

CUSTER CREEK FARMS HOMEOWNERS ASSOCIATION

By-laws

ARTICLE I - DEFINITIONS:

Section 1. "Association" shall mean and refer to the Custer Creek Farms Homeowners Association, a non-profit corporation, organized and existing under the laws of the State of Texas.

Section 2. "Homeowner" shall mean the owner and resident of a dwelling located on the properties known as "Custer Creek Farms" contained on a property map entitled "Custer Creek Farms" which map was filed for record in the Office of the Country Recorder of Collin County, Texas and the owner and resident of a property located in the properties known as "Custer Creek Farms."

ARTICLE II - LOCATION:

The principle office of the Association shall be located at the premises of the then current President of the Association.

ARTICLE III - MEMBERSHIP:

Section 1. Each owner occupied household and each undeveloped lot owner on which a house can be built located in the area shown on a property map entitled "Custer Creek Farms" which map was filed for record in the Office of the County of Collin County, Texas is eligible to become a member by paying the member dues.

ARTICLE IV – ASSOCIATION PURPOSES AND POWERS:

Section 1. The Association has been organized for the purpose of protection and improvement of residential properties in Custer Creek Farms.

Section 2. The Association, by majority vote of its membership, may provide for dues or assessments to be paid by its members for purposes of operating and financing the objectives of the Association. The objectives of the Association shall be the protection and improvement of the properties located in Custer Creek Farms including the right of the Association to own or improve common areas or to provide for the maintenance or beautification of common areas within the area. The failure of any member to pay dues or assessments properly authorized by the Association shall result in the suspension of said member during the period when the assessments remain unpaid, including the forfeiture of said member's voting rights.

Section 3. The Association shall have the power to provide for the improvement or maintenance of common or public properties as may be assigned to it for such purposes provided by law.

Section 4. The Association may, by three-fourths vote of its membership present at a special meeting called for such purpose, extend its membership privileges to adjoining properties or to consolidate or merge with other associations performing similar functions or organized for the same purposes for residential owners or adjoining properties; provided, however, that written notice shall be mailed to all members at least thirty (30) days in advance of a special meeting of members and shall set forth the purpose of said meeting.

ARTICLE V – BOARD OF DIRECTORS:

Section 1. The affairs of the corporation shall be managed by a Board of five (5) Directors, who shall be members of the Association. The initial board of directors shall consist of five (5) directors, who shall hold office until the election of their successors for the following terms – All five directors for the term of two (2) years.

Section 2. Vacancies in the Board of Directors shall be filled by the remaining directors, any such appointed director to hold office until a successor is elected by the members, who may make such election at the next annual meeting of the members or at any special meeting duly called for that purpose.

ARTICLE VI: ELECTION OF DIRECTORS:

Section 1. Election of the Board of Directors shall be by written ballot as hereinafter provided. At such election, the members or their proxies may be cast in respect of each vacancy. Each member shall have as many votes as there are directors to be elected. The names receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

Section 2. Nominations for election to the Board of Directors shall be made by nominating committee, which shall be one of the standing committees of the Association.

Section 3. The nominating 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 President of the Association 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 such annual meeting.

Section 4. The nominating committee shall make as many nominations for the election to the Board of Directors the number of vacancies that are to be filled. All nominations shall be made from among members of the Association, as defined in Section 1, of the Article III of these By-laws.

Section 5. All elections to the Board of Directors shall be made on written ballot, and shall be delivered to the secretary of the corporation for tabulation. The secretary shall count and announce the results of the ballot to the members at each annual meeting.

ARTICLE VII: POWERS AND DUTIES OF THE BOARD OF DIRECTORS:

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

- a) to call special meetings of the members whenever it deems necessary, and it shall call a meeting at any time upon written request of one-fourth of the voting membership;
- b) to elect all officers and authorize the employment of agents or employees of the Association, if such agents or employees' activities are authorized by the membership, fix their compensation and require of them such security or fidelity bond as it may deem expedient;
- c) to establish, levy, assess and collect dues or assessments authorized;
- d) to exercise to this Association, except those reserved to the meeting or to members in these By-laws.

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

- a) to cause to be kept a complete record of all its acts and corporate affairs, and to present a statement thereof to the members at the annual meeting of the members or at any special meeting when such is requested in writing by one-fourth of the voting membership;
- b) to supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.

ARTICLE VIII: DIRECTORS' MEETING:

Section 1. The annual meeting of the Board of Directors shall be held immediately following the first yearly meeting of the membership.

Section 2. Special meetings of the Board of Directors shall be held when called by any two (2) directors after not less than three (3) days notice to each director.

Section 3. The transaction of any business of any meeting of the Board of Directors, however called or noticed, or whenever held, shall be as valid as though made at a meeting duly held after regularly called and noticed, if a quorum is present.

Section 4. A majority of the Board of Directors shall constitute a quorum thereof.

Section 5. Voting shall be written ballot or voice vote as prescribed and announced by the President prior to each vote. All matters voted upon shall be decided by a majority of the full Board of Directors.

ARTICLE IX: OFFICERS:

Section 1. The officers shall be a President, Vice-President, a Secretary, and a Treasurer. All of such shall be members of the Board of Directors.

Section 2. The officers shall be chosen by a majority vote of the Directors.

Section 3. All officers shall hold office at the pleasure of the Board of Directors.

Section 4. The President shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board of Directors are carried out, and shall co-sign all checks of the corporation, along with the Treasurer.

Section 5. The Vice-President shall perform all the duties of the President in his absence.

Section 6. The Secretary of the Board of Directors shall record the votes and keep the minutes of all proceedings in a book to be kept for that purpose. He shall sign all certificates of membership. He shall keep the records of the Association. He shall record in a book kept for that purpose the names of all members of the Association, together with their addresses as registered by such members.

Section 7. 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, provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board. The Treasurer shall co-sign all checks of the corporation, along with the President.

Section 8. The Treasurer shall keep proper books of account and cause an annual audit of the Association books to be made by a certified public accountant at the completion of each fiscal year. He shall prepare an annual budget and an annual balance sheet statement and the annual budget and balance sheet statement shall be presented to the membership at its regular annual meeting.

ARTICLE X: COMMITTEES:

Section 1. The standing committees of the Association shall be the nominating committee, the social committee, and the planning and development committee.

Section 2. The President may appoint such other committees as from time to time are required for the business or projects of the Association.

Section 3. Each committee shall consist of a chairman and two (2) or more members, and shall include a member of the Board of Directors for Board contact. All committees shall be appointed by the President of the Association.

Section 4. The nominating committee shall have the duties and functions described in Article VII.

Section 5. The planning and development committee shall bring to the attention of the Board or the membership any construction projects or situations which it feels are detrimental to the area or which it feels are necessary for the improvement and maintenance of the area, and shall advise the Board of Directors of projects and activities which it feels are in the best interest of the members and should be undertaken by the Association.

ARTICLE XI: MEETINGS OF MEMBERS:

Section 1. There shall be four regular meetings of the membership held each year.

Section 2. Special meetings of the members for any purpose may be called any time by the President, or by any two (2) members of the Board of Directors, or upon written request of 25% of all the members who have a right to vote.

Section 3. Notice of any meeting shall be given to the members by the Secretary. Notice may be given to the member either personally or by sending a copy of the notice through the mail to the address appearing on the books of the corporation. Notice of any meeting, regular or special, shall be given at least six (6) days in advance of the meeting.

Section 4. The presence at the meeting of members entitled to cast, one-fourth of the votes of membership shall constitute a quorum for any action covered by these By-laws.

Section 5. All matters voted upon shall be decided by a simple majority of those voting, either in person or by written proxy filed with the Secretary.

ARTICLE XII: PROXIES:

Section 1. At all meetings of members each member may vote in person or by proxy.

Section 2. All proxies shall be in writing and filed with the Secretary. No proxy shall be extended beyond a period of eleven (11) months, and every proxy shall automatically cease upon sale by the member of his home or property.

ARTICLE XIII: BOOKS AND PAPERS:

The books, records and papers of the Association shall at all times during reasonable hours be subject to the inspection of any member.

ARTICLE XIV: CORPORATE SEAL:

The Association shall have a seal in appropriate form as prescribed for non-profit corporation by the State of Texas.

ARTICLE XV: AMENDMENTS:

These By-laws may be amended at a regular or special meeting of the Board of Directors.