Bylaws of

EMERALD FOREST HOMEOWNERS ASSOCIATION

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Revised - November 18, 2008
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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 EFHA.

Section 2. Legal Status

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

Section 3. Office Location

EFHA shall maintain an office located at 8500 Appomattox in the recreational area of the subdivision or at such other location 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 5. Memberships

All memberships shall be considered family memberships and shall entitle the household to the use and enjoyment of the recreational facilities. The

membership of said Association shall be limited to the owners of lots in said subdivision. An Active member shall be a dues paying member in good standing with the Association. An Inactive 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 facilities, nor to vote in any elections, nor to serve as an Officer or Director _of the Association.

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. 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

A. The Board of Directors shall have authority to establish the dues to be paid each year by the members provided, however, that dues shall not exceed the sum of $500.00 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 by February 1st. If the assessment is not paid within 30 days after the delinquency date, the assessment shall bear

interest and the Association may bring legal action against the owner as specified in the Deed Restrictions. Delinquent memberships are automatically subject to suspension of the use of facilities as prescribed in the Deed Restrictions. Delinquent dues may be collected as prescribed in the Deed Restrictions. 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 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 Meeting

An annual meeting of the Association members shall be held at the registered office of the Association or at a designated meeting place at a time set by the Board of Directors on the second Tuesday in the month of October of each year.

Section 2. Special Meetings

Special meetings of the Association members may be called by the Board of Directors or may be called upon written request of not less than ten (10) percent of the active members.

Section 3. Notice of Meetings

Written or printed notice, stating the time, place, and purpose of any meeting of the Association members, shall be delivered personally, electronically or deposited in the mail, postage pre-paid, to the last known address of each member, at least ten (10) days prior to such meeting.

Section 4. Business to be Transacted at Meetings

Any and all business of the Association, excepting special assessments, may be transacted at the annual meeting without regard to the stated purposes contained in the notice thereof, but no business shall be transacted at special meetings other than that specified in the notices of such special meetings.

Section 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, all other matters taken up at a meeting shall require no quorum.

Section 6. Membership Voting

For the purpose of voting, representation and quorum count, each family membership shall be counted as one vote. This vote may be cast by any member of thy family 21 years of age or older. The vote may be cast in person or by proxy provided the proxy voter has a signed statement in writing directing him to cast the vote.

ARTICLE III. BOARD OF DIRECTORS

Section 1. General Powers

The affairs of the Association shall be managed by its Board of Directors. The affairs of the Association shall be taken to include, but not necessarily be limited to, promulgation of Rules and Regulations for the use of the facilities and the definition of the Association policy relating to the use of the facilities by guests of the members.

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 EFHA 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 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.

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. Election of Directors

At the annual meeting in October of each year, the Nominating Committee shall propose to the membership, at least one (1) person to fill each director term expiring. Additional nominations shall be accepted from the floor. At the close of nominations, the election shall be conducted by a,, show of hands, each member casting one (1) vote for each director required. Nominees receiving the greater number of votes shall be considered elected to fill the existing vacancies, Votes shall be counted by the Secretary and results announced during the meeting.

Section 4. Meetings

The Board shall meet at least once bi-monthly 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 (3) days prior to the date of such special meetings.

Section 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., The Board shall have the authority to appoint a replacement for the unexpired term of any Director removed from office or otherwise unable to complete his full term of office. The Nominating Committee shall be responsible for and is the sole source for recommendations of individuals as replacement Directors.

Section 6. Annual Reports

The Board of Directors shall prepare and submit to the members at each annual meeting a report covering its activities and 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.

ARTICLE IV. OFFICER

Section 1. Election of Officers

The officers of this Association shall be a President, Vice President, Secretary and Treasurer elected by a majority vote of the general membership at the annual meeting (Article III, Section 3). 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 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. He shall be, ex-officio, a member of all communities. He shall be the Administrative Officer of the Association and shall perform all other acts properly belonging to his office, including executive supervision of all activities of the Association and its employees.

Section 3. Vice-President

The Vice-President, in the absence of the President, shall act in his stead. The Vice-President shall conduct an administrative audit of the Association annually and advise the Board of Directors of his findings. Such audit shall include but not be limited to all policies, procedures and systems with review of the bylaws.

Section 4. Secretary

The Secretary shall issue calls for meetings of the Association and of the Board of Directors, keep the minutes, maintain adequate membership records, keep all Association records except financial records, and attend to the correspondence pertaining to the office. He shall perform such other duties pertaining to the office as may be required of him by the Board of Directors.

Section 5. Treasurer

The Treasurer shall attend to keeping the financial accounts of the Association, collecting its revenues and paying its bills as approved by the Board of Directors. 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. He shall also be responsible for preparing the tax returns for the Association.

Section 6. 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.

ARTICLE V. COMMITTEES

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 may be assigned or amended to committees by the Board of Directors. The chairman of each committee shall be appointed by the President. Each committee chairman shall then appoint committee members from the membership.

Section 2. Standing Committees

A. Pool and Clubhouse

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

B. Tennis Courts

This committee shall be responsible for the operations of the tennis court and establishing rules with regard to usage.

C. 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 including maintenance of the buildings and common areas. This

committee will contract with landscaping services, make contacts with the proper City departments and members when necessary to insure proper maintenance and to protect the overall appearance of the subdivision and all physical assets of the Association.

D. Membership

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

E. Social and Program

This committee shall be responsible for the conduct of all recreational, competitive or social functions undertaken by the Association and shall be charged with the duty of making recommendations to the Board as to the desirability, cost, etc. of such functions.

F. Nominating

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

G. Traffic, Rules and Security

Tbis 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. They will be responsible for hiring and supervising a security service for EFHA members as well as working with various departments of the City to ensure 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.

H. Finance

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.

I. Auditing

This committee shall be chaired by the Vice President and shall be responsible for 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 others in the community in which it exists.

ARTICLE VI. FINANCE

Section 1. Finances

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

Section 3. Financial Report

The Association will furnish a written financial report to the membership at the end of each fiscal year.

ARTICLE VIL SPECIFIC RIGHTS OF MEMBERS

Section 1. Voting Rights

Each Active 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

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 of the Association may be inspected by any member, or his agent, or his attorney, for any proper purpose at any reasonable time provided an officer of the Association is present.

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.

Section 2. Resolution of Interpretations

Resolution of interpretation of these Bylaws, if necessary, shall be the sole province of the Board of Directors.

ARTICLE IX. INDEMNIFICATION

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

A. 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, tmst, employee benefit plan, or other enterprise. However, the Corporation shall indemnify a person only if he or she acted in good faith and reasonably believed that the conduct was _in the Corporation's best _interests. 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 Corporation shall not _indemnify a person who is found liable to the Corporation 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.

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:

(i) Majority vote of a quorum consisting of directors who, at the time of the vote, are not named defendants to 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 if such a quorum cannot be obtained and such a 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 of 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 X. DISSOLUTION

Section 1. Dissolution

The assets of the Association, 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 of such dissolution. The Association has the right to sell and convey real property upon approval of two-thirds (2/3) of the voting members.