CLUB RIDGE ESTATES HOMEOWNER'S ASSOCIATION, INC.

A NON PROFIT CORPORATION

BY-LAWS ARTICLE I NAME AND PURPOSE

- 1.01 Name The name of this organization shall be the CLUB RIDGE ESTATES HOMEOWNERS' ASSOCIATION, INC., hereinafter referred to as the "Association".
- 1.02 Purpose The purpose of the Association is: 1) to maintain the entryways to Club Ridge Estates; 2) to provide an organizational representative to the City of DeSoto, regarding matters in our interest and to represent our interest in any other community or social organization in support of sub-division interest; 3) to ensure an aesthetically pleasing, safe and well-maintained environment within the sub-division; and 4) to promote a friendly, family oriented atmosphere.

ARTICLE II NOT FOR PROFIT

2.01 Not For Profit The CLUB RIDGE ESTATES HOMEOWNERS' ASSOCIATION, INC. shall be a non-profit corporation organized under the laws of the State of Texas and the Texas Non-Profit Corporation Act.

ARTICLE III OFFICES

3.01 Principal Offices The principal office of the Corporation in the State of Texas shall be located in the City of DeSoto, Texas, Dallas County. The Corporation may have such other offices or meeting places either within or without the State of Texas, as the Board of Directors may determine or as the affairs of the Corporation may require from time to time. The initial registered office of the Corporation shall be located at 1424 Country Ridge Drive, DeSoto, Texas 75115.

3.02 Registered Agent The Corporation shall have and continuously maintain in the State of Texas a registered office, and a registered agent whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be, identical with the principal office of the Corporation in the State of Texas, and the address of the registered office may be changed from time to time by the Board of Directors. Directors must notify members of any address change.

ARTICLE IV

MEMBERS AND GOVERNING RULES

- 4.01 Eligibility for Membership The Association shall have one (1) class of members. A Homeowner, as defined in Article XI, within the Club Ridge Estates subdivision shall be eligible for active membership without regard to race, color, national heritage or religious affiliation. When said Homeowner becomes a member of the Association, the spouse, any dependents or other persons over the age of 18 residing in the household shall upon written registration with the President of the Association become members and shall retain eligibility to vote and participate in the activities and offices of the Corporation as defined herein as long as the homeowner remains a member in good standing.
- 4.02 Declaration of Deed Restrictions The Declaration of Deed Restrictions for Club Ridge Estates addition is an integral part of the By-Laws of the Association. In addition to other duties enumerated herein, the Board of Directors is responsible for assuring compliance by all homeowners of the deed restrictions. The Board shall establish procedures for penalizing non-compliance with the deed restrictions. Deed restrictions are attached hereto and made of these By-Laws. (See attached copy of Deed Restrictions.)
- **4.03 Boundaries of the Subdivision** Eligibility for membership is limited to the adult members of the Club Ridge Estates subdivision. Said subdivision is defined as bounded by Club Ridge Estates Subdivision Plat.
- 4.04 Financial Aspects of Membership Homeowners' Association members, at each annual meeting, by a 51% vote determine the amount of annual dues payable to the Association by its members in August. To become a member, each eligible household shall be required to pay the yearly dues. Upon payment of these amounts, the Homeowner, the spouse, any dependents or other persons over the age of 18 residing in the household shall become eligible members in good standing and shall be entitled to all benefits of the Association. In the event that a Homeowner within the Club Ridge Estates Subdivision elects not to join the Association, the Homeowner shall be assessed dues on the same basis as members. All property owners' interests are being considered and they will be asked to pay their assessed dues. Dues will be assessed on a per lot basis. Each paid household will be eligible for one (1) vote to be cast on any business of the Homeowners' Association.

- 4.05 Termination of Membership To continue an established membership, each Homeowner shall be required to pay the yearly dues on or before the first General Membership Meeting of the fiscal year. Any Homeowner with dues in arrears for a period of seventy-five (75) days shall automatically cease to be a member. Reinstatement of a membership shall be accomplished by paying the full year's dues and fees. The Board of Directors, by affirmative vote of two-thirds (2/3) of the Board, may suspend or terminate a member for cause, after an appropriate hearing before the Board. The Board of Directors may, by a majority vote of the Board present at any regular or special Board Meeting, terminate the membership of any member who becomes ineligible for membership. Termination for "cause" shall include (but not be limited to) conduct detrimental to the best interests of the Association, acts or omissions giving rise to a cause of action at law or in equity against the Association or violation of any ordinance or statute of the City of DeSoto.
- 4.06 Resignation of Membership Any membership in this Association can resign at any time. It shall be the duty of each resigning member to notify the Association in writing of his resignation. The Association shall notify the member in writing of the acceptance of the resignation and the loss of the member's voting rights. However, resignation does not relieve the homeowner from the responsibility of paying assessed dues.
- **4.07** Transfer of Membership Membership in the Corporation is not transferable or assignable. If a member sells his home, the new owner can join by applying to the Board.
- 4.08 Rights of Members Each member of the Association is eligible to serve as an officer or on any committee of the Association, to vote on matters as provided by these By-Laws, and to attend any business or social function of the Association. Voting on all business matters will be one vote for one household or one lot.
- 4.09 Restrictions on Members No member of the Association may use or permit the use of the name of the Association or any information obtained through membership in the Association for any commercial purpose or any other purpose inconsistent with these By-Laws or the purposes of the Association.

ARTICLE V MEETING OF MEMBERS

5.01 Annual Meeting An annual meeting of the General Membership shall be held during the month of October of each year. Membership shall be notified in writing the first week in September of the date, time and place of the meeting. At each subsequent annual meeting the General Membership will be presented the annual report of the Association. The Board of Directors shall be elected at each annual meeting.

- 5.02 Special Meeting A special meeting of the General Membership can be called at any time by the Board President, with the approval of the Board, whenever such action is deemed necessary by the President or the board of Directors or directed by these By-Laws. Notification of this Special Meeting to the General Membership shall be made in writing at least two (2) weeks in advance.
- 5.03 Notice of Meetings Notice of a special or annual meeting of the membership along with the agenda shall be published and provided to each Association member at least two (2) weeks prior to the meeting. Such notice shall specify the place, day and hour of the meeting.
- **5.04** Quorum A quorum to transact any official business at all General Membership Meetings and Annual or Special Meetings shall be defined as those members in attendance at said meeting.
- 5.05 Proxies At any meeting of the members, a member entitled to vote may vote by proxy executed in writing by the member or his duly authorized attorney-in-fact. The Board in its discretion may verify the proxy before it is used.

ARTICLE VI

BOARD OF DIRECTORS

- 6.01 Association of Directors The CLUB RIDGE HOMEOWNERS' ASSOCIATION, INC. shall have a Board of Directors elected by the membership consisting of seven (7) members. The Board shall be comprised of Association officers plus the Chairman of each of the Permanent Committees. The Board of Directors shall elect from its membership one of the members to serve as Board Chairman and one to serve as Vice Chairman. The term of office for the directors shall be for a one (1) year period. However, at least three (3) directors will be voted to remain an additional year for organizational continuity. After serving two years an individual must have at least one year break in service before being eligible to serve as a director, again.
- 6.02 General Duties All Directors of the Association must remain members in good standing during their term of office. They shall act all times in the best interests of the Association and shall represent the best interests and desires of a majority of the Membership. Each Director shall, at all times, act in furtherance of the general objectives of the Association as stated in the Articles of Incorporation and these By-Laws. Should any Director's political, commercial or other interests conflict with the best interests of the Association, the other Directors may, at their discretion, ask the Director to resign, or proceed directly to removal procedures set forth in Section 10.04 of these By-Laws.

6.03 Specific Duties The Board of Directors shall be an advisory body, guiding the policies and activities of the Association. It shall prepare the Budget and approve all bills or other obligations over \$50.00 for any one cause, item or group or related items arising in any one calendar month.

No Director(s) shall be authorized, without approval from the Board, to represent the Association in any contract, agreement or purchase of any kind.

The Board of Directors shall have the power to review all records and report of the Association at any reasonable time.

- 6.04 Removal and Vacancies Any director may be removed from the Board with or without cause, by a majority vote of the members of the Association.
- **6.05** Compensation No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for actual expenses incurred in the performance of his duties.
- 6.06 Individual Duties The Chairman shall preside at all meetings of the Board. If the Chairman is absent from any Board meeting, the Vice Chairman shall perform the duties assigned the Chairman.

The Minutes of all meetings and proceedings of the Board of Directors shall be taken and preserved by the Secretary of the Association.

6.07 Meetings A regular meeting of the Board of Directors shall be held at least once during each two (2) month period at a time and place selected by the Board at their previous meeting or at a time and place selected by the Chairman of the Board of the Association. Members shall be notified of time and place and meeting agenda.

A special meeting of the Board of Directors may be called by the Association's Chairman or by any three (3) Directors upon five (5) days notice to all Directors.

All meetings of the Board of Directors shall be open to any member of the Association.

- 6.08 Quorum At any meeting of the Board of Directors, a quorum shall be constituted when at least four (4) of the seven (7) Directors are in attendance. A quorum shall be required to transact business.
- 6.09 Liability A Director shall not be liable to the Corporation, to any member of the Corporation or to any other person for any action taken or not taken as a Director, if the Director acted in compliance with the Articles of Incorporation, the By-Laws of the Association, the deed restrictions of the Sub-Division, and applicable law.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

7.01 Powers The Board of Directors shall have power to:

- (a) Suspend the voting rights of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association;
- (b) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- (c) 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;
- (d) Employ an independent contractor, as they deem necessary, and to prescribe their duties; and, require each contractor to provide liability insurance and/or workmen compensation insurance for their employees;
- (e) Fix the amount of the annual assessments against each homeowner at least fifteen (15) days in advance of each annual assessment period. The amount to be assessed voted on by the membership at the annual meeting.

7.02 **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 statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of members who are entitled to vote;
- (b) Supervise all contractors of this Association, and to see that their duties are properly performed;
- (c) As more fully provided in the Declaration, to:
 - Fix the amount of the annual assessments against each homeowner at least fifteen (15) days in advance of each annual assessment period; the amount to be assessed voted on by the membership at the annual meeting and must be approved by those present or by proxy. Any assessment must be approved by two-thirds (2/3) of members voting either in person or by proxy.

- Send written notice of each assessment to every Owner subject thereto prior to the commencement of each annual assessment period.
- (d) Issue, or to 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 of Directors for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

ARTICLE VIII

COMMITTEES

- **8.01 Permanent Committees**Of each shall be as follows:
 - (a) The Residential Committee Committee members' duties are to serve as block representatives, monitor residents moving into and out of the area, prepare and distribute the Directory of the Association and aid Association officers and committees in disseminating information. Committee will obtain written permission from each homeowner before publishing names and telephone numbers in the Directory.
 - (b) The Civic Interest Committee Committee members' duties are to monitor and support or oppose zoning and other community issues which could affect the stability, beauty or safety of the area, (i.e.) Vehicles parked on street for more than 48 hours—ticketed.
 - (c) The Social Committee Committee members' duties are to plan and manage special social functions for Association members and arts, crafts and sports activities, (i.e.) Christmas, block parties, cook-outs, Easter, Halloween, etc.
 - (d) Architectural Review Committee Committee members' duties are to review architectural plans and home improvements to assure compliance with the Declaration of Deed Restriction.
- 8.02 Membership of Permanent Committees Membership in any Permanent Committee enumerated in Section 8.01 shall be open to any Association member. A Chairman for each of the Permanent Committees shall be appointed by the elected Officers to serve for one (1) year. No person may serve more than two (2) consecutive terms as Chairman of a permanent committee nor may any person serve as Chairman of more than one (1) committee at a time.

- **8.03** Meetings of Permanent Committees Permanent Committees shall meet as often as necessary to effectively carry out their duties. Such meetings shall be called and chaired by the Chairman of that Permanent Committee.
- 8.04 Reports by Permanent Committees The Chairman of each Permanent Committee shall be a regular member of the Board of Directors and shall report regularly to the Board concerning that Permanent Committee's activities.
- 8.05 Temporary Committees The Board of Directors may from time to time appoint such Temporary Committees as it deems necessary to perform specific activities. The Board may also select a Chairman for the Temporary Committee; however, the Chairman does not become a member of the Board of Directors by virtue of such appointment.

ARTICLE IX

ELECTIONS AND VOTING

- 9.01 Election Procedure During the month of September of each year, a temporary nominating committee shall be appointed by the Board of Directors for the purpose of selecting nominees for each Association Officer position for the next operating year. The names of the nominees so selected shall be published in September. The election of Officers shall be held in October at the Annual Meeting of the General Membership. Additional candidates may be nominated by any member of the Association at the Annual Meeting.
- 9.02 Voting by the General Membership Voting shall be by written ballot. Each homeowner in good standing shall have a maximum of one (1) vote. All matters voted upon, except the amendment of these By-Laws, shall be decided by a simple majority of those voting, whether in person or by written proxy filed with the Secretary.

ARTICLE X AMENDMENTS

- 10.01 General Amendments Amendments to these By-Laws may be proposed by any member or group of members in good standings. To accomplish amendment, the procedures detailed below must be rigidly followed:
 - (a) Proposed amendments shall be presented in basic form as a written motion at a regular meeting or special meeting of the General Membership.

- (b) If the motion is seconded and passed by a simple majority vote of the Association members in good standing attending the General Membership meeting, a copy of the basic form of the proposed amendment shall be submitted to the Board of Directors and filed with the Secretary.
- (c) Upon receipt of the proposed amendment, the Board of Directors shall review, analyze and, if necessary, modify it so as to eliminate any ambiguities or inconsistencies with other provisions in these By-Laws.
- (d) After the Board's review above, the Board shall present the proposed amendment in the recommended form and content for approval by a two-thirds (2/3) vote of all members present (including proxies) at a regular meeting or special meeting of the General Membership.

ARTICLE XI DEFINITIONS

The following definitions shall be employed in answering questions pertaining to these By-Laws and in resolving all disputes arising from attempts to interpret these By-Laws:

- 1. **ASSOCIATION** The term "Association", "The Association", "Associates", or "Corporation" shall mean the CLUB RIDGE ESTATES HOMEOWNERS' ASSOCIATION, INC., its successors and assigns.
- 2. **GENDER** For the purposes of these By-Laws, the use of the male gender personal pronoun shall be interpreted as meaning either the male or female.
- 3. **HOMEOWNER** Homeowner (s) shall mean and refer to the record owner whether one or more persons or entities, of a fee simple title to any lot. The foregoing does not include any persons or entities who hold an interest in any lot merely as security for the performance of an obligation. The term "Homeowner (s)" shall not include a lease or tenant, nor shall it include a builder if the builder does not reside in a Club Ridge Estates sub-division home.
- 4. **DECLARATION** "Declaration" shall mean and refer to the Declaration of Deed Restrictions for Club Ridge Estates Addition applicable to the Properties as the same may from time to time be amended, together with any and all Section Declarations which may be recorded in the Deed Records of Dallas County, Texas.
- 5. **MEMBER IN GOOD STANDING** A Member in Good Standing shall be any member of the CLUB RIDGE ESTATES HOMEOWNERS' ASSOCIATION, INC., who has fully

complied with the financial aspects of Membership as defined in article 4.04 of these By-Laws.

- 6. **ALL GENERAL MEMBERSHIP MEETINGS** The term used to incorporate the phrases "regular meeting of the General Membership" and "Special Meeting of the General Membership".
- 7. The Outgoing President will serve on the board for the following year at their convenience.