under Section 2 A, above. The person's written affirmation shall state that he or she has met the standard of conduct necessary for indemnification under the bylaws. The written undertaking shall provide for repayment of the amount paid or reimbursed by the Corporation if it is ultimately determined that the person has not met the requirements for indemnification. The undertaking shall be an unlimited general obligation of the person, but it need not be secured and it may be accepted without reference to financial ability to make repayment.~~

ARTICLE XI. DISSOLUTION

Section 1. Dissolution.

The assets of ~~the Association~~EFHOA, after satisfaction of all legal claims against assets, shall be distributed in pro-rata shares to the Active members at the time of such dissolution, regardless of the reason for~~of~~ such dissolution. ~~The Association~~EFHOA has the right to sell and convey real property upon approval of two-thirds (2/3) of the voting members.

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