

Afton Oaks Civic Club, Inc. By Laws

Article I. Fiscal Year

The fiscal year of the Afton Oaks Civic Club, Inc. "the Club," shall be from January 1 through December 31 of each calendar year.

Article II. Membership and Assessment

Section 1 – Membership

- 1) Eligibility for Membership. Membership in the Club shall be open to all real persons who are eighteen years of age or older and to all legal entities who (1) are lot owners of the area now comprising Afton Oaks Addition (Section 1 through Section 7 inclusive), Greenwood Addition, Kettering Oaks, and any section(s) that may be added by amendment or annexation in the future; (2) are current in payment of their Assessment to the Club; and (3) are in conformance with the restrictive covenants set forth in the Second Amended and Restated Deed Restrictions for Afton Oaks.
- 2) Termination of Membership Eligibility. Membership in the Club shall be appurtenant to each lot and may not be severed from or held separately there from. The membership of a person or entity in the Club shall terminate automatically whenever ownership in the lot ceases. Termination of membership does not, however, relieve or release the lot owner from any liability or obligation to the Club incurred during membership nor does it impair the Club's rights and remedies (or the rights and remedies of another lot owner) against the former lot owner.

Section 2 – Assessment

- 1) Establishing Assessment Rate
 - a) Notice to Membership. At least forty-five (45) prior to January 1, the Board shall provide notice to the membership via e-mail and posting to the official Afton Oaks website (www.aftonoaks.org) of the proposed budget and proposed Assessment for the coming fiscal year.
 - b) Budget or Assessment Increase of Less than Five Percent (5%). Section 7.3 of the Second Amended and Restated Deed Restrictions for Afton Oaks does not require a meeting or vote of the members for any budget or Assessment providing for an increase of LESS THAN FIVE PERCENT (5%) and such budget and Assessment is deemed automatically approved.

- c) Budget or Assessment Increase of Five Percent (5%) Or Greater. Section 7.3 of the Second Amended and Restated Deed Restrictions for Afton Oaks requires a meeting and vote of the members for any budget and Assessment providing for an increase OF FIVE PERCENT (5%), OR GREATER. The Board's written notice shall include the meeting date, time and place to discuss, amend or approve the proposed budget and Assessment. If the membership fails to adopt a new Assessment rate for the subsequent year, then the Assessment rate in effect at the time of the meeting shall continue in full force and effect until such time as the membership can agree on a new rate. No increased assessment adopted after the first calendar day of a year shall be retroactively applied.
- d) Uniform Assessment Rate. The Assessments shall be fixed at a uniform rate for all lots.
- e) Quorum Requirement. The quorum requirement set forth in Article VII, Section 2 of these By Laws shall apply to any required budget and/or Assessment vote.

2) Mandatory Assessment and Remedies for Failure to Pay

- a) Mandatory Assessment. Assessments are mandatory and failure to pay shall subject each owner to all legal, equitable and other remedies available to the Club. Any Assessment paid during any calendar year shall be applied in the following order (1) to any outstanding Assessment, costs, penalties or interest payable to the Club; (2) to any installment of the Assessment for the current calendar year which is not yet due and payable; and (3) to any Assessment for subsequent years.
- b) Calculation of Assessments and Remedies. The annual Assessment is calculated on a calendar year basis, but may be paid in quarterly installments. Quarterly installments are due on the first calendar day of January, April, July and October of each calendar year and shall be deemed delinquent if not received by the Club by the 10th calendar day of each of the aforementioned calendar months. Failure to pay two, successive quarterly installments shall: (1) make the entire Assessment for the year immediately due and payable; (2) result in the suspension of all services and voting rights until such time as the member's account is made current; and, (3) subject that lot owner to all legal, equitable and other remedies available to the Club.

3) Method of Establishing Assessment

- a) Proposed Assessment Rate. The President shall cause the proposed Assessment rate for the subsequent year to be published in the Meeting Notice setting forth the date, time, place and agenda of the November General Meeting. Such proposed Assessment, if it provides for an increase in the Assessment rate of five percent (5%) or greater, may be adopted, rejected or modified by a Quorum of the members. The existence of a Quorum shall be determined in accordance with the provisions of Article VII, Section 2 of these By Laws. Proxy voting is not permitted.
- b) Second Meeting. If a Quorum is not present at the November General Meeting then a

Second Meeting shall be called in compliance with the applicable provisions of Article VII, Section 2 of these By Laws.

- c) Continuation of Assessment Rate. Until a new Assessment rate is adopted, the Assessment rate in effect at the time of the November General Meeting shall continue in full force and effect until the earlier of the following events: (1) a new assessment rate is adopted; (2) the November General Meeting of the next calendar year is held.
- d) Retroactive Application. No increased assessment adopted after the first calendar day of a year shall be retroactively applied.

4) Hardship Exemptions

- a) Appointment of Review Committee. The President shall appoint a three member Committee made up of Directors of the Club to administer the hardship exemption process whereby Club Members that are full time residents of the subdivision may apply for deferral of payment of all or part of any Assessment owed. This Committee shall elect its own Chair and establish the application and review process covering hardship exemptions. Any deferral of payment of all or part of any Assessment shall be secured by the execution of a voluntary lien against the Member's lot or by the execution of a binding promissory note.
- b) Committee Action. The Committee, in the exercise of its discretion, may grant a full waiver, partial waiver or deny the request in its entirety. The Committee shall notify the Member of its decision in writing. The Committee shall also send a copy of its written decision to the President of the Board. If the Committee grants a partial waiver or denies the request, the Member may within 30 days of the date of the Committee's decision letter, make a written request to the President of the Board for a review of the Committee's decision by the Board. The Board shall review the Committee's decision, in Executive Session, at the first regularly scheduled board meeting following receipt of the Member's written request for review. The Board may, in its sole and absolute discretion: (a) reject the Committee's decision and grant a full or partial waiver, or (b) sustain the Committee's denial of relief. The Board shall notify the Member of its decision in writing within 30 calendar days after the meeting.
- c) Review of Board Decision. Hardship exemptions are not a right but are a discretionary action of the Board. Consequently there shall be no legal, administrative, equitable or other appeal or review of the Board's decision.
- d) Re-submittal and Renewal Applications. Nothing herein shall be construed as preventing a Club Member from resubmitting a denied application to a new Board; nor shall anything be construed as preventing a Club Member, who has been granted an exemption, from applying for an extension of the exemption. Renewal applications shall be made in writing to the Board at the Club's address on or before October 15th of the year preceding the year for which the waiver or partial waiver is requested. An application for a new exemption may be submitted at any time. No new or partial or full

hardship exemption shall extend beyond the end of the calendar year in which it was granted. However, a petition for renewal of a partial or hardship exemption submitted by the October 15th deadline may be considered and granted through the end of the subsequent calendar year.

- e) Eligibility of Officers and Directors. No officer or director of the Club or member of the Architectural Committee or Hardship Committee shall be eligible for any type of hardship exemption for any period of time during which they hold an elected position within the Club.

Article III. Officers

Section 1 - Titles

The officers of the Club shall be:

President
Vice President
Secretary
Treasurer

These officers shall perform the duties prescribed by these By Laws.

Section 2 – Election

- 1) Election Date. All officers for the next calendar year shall be elected annually during the regular November meeting and shall hold office for one year commencing on January 1 of the following year. In order to facilitate a smooth transition from one Board to another, once elected each officer shall become a non-voting member of the current Board and shall be entitled to participate in all Board deliberations and meetings.
- 2) Nominating Committee. The President shall appoint a nominating committee at least one month in advance of the November meeting for the purpose of selecting nominees for officers and directors of the Club.
- 3) Submittal of Nominating Committee Recommendations. At the November meeting the President shall submit the names of nominees individually to the membership present for voting. Additional nominations for each office may be accepted from the floor. To qualify for nomination a candidate must (1) have given their assent; (2) be current in their Assessment(s); (3) be a member in good standing; (4) shall not have any outstanding liens payable to the Club; and (5) must have paid any interest, attorney's fees or other fees due to the Club; and (6) not have any conflict of interest with the Board. To be an officer, a candidate shall have continuously resided in the subdivision as defined in Section 1 of Article II for a period of at least two full calendar years preceding the year during which the candidate would be in office.
- 4) Unanimous Election. Should there be no nominations from the floor; the President may entertain a motion for unanimous election of the slate of officers, presented to the

President by the nominating committee.

- 5) Nominations from the Floor. In the event of one or more floor nominations for a particular office, voting shall be by a show of hands for each candidate for such office(s). For each such contest, the nominee receiving a majority of votes shall be declared elected to that office. Members shall be entitled to a total of one vote for each lot they own in the Subdivision. Members may vote for only one candidate in any contested election. Run-off elections will be held until one candidate receives a majority of the votes.

Section 3 - Term of Office

Except as heretofore provided in Section 2 of this Article, officers shall take office on January 1 of each year and their duties will officially begin on that date. Officers shall serve until (1) their successors are in office; (2) they are removed from office or (3) they resign from office. The Vice President, Secretary and Treasurer may succeed themselves for an indefinite number of terms. A President may serve two (2) consecutive years but shall not be eligible for re-election as President until a period of two calendar years following their last term as President shall have expired.

Section 4 – Duties

1) President

- a) Presides at all meetings of the Club and the Board of Directors.
- b) Appoints all committee chairmen and members thereof, except as otherwise provided herein. The President shall not be a member or ex-officio member of any committee.
- c) Directs the Club activities in a manner that is the membership's best interest. The President shall abide by the membership's decisions unless it would be a breach of the President's fiduciary or other duties to do so.
- d) Maintains a file covering his/her term of office which shall be the property of the Club and turned over to his/her successor in office.
- e) Shall not speak publicly for or on behalf of the Club unless specifically authorized by the Board of Directors to do so.
- f) Prepares an agenda for each meeting of the Club, its officers, and/or its directors.
- g) During January set the meeting dates for the Club, its officers and/or its directors for the calendar year.

2) Vice President

- a) Preside at all meetings in the absence of the President or in the case of the inability of the President to act or at the request of the President.
- b) Except as specifically precluded by other portions of these By Laws, act as an ex-officio member of all committees appointed by the President.

3) Secretary

- a) Keep separate minutes for all Club meetings, both special and regular.
 - b) Keep separate minutes for all meetings of the Board of Directors, both open and closed.
 - c) Update management certificate with Harris County Clerk as resale designated representative changes
 - d) Update governing documents with State of Texas as designated representative changes
 - e) The Secretary shall have custody of all contracts, papers and records pertaining to the business of the Club unless otherwise provided by the Board of Directors. At the end of his/her term, collect and bind in one or more folders the papers of the Club for that year for delivery to his/her successor as Secretary.
 - f) In the absence of the President and Vice President, appoint a member of the Board of Directors to serve as presiding officer at any meeting of the Club or the Board of Directors.
- 4) Treasurer
- a) Receive all moneys of the Club and be custodian of same, depositing these funds in a designated bank or as otherwise directed by the Board of Directors. Keep an accurate record of all receipts and disbursements and submit a written report at each meeting of the Club and each regular meeting of the Board of Directors.
 - b) Pay all bills approved by the President, the Board of Directors or the Director in charge of the function requiring the expenditure. Each check in excess of two hundred fifty dollars (\$250.00) shall be signed by the Treasurer and counter-signed by one other officer or a duly designated member of the Board of Directors. All bank statements of the Club shall be originally delivered to the President for review before being delivered to the Treasurer.
 - c) Maintain the corporate charters of the Club and file all required tax returns for the Club. As specified in the Treasury Procedures and/or as directed by the Board maintain specified documents in a secure storage facility.
 - d) Comply with the Treasury Procedures adopted by the Board at the first meeting of each year.
 - e) Insure that an accurate list of all Club members is maintained by the Director in charge of garbage service. Make a recommendation to the Board concerning corrective action when a member becomes delinquent in payment of their Assessment.
 - f) Upon request of the Auditing Committee, turn over all records of the Treasurer's office within ten (10) calendar days following the date of the Auditing Committee's request. Such records shall be used by the Auditing Committee solely for the purposes of audit.
 - g) Accept, disburse, and be responsible for any Assessments or special funds authorized by the Board of Directors or the membership.

Article IV. Board of Directors

Section 1- Powers and Duties

- 1) The Board of Directors shall have the powers and duties necessary for the administration of

the affairs of the Club. The Board of Directors may do all such acts and things except as by law, these By Laws and/or by the declaration may not be delegated by the Board of Directors.

- 2) The Board of Directors shall possess all the powers enumerated in Tex. Rev. Civ. Stat. Ann. Art. 1396-2.02 and Tex. Prop. Code 204.010 to the extent that those powers are consistent with the articles of incorporation, the restrictive covenants and By Laws.
- 3) The Board of Directors shall not engage in the following activities without the membership's prior approval:
 - a) Not employ any service or individual on a regular basis to provide architectural review for any building or other development plans proposed for any lot, however, the Board can hire a service or individual as an expert to review a specific matter,
 - b) Enter into any agreement to administer the affairs of any other association or have any other association administer the affairs of the Club.
 - c) Enter into any contract or contracts with, by way of example and not limitation, utility companies with respect to utility installation, consumption or service matters unless such service is for the Club's Office, service to common grounds or for communication service used by the Patrol Officers in conducting their duties.
 - d) Borrow funds for any purpose;
 - e) Contract with any owner (except the Treasurer as may be required by insurance companies) for the provision of any service which the Club is otherwise obligated or permitted to perform.
 - f) Contract for or perform on the Club's behalf any maintenance, repair or replacement service, or any combination thereof on or for any individual logs).

Section 2 – Number

The Board of Directors shall consist of the four officers of the Club, the immediate past president, and not less than (6), and not more than twelve (12) elected Directors.

Section 3 – Election

- 1) Qualifications. To qualify for nomination a candidate must (1) have given their assent; (2) be current in their Assessment(s); (3) be a member in good standing; (4) shall not have any outstanding liens payable to the Club; and (5) must have paid any interest, attorney's fees or other fees due to the Club; and (6) not have any conflict of interest with the Board. All Directors shall be nominated and elected in the same manner as Officers of the Club, with a majority of the votes being cast sufficient to elect.
- 2) Nominations from the Floor. Nominations from the floor must oppose a particular nominee of the nominations committee or must be for a Director's office for which no one has been nominated. An elected Director may succeed himself in office.
- 3) Annual Election. All Directors shall be elected annually at the regular November meeting and shall hold office for one year commencing on January 1 of the following year. In order to facilitate a smooth transition from one Board to another, once elected each Director shall become a non-voting member of the current Board and shall be entitled to participate in all

Board deliberations and meetings.

Section 4 - Removal of an Officer or Director

- 1) Vacancy. Any Director who fails to attend three consecutive meetings of the Board of Directors may have his office declared vacant by a recorded roll call vote of the remaining members of the Board of Directors. A simple majority of the remaining Directors is sufficient to declare the office vacant. To be considered in attendance at a meeting, a Director must be physically present for at least 76% of the time required for any particular meeting. Whenever an office of a Director becomes vacant for any reason, the President, with the concurrence of a simple majority of the remaining Directors, shall appoint a replacement from the membership to serve for the remaining term of such office. No Officer or Director may be appointed by the President without the concurrence of a simple majority of the remaining Directors during a recorded roll call vote on the matter.
- 2) Removal from Office. Any Officer or Director may be removed from office, with or without cause, by an affirmative vote of two-thirds (2/3) of the Officers and Directors during a recorded roll call vote. Once removed, the Officer or Director shall cease to be a member of the Board of Directors and shall turn over, by way of example and not limitation, all records, documents, instruments, funds and accounts to the President. Any such removal shall be immediately reported by the President (or the Vice President, in the case of the removal of the President) to the membership.

Section 5 - Meetings and Duties of Board of Directors

- 1) Responsibilities. The Board of Directors shall manage the affairs of the Club, subject to the direction and approval of the general membership.
- 2) Meetings of Directors. Directors meetings shall be at the call of the President or upon the written request of three members of the Board of Directors. Meetings shall comply with the provisions of the non-profit corporation act. The non-profit corporation act requires that a regular meeting can be held with or without notice and a special meeting is noticed as required in the By Laws. Art. 1396-2.19B. the non-profit corporations act does not require either the business transacted or purpose of the general or special meeting is contained in the notice unless it is required in the By Laws.
- 3) Executive Session. The Board of Directors meetings are open to the membership except when the Board of Directors meets in closed Executive Session. Executive Sessions shall be held at the discretion of the President or at the request of at least three (3) members of the Board of Directors. Matters that may be considered in closed Executive Session, by way of example and not of limitation, are attorney/client communications, other matters protected from discovery either by statute or the Texas Rules of Civil or Criminal Evidence, hardship waiver discussions and potential judicial actions. A copy of the complete minutes of all open Board meetings shall be published and provided to the membership at quarterly intervals. Separate minutes of *closed* Executive Sessions shall be kept. Such minutes shall not be available for review by the membership. Once the Board has fully and finally

resolved a matter handled during Executive Session(s) such final action taken by the Board, during Executive Session(s), shall be reported to the membership. Excepted from disclosure shall be attorney/client communications and other matters protected from discovery either by Statute or the Texas Rules of Civil or Criminal Evidence.

- 4) Board of Directors Quorum. Seven (7) members shall constitute a quorum of the Board of Directors. A majority vote of the Directors present at any meeting shall be required to authorize any action placed to a vote before the Board. For this purpose the majority shall be of those Directors voting "aye" or "nay", abstentions shall not be considered in the calculation but shall be recorded in the minutes.
- 5) Rescinding Board of Directors Action. For any action of the Board of Directors to be rescinded at any regular or special meeting of the general membership, a quorum of the membership, as provided in Article VII, Section 2 must be present and voting.

Article V. Architectural Committee

Section 1 - Committee Composition

The Club shall have an Architectural Committee which shall consist of three (3) full-time Members and one (1) Alternate Member who shall be natural persons, and who shall be elected by the membership for a term of one (1) year. A vacancy in the Architectural Committee shall first be filled with the Alternate Member and subsequent vacancies shall be filled by special election called by the Board in accordance with these By Laws. The Board may nominate a candidate to fill a vacancy but the members shall have the right to nominate other candidates from the floor in the same manner as provided for the nomination of officers and directors in accordance with these By Laws. At any election for a position on the Architectural Committee, each position will be filled by the individual that receives a majority vote of the members who are present in person.

Section 2 - Committee Duties

The Architectural Committee shall have the authority from time to time to make, alter, amend and/or rescind reasonable rules and regulations that are applicable to all lots in the subdivision and *areas* described in Section 1.5 as may be necessary to administer the restrictions set forth in Article 5 of the Second Amended and Restated Deed Restrictions for Afton Oaks provided that such rules and regulations are uniformly applicable to all lots in Afton Oaks, as more fully set forth in the Second Amended and Restated Deed Restrictions For Afton Oaks. The Architectural Committee shall also have the authority to administer any Architectural Design Guidelines adopted by a written, acknowledged vote of fifty-one percent (51%) of the aggregate votes of the lots in the subdivision which shall also include those areas described in Section 1.5 of the Second Amended and Restated Deed Restrictions for Afton Oaks.

Section 3 - Committee Decision

- 1) Decision. No Committee decision shall become final without three of the four members

reviewing the decision. The Alternate Member is not a voting member until he fills a vacancy in the regular members. A vote of two (2) out of the three (3) voting members shall be deemed a final decision. The Committee's decision shall be delivered to the owner requesting review within thirty (30) calendar days of the Committee's receipt of the review request. The Committee's decision shall be delivered to the owner by certified mail, return receipt requested. A copy of the decision shall also be submitted to the Board.

- 2) Review of Committee Decision. Within thirty (30) calendar days of an owner's receipt of a negative decision, the negative decision may be appealed, in writing, to the Board where a decision will be upheld or overturned by a majority of the Board members present and voting at the meeting at which the Architectural Committee decision is considered. *The* appealing member may make a presentation to the Board prior to the review vote, provided the President has been notified in advance of the presentation and each speaker representing the appealing member is identified. Legal counsel will not be permitted to represent the appealing member before the Board. All proceedings and votes reviewing an Architectural Committee decision appeal shall be recorded in the minutes. In no event shall such review be conducted in Executive Session.

Article VI. Meetings

Section 1 - General Meetings of the Club

The General Meetings of the Club shall regularly convene on the third Thursday of February, May, August and November. Notice of each General Meeting shall be sent via e-mail to those owners who supply their e-mail address. The notice shall also be posted on the Afton Oaks website (www.aftonoaks.org) at least 10 days prior to the meeting and will include time, date and place of all meetings. Each notice shall include an agenda. Notice for the November meeting shall include a proposed slate of Officers and Directors for the following year.

Section 2 - Special Meetings

- a.) Notice. The Secretary shall give at least 10 days notice to the membership by e-mailing property owners and posting such notice on the Afton Oaks website (www.aftonoaks.org). Each notice shall include time, place and purpose of all special meetings.
- b.) Meeting Call. Special meetings of the general membership may be called (1) by the President; or (2) upon request of three members of the Board of Directors.
- c.) Petition for Special Meeting.
 - a. Special meetings of the general membership may also be called by acknowledged, notarized written petition of members of the Club representing ownership of thirty (30) lots. To be eligible to call for a special meeting the owners of a lot must be members in good standing and must not have any outstanding indebtedness or Assessment to the Club at the time the petition is

submitted for verification. For this purpose each lot shall represent one (1) call for a special meeting notwithstanding the number of owners of the lot who may have signed the request for a meeting.

- b. A request for a special meeting shall not be considered by the President or the Board until petitioners have submitted the request to the Treasurer for verification of *the* entitlement of the owner(s) of each lot to *sign* the request. Each such request *for* a special meeting shall identify a contact person (hereinafter Lead Petitioner) and shall be accompanied by an immediately negotiable instrument payable to the Club in United States of America currency in the amount of two hundred fifty dollars (\$250.00). Such funds shall be used to pay any expenses that may be incurred in verifying lot eligibility, arranging the meeting and making all required notices to the membership. Excess funds, if any, shall not be refunded and shall be credited to the general operating budget of the Club.
- c. Should the request fail to obtain verification then the Lead Petitioner shall be notified and the submitted funds credited to the general operating budget of the Club. Should petitioners elect to re-submit a flawed petition, the entire verification process shall begin anew and an additional negotiable instrument in the amount of Two Hundred Fifty Dollars (\$250.00) must be placed on deposit with the Treasurer.
- d. Within thirty calendar days of the date of receipt by the Treasurer of the petition and funds, the Treasurer shall make a determination on the petition. Should the Treasurer fail to make the determination within the time frame specified then the petition shall be deemed valid and the President will proceed to call the special meeting. The President shall call the special meeting not later than thirty days following the date of the Treasurer's determination or the date on which the petition is automatically deemed valid due to inaction on the Treasurer's part. The same notice of a special meeting shall be given as required in Section 1 of this Article for a regular meeting. For any action to be voted on at any special meeting called by petition, a quorum of the membership as provided in Article VII, Section 2 must be present and voting.

Section 3 - Order of Business

The order of business at all meetings of the Club, the Board of Directors and Committees of the Club shall be:

- 1) Establishment of a quorum
- 2) Proof of notice of meeting or waiver of notice
- 3) Reading and disposal of un-approved minutes
- 4) Reports of officer or committee chairs
- 5) Old business

- 6) New business, including election or removal of any Officers or Directors
- 7) Adjournment

Article VII. Voting

Section 1 - Voting Rights in the Club

The Club shall have one *class* of membership. Each member shall be entitled to a total of one (1) vote for each lot it owns. Where more than one person or entity holds an interest in any lot, all such persons or entities shall Collectively be a single member, and the vote for such member shall be exercised as the several parties shall determine among themselves, provided, however, that in the aggregate no more than one (1) vote shall be cast with respect to each lot owned. There will be no fractional voting.

Section 2 - Quorum

- 1) Quorum. For purposes provided in Article 1, Section 2 - Assessment; Article IV, Section 5 - Members Rescinding Action of Board; Article VI, Section 2 - Special Meetings; and, Article a - Amendment to By Laws, a quorum of members is, subject to the provisions set forth in Subsection c of this Section, required. Quorum shall mean the natural person, corporation, partnership or other legal entity representing fifty (50) lots who are physically present *at any* regular or special meeting of the Club and fulfill the requirements to vote at such meeting. No absentee or proxy representation or voting shall be permitted at any Club meeting.
- 2) Entitlement to Vote
 - a) Only Members in Good Standing shall be entitled to vote, and voting membership shall be decreased by the number of Members who are not Members in Good Standing to determine the votes entitled to be cast. For the purpose of establishing a quorum, such determination of Members in Good Standing shall be as of the date seven calendar days preceding the date on which the vote is to be taken. The majority of those votes entitled to be cast by the Members in Good Standing present at a duly called meeting at which the requisite quorum of Members in Good Standing are represented shall be sufficient for the transaction of any business.
 - b) The Club shall not be a voting member of the Club by virtue of its ownership of any lot, or subdivided portion thereof.
- 3) Second Meeting
 - a) Notice. In the event the quorum, required by Section 2 of this Article, is not present at the meeting, then notice of a Second Meeting for the same purpose shall be sent by U. S. Mail within three (3) weeks of the date of the meeting at which the required quorum was not present. At such Second Meeting the number of Members in Good-Standing present in person shall represent a quorum.
- 4) Majority Vote. The vote of the majority of those votes entitled to be cast by Members in Good Standing, present at a Second Meeting, shall be sufficient for the transaction of any

business, unless otherwise provided by law or by other provisions of these By Laws.

Section 3 - Member in Good Standing

As used in these By Laws the term "Member in Good Standing" shall mean any member of the Club who:

- 1) Has, not less than seven (7) days prior to the taking of any vote by the Club, fully paid all Assessments or other charges levied by the Club then *due* and payable, as such charges are provided for herein;
- 2) Does not have a lien filed by the Club against its lot; and
- 3) Has received a full or partial waiver of Assessment and executed the appropriate document(s) regarding the deficiency.
- 4) Has discharged any other obligations to the Club as may now or hereafter be required of members hereunder.

The Board of Directors shall have the sole responsibility and authority for determining the Good Standing status of any member at any time, and shall make such determination with respect to all members prior to a vote being taken by the Club on any matter. Any member not conforming to the provisions of this Article shall be declared by the Board of Directors to be ineligible to vote and shall remain ineligible to vote *until such* time as Member *in* Good Standing status is attained.

Section 5 - Cumulative Voting

Cumulative voting shall not be allowed at any meeting of the Club.

Section 6 - Fractional Voting

Fractional voting shall not be allowed at any meeting of the Club.

Section 7 - Proxies

Proxy voting shall not be allowed at any meeting of the Club, of the Board of Directors of the Club, or any committee of the Club.

Article VIII. Appointed Committees

Committees including, but not limited to, Audit, Security, Garbage, Traffic, Deed Restrictions and Maintenance, may be created from time to time by the President, or the Board of Directors, as needed, to properly conduct the business and attend to the welfare of the Club.

Article IX. Amendment to By Laws

These By Laws may be amended at any regular meeting or any special meeting of the Club

provided the proposed amendment shall have been filed with the Secretary of the Club at least thirty days prior thereto and notice regarding the amendment shall have been given to the membership at least fifteen days prior to the meeting. Amendments to these By Laws must meet the quorum requirement set forth in Article VII, Section 2 of these By Laws.

Article X. Governing Law

These By Laws shall be governed in accordance with the laws of the State of Texas.

Article XI. Effective Date

The effective date of these By Laws shall be November 19, 2009.

Article XII. Notices

Any statement, notice, or other communication provided or permitted to be given hereby shall be deemed - sufficiently given or rendered if posted on the Afton Oaks website (www.aftonoaks.org), e-mailed, hand delivered, or delivered or deposited in the United States mail, addressed to the owner(s) lot or at such other address as such owner shall have designated from time to time by written notice; and to the Club at its stated address. Notwithstanding the foregoing, any provision of these By Laws (excepting notices concerning regular and special meetings of the membership and/or the Board of Directors) requiring action(s) within specified time frames shall be submitted by certified mail return receipt requested.

Article XIII. Term

These By Laws shall remain in full force and effect unless amended pursuant to the provisions of Article IX of these By Laws.

Article XIV. General Provisions

Section 1- Membership List

The list of members of the Club shall be the proprietary property of the Club and shall never be publicly distributed for any purpose, commercial or otherwise.

Section 2 - Conflict of interest

No director and/or officer of the Club shall vote on any decision affecting the Club wherein said director or officer may have a direct monetary and/or proprietary interest. Nothing in this Section shall preclude a director and/or officer from voting on any matter whereby that director and/or officer could experience an indirect monetary and/or proprietary interest arising from decisions benefiting the membership as a whole.

Section 3 Indemnification

The Club shall, by appropriate insurance coverage or otherwise, indemnify its directors and officers for their conduct in the performance of Club duties, activities, and affairs, except to the extent that such conduct constitutes a gross and willful breach of the fiduciary duty owed by such directors and/or officers to the Club. By reference Art. 1396-2.22A of the non-profit corporation act is incorporated herein to the extent that it is consistent with the articles of incorporation, the restrictive covenants and the By Laws.

Section 4 - Access to the Corporate Books and Records

Access to the Corporate Books and Records shall be in full compliance with Art. 1396-2.23B of the non-profit corporation act which provides that the member of a non-profit corporation has access to the corporation's books and records. The Act requires that the member *must make* a written demand to review the books and records which demand shall state the purpose for their review. The member has the right to examine and copy the books and records either in person or by agent, accountant or attorney, at any reasonable time for any proper purpose. The member can review the books and records that are relevant to their stated purpose and can copy information at the *member's* own costs and expense.

Article XV. Captions

Captions contained in these By Laws are inserted only as a matter of convenience and in no way define, limit or extend the scope or intent of these By Laws or any provision hereof.

Article XVI. Subordination

If there is any conflict between these By Laws and the Second Amended and Restated Deed Restrictions for Afton Oaks, the Second Amended and Restated Deed Restrictions for Afton Oaks shall control over the By Laws.