

By-Laws



BY-LAWS

of

THE FORT CLARK SPRINGS ASSOCIATION, INC.

A Texas Non-Profit Corporation

ARTICLE I

Preamble

1. These By-Laws govern the Texas non-profit membership corporation, FORT CLARK SPRINGS ASSOCIATION, INC., (hereinafter referred to as "Association"). The word "Association" is a Home Owner's Association as defined in Senate Bill 507.
2. These By-Laws are subordinate to the Declaration of Protective Restrictions (hereinafter referred to as the "Declaration"), and all amendments thereto, affecting the real property described in Exhibit "A" attached hereto, recorded on the 4th day of October, 1971, in the office of the County Recorder of Kinney County, Texas; nothing herein shall impair the powers of the Association, acting through its members and the Board of Directors, to amend the Declaration in the manner provided by the Declaration.

ARTICLE II

Offices

1. **PRINCIPAL OFFICE:** The principal office for the transaction of business of the Association is hereby fixed and located at Fort Clark Springs, City of Brackettville, County of Kinney, State of Texas. The Board of Directors is hereby granted full power and authority to change said principal office from one location to another in said County.

ARTICLE III

Members

1. A member is the owner of a valid membership in the Fort Clark Springs Association, Inc.

A member in good standing is (1) a member whose assessments are not more than (30) days past due and other accounts to the Association are current, and (2) a member whose privileges have not been removed by the Board of Directors for violation of the Rules and Regulations of said Association.

OR, (3), a member who has entered into a monthly payment plan with the Association in order to bring their account current. This includes all rights and privileges of membership, **except** the right to cast a ballot on any matter requiring a vote of the membership. In the event a monthly payment plan is missed, the good standing status shall be removed. The member shall not be eligible for good standing status again until they have made 6-consecutive monthly payments in accordance with the payment plan.

2. On condition that a member shall comply with the restrictions on transfers imposed from time to time by the Association, each individual or corporate member shall have the right to transfer his membership. Any corporation which shall own any membership certificate in this Association, shall be a member of this Association so long as it owns or whenever it shall own any such membership.

3. Each member except for a Family Recreation Member, who is in good standing shall have the right, on compliance with the provisions of the Declaration, to become the sole owner in fee of a building site within the real property, for each membership certificate he owns. The phrase "building site" includes an interest in a site for a residential dwelling or apartment or condominium. A building site may be located in a "performance unit," that is, a unit which has streets and utilities present or planned, or in a "non-performance unit," a unit for which no utilities and streets are planned for the near future. There is no guarantee that these non-performance units will ever be developed, and no construction will be approved for lots in these units.

The Association has established an exchange program, allowing members with lots in non-performance units to request to exchange them for lots in performance units when they are ready to build. Although the Association attempts to maintain an inventory of lots in performance units, there is no assurance that the number of lots will ever be adequate in this regard or that lots of all kinds will be available. A member's right to exchange a lot is not contractually guaranteed, and there is absolutely no assurance that a member will be able to exchange a lot in a non-performance unit for one in a performance unit. The Board may establish procedures for allocation of lots in performance units to members desiring them.

4. A member who desires to become vested with a fee in a building site in a performance unit, shall in writing, so notify the Board. Except as in the Declaration otherwise provided, such notice shall state the member's unconditional agreement to commence the construction of a residential improvement on the building site within six (6) months after notice to the member identifying his building site (or within such additional period as the Board may for good cause allow) and diligently to prosecute the work thereof to completion; such construction shall comply with all of the applicable laws, rules, ordinances, and restrictions. Provided, however, that if a member who is entitled to select more than one building site shall select two or more contiguous building sites, he may construct a residential unit on one lot alone and hold the additional lot or lots for future building; or he may build a single family residence on such two or more sites; however, in any such event a member will be required by the Association to enclose and/or use any such building sites in a manner and at a time determined by the Association.

5. A building site shall be of the size indicated on the then current schematics or general and tentative plans, subject to alteration by the Board.

6. Upon conveyance of a building site to a member under this Article III or under other conditions provided for in the Declaration, the Grantee shall own the lot in fee.

7. In the case of a member who has given notice of his intention to acquire a building site, or who has acquired a building site, neither his membership nor any interest in the building site can be sold separately, the one from the other; but if the member intends to sell, both the membership and all his rights in the building site must be sold in a single sale to a single purchaser (who may be husband and wife). notwithstanding the above, however, a member may sell his building site to another member entitled thereto, and the seller will thereafter be entitled to select another building site.

8. In the event any restriction on the right to alienate the building site is judicially determined to be unenforceable, these By-Laws shall read as though the By-Laws did not impose such restrictions, and all other provisions hereof shall be fully enforced.

9. In the event the Board or the Association shall fail to act promptly and diligently in processing a member's notice to acquire a building site, such member shall have the right to prompt arbitration pursuant to Part IX of the Declaration.

ARTICLE IV Board of Directors

1. **POWERS:** Subject to limitations imposed by the Declaration of Protective Restrictions, the By-Laws and subject to the duties of the Directors as prescribed by the By-Laws, the power of the Association shall be exercised by or under the authority of, and shall be controlled by, the Board of Directors. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Board shall have the following powers, to wit:

First: To select and remove all other officers, agents and employees of the Association, prescribe such powers and duties for them as may not be inconsistent with law, with the Declaration of Protective Restrictions or the By-Laws, fix their compensation, and require from them security for faithful service.

Second: To conduct, manage and control the affairs and business of the Association, and to make such rules and regulations therefor not inconsistent with law, the Declaration of Protective Restrictions or the By-Laws, as they may deem best.

Third: To change the principal office for the transaction of the business of the Association from one location to another within the same county as provided in Article II, Section 1, hereof, to designate any place within the State of Texas for the holding of any member's meetings; and to prescribe the form of certificates of membership, and to alter the form of such certificates from time to time, as in their judgment they may deem best, provided such certificates shall at all times comply with the provisions of the Declaration and the law.

Fourth: To authorize the transfer of certificates of membership from time to time.

Fifth: To borrow money and incur indebtedness for the purposes of the Association and to cause to be executed and delivered therefor, in the Association's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecation's or other evidence of debt and securities therefor.

Sixth: To appoint an executive committee and other committees, and to delegate to the executive committee any of the powers and authority of the Board in the management of the business and affairs of the Association, except the power to adopt, amend or repeal the By-Laws. The executive committee shall be composed of two (2) or more members of the Board of Directors.

Seventh: Without limiting the general powers of the Board of Directors, the Board shall have the following additional powers and duties:

- a. to enforce each provision of the Declaration;
- b. to maintain the club grounds and to repair and restore the facilities thereon, including utilities, landscaping and other services benefiting such property;
- c. at its discretion to employ personnel to perform the services herein provided to be performed by the Board, including engineers, lawyers and accountants;
- d. to pay taxes and assessments which would otherwise be a lien upon any of the club grounds;
- e. at its discretion, to delegate authority to others;
- f. to amend the Declaration if approved by the vote of not less than a majority of the membership voting. All such amendments shall be binding upon each member to which such amendment is applicable;
- g. at its discretion, from time to time to execute and record reasonable building restrictions and other restrictions affecting specified portions of the property;
- h. to cause an independent audit of all accounts held by or for the Board to be made;
- i. at its discretion, to execute all papers relating to the creation, alteration and dissolution of assessments, districts, improvement districts and all other districts and governmental entities;
- j. at its discretion, to enact and to amend By-Laws for the Association; such By-Laws and/or amendments thereto shall be consistent with the Declaration, shall be maintained in the office of the Association and shall be available to all members and their agents;
- k. to sell memberships and other interests in the real property which the Association may acquire at foreclosure of an assessment lien or by agreement in lieu of such foreclosure; and to that end, to engage such marketing agencies as the law may permit to render such services;
- l. at its discretion to adopt and enforce land use regulations, which regulations shall, however, be subject to City and County zoning ordinances;
- m. to contract for and to make capital improvements;

n. at its discretion, from time to time, to permit and for the safety, fiscal health, welfare and preservation of landscape and improvements on the real property, to deny, access to the real property or any portion thereof and to make reasonable charges for any entry on or use of the club grounds;

o. at its discretion, to execute grants to any governmental unit, public or quasi-public entity or utility, and to grant easements and rights-of-way to facilitate the further development;

p. to levy assessments for the purpose of paying taxes and assessments for which the club grounds or any portion thereof are or will within the succeeding twelve (12) months become liable to any city, county, state, district or other governmental entity; assessments levied by the Board for the foregoing purposes shall be equal for each member;

q. to levy upon the members additional assessments for the purpose of meeting other expenses of the Association, including without limitation, operations and capital improvements as provided in the Declaration. Assessments levied under this subsection shall be equal for all members who are subject to such assessments and shall be levied in accordance with the Declaration;

r. to levy upon members, additional assessments for the purpose of establishing a "Building Site Impound Fund" to defray costs of creating subdivisions, including provisions for off-site improvements and the payment of any debt service, public or private, incurred for the benefit of the subdivision. Assessments levied under this subsection shall be equal for all members who are subject to such assessments and shall be levied in accordance with the Declaration.

s. to file and foreclose on assessment liens. Each member shall be personally liable for assessments on his/her membership and other debts owed by the member to the Association, and such liability shall be secured by a security interest and an assessment lien on the membership and any certificate evidencing same, and any other interests or property of the member, if any, within the boundaries of the real property (Exhibit One); such security interest and assessment lien shall be in such form and shall contain such terms and conditions and shall be evidenced by such documents as may be required by the terms and conditions and shall be evidenced by such documents as may be required by the Board of Directors and such security interest and assessment lien shall be foreclosed after sixty (60) days written notice, by public sale held on the real property, at which sale the Association shall, among others, have the right to bid. The Board's obligation to file and foreclose on an assessment lien is mandatory, not discretionary. An assessment lien shall be filed on later than thirty (30) days following the inception of a member's debt to the Association. The assessment lien and foreclosure process shall be in accordance with the Texas Property Code, Title 11, Chapter 209, Texas Residential Property Owners Protection Act.

2. **NUMBER OF DIRECTORS:** The authorized number of Directors of the Association shall be five (5) who must be members in good standing of the Association.

3. **ELECTION AND TERM OF OFFICE:** Members of the Board of Directors shall be elected at each annual meeting of the members to serve a term of three (3) years. If the number of directors is increase, the initial term of office for the increased positions may be less than three (3) years, as determined by the Board of Directors.

a. A director shall hold office for the term for which he is elected and until his successor is elected and qualified. Any director may be removed by majority vote of the members at either an annual meeting or a special meeting held for such purpose, provided notice of such removal proposition shall be given to all members with the notice of such meeting. Directors shall be elected as follows:

b. Nominating Committee:

(1) Origin

(a) At its regular September meeting, the Board of Directors shall appoint a committee of five (5) members for the purpose of nominating two (2)

candidates for each vacancy to be filled on the Board of Directors at the annual membership meeting to be held the following March.

(2) Qualifications of committee members

- (a) Must be members in good standing at the time of appointment.
- (b) Shall be willing to serve.
- (c) Shall be a minimum of 18 years of age.

(3) Duties of committee members

(a) Select two (2) candidates for each position to be filled on the Board of Directors. Committee members may solicit applications from persons thought to be qualified, or interested members may submit applications to the committee on their own initiative.

(b) Certify that nominee meets qualifications needed to serve on the board of Directors.

(c) Present name(s) to the Board of Directors at their December meeting.

(d) Certify that petition signers and candidates by petition meet qualifications at the time of filing petition.

c. Other Nominations for Director:

(1) Nominations by petition

(a) Petitioners must number 1/2 of 1% of memberships in good standing as of August 31 preceding election in March and minimum number of signers shall be 25 memberships.

(b) Each signature must represent a separate membership in good standing.

(2) Petitions

(a) Petitions shall be filed or received on or before January 10 at 5 o'clock p.m. in the Office of the General Manager of the Association.

(b) Copy of the petition to be filed with the Secretary of the Board of Directors.

(c) Petitions received by the General Manager shall be stamped with date and time of arrival in his office and forwarded to the Chairman of the Nominating Committee forthwith.

d. There shall be no other nominations except by the above described procedures.

e. Qualifications of candidates for the Board of Directors.

(1) Shall have been a member in good standing in Fort Clark Springs Association, Inc., for at least one (1) year prior to the date of nomination or date of petition.

(2) Shall be a minimum of 25 years of age.

(3) Shall be willing to serve, if elected.

(4) A one year time period must elapse before any board member completing a second three- (3) year term may be appointed or re-elected to the Board of Directors.

(5) No member may serve on the Board of Directors who derives income from Fort Clark Springs Association, Inc. whether as a paid employee or who provides goods or services to the Association or who may directly benefit financially by any action by the Board of Directors or have any interest in any property or equipment which the Association acquires. Directors are not prohibited the ownership of securities in a publicly owned company except a substantial amount by those in a position to materially influence or affect the policies of the Association. Full disclosure of any ownership in such publicly owned company is required.

(6) No voting member of any committee appointed by the Board of Directors may serve concurrently on the Board of Directors.

(7) Shall not be related to any association employee by blood (consanguinity) within the third degree or by marriage (affinity) within the second degree.

(8) Shall adhere to the strictest confidentiality of Association business matters at all times and shall be prohibited from knowingly discussing such information to those who do not have the need to know, or whose interest may be adverse to the Association both inside or outside the organization; or in any way use such information for personal gain or advancement; or to the detriment of the Association or to individually conduct negotiations or make contracts or inquiries on behalf of the Association unless officially designated to do so.

(9) Shall disclose any situation which violates, may violate or could appeal to violate the intent of this policy.

(10) Holders of a Family Recreation Membership shall not be eligible to serve as a member of the Board of Directors.

f. Election Notification Requirements:

(1) The entire membership shall be notified each year on or before November 10, either by letter or by a publication that is sent to the membership, of any change in:

(a) Election procedures

(b) Definition of eligibility of:

(1) Nominees

(2) Petitioners

(3) Voters

(c) Deadlines for:

(1) Payment of assessments

(2) Nominating petitions

g. Election procedures:

(1) All elections shall be determined by mailed ballot.

(2) Annual elections - tabulation and certification of the vote to be handled by an impartial auditing firm designated by the Board of Directors. The auditing firm will utilize the certified list of eligible voters prepared by the certification committee.

- (3) There shall be no proxy vote.
- (4) Each membership in good standing in the Association shall be entitled to vote by mail in elections.
- (5) The General Manager shall prepare, certify and furnish to the certification committee by January 15 the following:

- (a) Membership list as of January 1
- (b) Mailing label list as of January 1
- (c) Status of membership assessment accounts as of January 1
- (d) Status of residential assessment accounts as of January 1
- (e) Status of notes receivable accounts as of January 1
- (f) Status of other accounts receivable as of January 1
- (g) List of any member whose privileges have been suspended by the Board of Directors

(6) The certification committee shall review all items presented by the General Manager and prepare a certified list of memberships and mailing labels for each membership which is eligible to vote. The certified list must be completed by January 31.

(7) The secretary of the Association shall be chairman of the certification committee and it shall consist of:

- (a) Secretary of the Association
- (b) Chairman of the Nominating Committee
- (c) Election judge if one is appointed
- (d) One representative appointed by each candidate for the Board of Directors.

(8) At the January meeting of the Board of Directors, the candidates shall by lot determine the sequence in which their names will appear on the ballot and on the Association's resume of candidates to be mailed with the ballot. The candidates at this time will also submit to the board their write-up of qualifications for the resume.

(9) The General Manager shall, prior to February 3, prepare the ballot, resumes, instructions to the voters, pros and cons for any proposal, for printing and have the same printed. This material, along with the envelopes from the auditor and certified mailing labels will be held in readiness for the certification committee to stuff and mail.

(10) Prior to February 11, the ballot, resume, auditor's envelope, instructions and the pros and cons for any proposals shall be mailed to each member in good standing. The certification committee shall be responsible for the security, preparation, and mailing of the ballots. The committee shall also mail the certified list of eligible voters to the auditor. Each candidate for the Board of Directors shall furnish two (2) representatives to the certification committee for assistance in preparing the envelopes for mailing. The procedures to be followed are:

- (a) the mailing label will be placed on the back of the ballot.
- (b) only one (1) ballot may be returned per envelope since the auditor will compare the mailing label to the certified list to verify a legal ballot.

(11) A second ballot shall not be given or sent to any member for any reason.

(12) Members may vote for other than those whose names appear on the ballot by writing in the names of qualified candidates who have consented to serve, if elected.

- (13) The results, as certified by the auditor, shall be presented in person at the Annual Membership Meeting by a representative of the auditing firm.
- (14) A plurality of the votes cast by those entitled to vote and voting, shall constitute an election.
- (15) In case of a tie, choice shall be by lot.
- (16) The vacancy, if such exists at the time of the annual election, of an unexpired term shall be filled by the candidate who is the first runner up to the winner or winners of the annual election. In the event that there is more than one unexpired term to be filled, the longest unexpired term shall be awarded to the first runner up and the next longest unexpired term awarded the second runner up.

4. **VACANCIES:** A vacancy or vacancies in the Board of Director shall be deemed to exist in the case of:

- (a) Death of a director
- (b) Resignation of a director
- (c) Removal of a director – Any director may be removed by majority vote of the members at either an annual meeting or a special meeting held for such purpose, provided notice of such removal proposition shall be given to all members with the notice of such meeting. The Association will at all times when required by the board, or by petition from the holders of at least 400 membership certificates in good standing, call a special meeting of the members for the purpose of voting on the removal of one or more directors. The Association staff will screen the names on the petition to determine that the names represent memberships in good standing. A certified list of memberships and mailing labels for each membership which is eligible to vote will be prepared. The notice of the meeting and the agenda for the meeting shall be prepared by the Board of Directors and shall state the time, date, place and purpose of the meeting. Whether for an annual meeting or special meeting, the notice will state any and all reasons given by the petitioners for the removal and any rebuttal comments the Director(s) subject to the removal petition may care to make. All voting for such removal election will be by mailed ballot, with no proxy voting. Written notice of the meeting, along with the ballot and literature, will be sent by the Association to all members not less than 30-days nor more than 50-days prior to the meeting. The ballots will be counted and the results reported to the Association at the meeting by an auditing firm contracted for the purpose, in the same manner for either an annual or special meeting, following the same procedures as the the annual election of directors.
- (d) Increase in the authorized number of directors
- (e) Failure of the members, at any annual or special meeting of members to elect directors, to elect the full authorized number of directors to be voted for at that meeting.
- (f) Any member of the Board who is absent during any one (1) annual term of office from three (3) regular meetings without cause acceptable to the Board, may, at the discretion of a majority of the authorized number of directors acting during that annual term of office, be removed from the Board, thereby creating a vacancy. Anytime a member of the Board is absent from a regular meeting, then at the next regular meeting a determination of whether the cause is acceptable to the Board shall be made by a majority vote of the members present.
- (g) Vacancies in the Board of Directors may be filled by a majority of the remaining directors, though less than a quorum or by a sole remaining director. Each director so elected shall hold office until the end of the unexpired annual term of office of the predecessor director; if the unexpired term is for one or more full annual terms, the membership will elect, under 3 of this Article, a director to fill the vacancy for the remaining full annual terms of office.
- (h) No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of his or her term of office.

5. **PLACE OF MEETING(S):** Regular meetings of the Board of Directors shall be held at any place within the State of Texas which has been designated from time to time by resolution of the board or by written consent of all directors of the board. In the absence of such designation, regular meetings shall be held at the principal office of the Association. Special meetings of the board may be held either at a place so designated or at the principal office.

6. **ORGANIZATION MEETING:** Immediately following each annual meeting of the members, the Board of Directors shall hold a regular meeting for the purpose of organization, election of officers, and the transaction of other business. Notice of such meetings is hereby dispensed with.

7. **OTHER REGULAR MEETINGS:** Other regular meetings of the Board of Directors shall be held once each month. The time and date shall be established by board resolution. Notice of all such regular meetings of the Board of Directors is hereby dispensed with.

8. **SPECIAL MEETINGS:** Special meetings of the Board of Directors for any purpose or purposes shall be called at any time by the President or Secretary; or if both the President and Secretary are absent or unable to or refuse to act, by any Director.

Written notice of the time and place of special meetings shall be delivered personally to the Directors or sent to each Director by mail or other form of written communication, charge prepaid, addressed to him or her at his or her address as it is shown upon the records of the Association, or if it is not shown on such records or is not readily ascertainable, at the place in which the meetings of the board are regularly held. In case such notice is mailed or telegraphed, it shall be deposited in the U.S. mail or delivered to the telegraph company in the place in which the principal office or the Association is located at least forty-eight (48) hours prior to the time of the holding of the meeting. In case such notice is delivered personally as above provided, it shall be so delivered at least twenty-four (24) hours prior to the time of the holding of the meeting. Such mailing, telegraphing or delivery as above provided shall be due, timely, legal and personal notice to such director.

9. **ENTRY OF NOTICE:** Whenever any director has been absent from any special meeting of the board, an entry in the minutes to the effect that notice has been duly given shall be sufficient evidence that due notice of such special meeting was given to such director, as required by law and the By-Laws of the Association.

10. **WAIVER OF NOTICE:** The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be valid as though had at a regular meeting duly held after regular call and notice, if a quorum be present, and if the motions are approved by at least four (4) Directors (a majority of the total number of directors on the Board of Directors).

11. **QUORUM:** A majority of the authorized number of Directors shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present, shall be regarded as the act of the Board of Directors unless a greater number be required by law, the Declaration of Protective Restrictions or the By-Laws.

12. **ADJOURNMENT:** A quorum of the board may adjourn any board meeting to meet again at a stated time, place and hour, provided, however, that in the absence of a quorum, the directors present at any director's meeting, either regular or special, may adjourn from time to time, until a time fixed by the directors present. Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place be fixed at the meeting adjourned.

13. **ACTION WITHOUT MEETING:** Any action required or permitted to be taken by the Board of Directors under any provision of law or these By-Laws may be taken without a meeting if a majority plus one (1) of the Board of Directors individually or collectively consent in a voice vote to such action(s). Such voice vote shall have the same force and effect as a majority vote of said directors. A letter stating the action taken without a meeting shall be signed by each director participating in such a voice vote and state as to how they voted. This letter shall be presented at the next regular board meeting.

Any certificate or other document(s) which relates to action so taken shall state that the action taken was by a majority plus one (1) voice vote of the directors without a meeting and that the By-Laws authorized the board to so act and such statement shall be prima facie evidence.

14. **FEES AND COMPENSATION:** Directors shall not receive any stated salary for their services as directors, but by resolution of the board, a fixed fee, with or without expenses of attending, may be allowed for attendance at each meeting.

15. **INDEMNIFICATION:** The Association shall indemnify its officers and directors pursuant to Article 1396, 2.22 A, Texas Non-Profit Corporation Act.

16. **CODE OF ETHICS:** members of the board shall hold themselves to the following standards of ethical conduct:

- a. Listen carefully to board colleagues.
- b. Respect the opinion of fellow board members.
- c. Respect and support majority decisions of the board.
- d. Recognize that all authority is vested in the full board only when it meets in legal sessions.
- e. Keep well-informed about developments relevant to issues that may come before the board.
- f. Participate in board meetings and actions.
- g. Bring to the attention of the board any issues believed to have potential adverse effect on the homeowners association or the membership the board serves.
- h. Attempt to interpret the needs of the membership the board serves to the homeowner's association, and interpret the actions of the homeowners association to the membership the board serves.
- i. Refer member complaints to the Director of Operations.
- j. Recognize a director's duty is to insure that the homeowners association is well-managed, not to manage the homeowner's association.
- k. Represent all the membership whom this homeowner's association serves, not just a particular special interest group.
- l. Consider themselves "trustees" of the homeowners association and insure that it is well maintained, financially secure, growing, and always operating in the best interests of the membership.
- m. Always work to learn how to better perform responsibilities as a director.
- n. Declare conflicts of interest between their personal life and their position on the board, and abstain from voting or discussion when appropriate.
- o. Board members shall not:
 - 1) Criticize fellow board members or their opinions, in or out of the board room.
 - 2) Use the homeowner's association organization for personal advantage or that of friends or relatives.
 - 3) Discuss the confidential proceedings of the board outside the board room.
 - 4) Promise before the meeting how they will vote on any issue.
 - 5) Interfere with the duties of the Director of Operations or undermine the Directors of Operations authority with staff members.

17. **CONFLICT OF INTEREST POLICY:** Disclosure of potential conflict of interest and/or duality policy:

- a. Any duality of interest or possible conflict of interest on part of any board member should be disclosed to other board members and made a matter of record, either through an annual procedure or when the interest becomes matter of board action.
- b. Any board member having a duality of interest or possible conflict of interest on any matter should not vote or use his/her personal influence on the matter, and he/she should not be counted in determining the quorum for the meeting, even where permitted by law.

The minutes of the meeting should reflect that a disclosure was made, the abstention from voting, and the quorum situation.

c. The foregoing requirements should not be construed as preventing the board member from briefly stating his/her position in the matter, nor from answering pertinent questions of other board members since his/her knowledge may be of greater assistance.

ARTICLE V Officers

1. **OFFICERS:** The officers of the Association shall be:

- (a) President
- (b) Vice President
- (c) Secretary
- (d) Treasurer

The Association may also have, at the discretion of the board, a Chairman of the Board, one or more additional vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article. One person may hold two or more offices, except those of President and Secretary.

2. **ELECTIONS:** The officers of the Association, except such officers as may be appointed in accordance with the provisions of Section 3 or 5 of this Article, shall be chosen annually by the Board of Directors, and each shall hold his or her office at the pleasure of the Board of Directors, who may, either at a regular or special meeting, remove any such officer and appoint his or her successor.

3. **SUBORDINATE OFFICERS:** The Board of Directors may appoint such other officers as the business of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the By-Laws or as the board may from time to time determine.

4. **REMOVAL AND RESIGNATION:** Any officer may be removed, either with or without cause, by a majority of the board at time in office, at a regular or special meeting of the board, or, except in case of an officer chosen by the board, by any officer upon whom such power of removal may be conferred by the board.

Any officer may resign at any time by giving written notice to the board or to the President, or to the Secretary of the corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

5. **VACANCIES:** A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in the By-Laws for regular appointments to such office.

6. **PRESIDENT:** President shall if present, preside at all meetings of the Board of Directors and exercise and perform such other powers and duties as may be from time to time assigned to him or her by the board as prescribed by the By-Laws. He or she shall be an ex-officio member of all the standing committees, including the executive committee, if any, and shall have the general powers and duties of management usually vested in the office of President of a non-profit corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or the By-Laws.

7. **VICE-PRESIDENT:** In the absence or disability of the President, the Vice-Presidents, in order of their rank as fixed by the board, or if not ranked, the Vice-President designated by the board, shall perform all the duties of the President on the condition; however, that such officer by a director of the Association, and when so acting shall have all the powers of, and be subject to all restrictions upon, the President. The Vice-President shall have such

other powers and perform such other duties as from time to time may be prescribed for them respectively by the he Board of Directors or the By-Laws.

8. **SECRETARY:** The Secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the Board of Directors may order, of all meetings of directors and members, with he time and place of holding, whether regular or special, and if special, how authorized; the notice thereof given, the names of those directors and members present, the names of those present at the directors meetings, the number of memberships present or represented at members meetings and the proceedings thereof.

The Secretary shall keep, or cause to be kept, at the principal office of the Association, a register of memberships, or a duplicate register, showing the names of the members and their addresses; the number of memberships held by each, the date of contracts, transfers, and conveyances issued for the same and the date of cancellation of every membership cancelled.

The Secretary shall give or cause to be given, notice of all meetings of members and the Board of Directors, as required by the By-Laws or by law to be given, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the By-Laws.

9. **TREASURER:** The Treasurer shall keep and maintain , or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains and losses.

The Treasurer shall deposit or cause to be deposited, all monies and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board of Directors. He or she shall disburse the funds of the Association as may be ordered by the Board of Directors and shall render to the President and directors, when they request it, an account of all of his or her transactions as Treasurer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the By-Laws.

ARTICLE VI Meetings of Members

1. **PLACE OF MEETING:** All meetings shall be held in Brackettville, Texas, or such other place within the counties of Kinney or Bexar, Texas as specified in the written notice.

2. **MEETINGS:**

- a. **Annual Meeting:** The Annual Meeting of the members shall be held the last Saturday in March of each year.
- b. **Special Meetings:** The Association will at all times when required by the Board, or by petition from the holders of at least 400 membership certificates in good standing, call a special meeting of the members for the purpose as stated in the petition.

3. **VOTING:** Items for the agenda of the members meeting requiring a vote of the membership shall be voted by mailed ballot as the most effective method to establish a quorum of members. (No proxy voting authorized). The voting procedure will be the same as that for the election of directors as stated in Article IV, Section 3.

4. **AGENDA:** The agenda for the member's meetings shall be prepared by the Board of Directors and include any and all items on the member's petition for the meeting.

5. **ADJOURNED MEETINGS AND NOTICE THEREOF:** Any member's meetings, annual or special, whether or not a quorum is present, may be adjourned from time to time by a vote of the holders of a majority of the memberships present in person but in the absence of a quorum, no other business may be transacted at such meeting.

ARTICLE VII
Miscellaneous

1. **DUTIES OF THE DIRECTOR OF OPERATIONS:** The Director of Operations will have the full power and authority of the Board of Directors in the management of the business and affairs of the Association, with the exception of the following, which would need Board of Directors approval:
 - a. Contract for a period in excess of 3-months or a value of \$1,000.00.
 - b. Any single purchase over \$1,000.00, other than day to day operational supplies, hereby defined as office supplies items for resale, gasoline, diesel fuel, maintenance repair supplies, etc.
 - c. Changes to By-Laws or Rules and Regulations.
 - d. Enter into lease or sale agreement for the Association property (other than memberships and lot selections or equipment.
 - e. Grant easements and right-of-ways.
 - f. Borrow money and incur long-term indebtedness.
 - g. Bring legal action.
 - h. Appoint committees.

2. **INSPECTION OF ASSOCIATION RECORDS:** The membership register or duplicate register, the books of account, minutes of proceedings of the members, and minutes of open meetings of directors shall be open to inspection upon the written demand of any member at any reasonable time, and for a purpose reasonably related to his or her interests as a member, and shall be exhibited at any time when required by the demand of ten (10%) percent of the memberships represented at any member's meeting. Such inspection may be made in person and/or by an agent or attorney, and shall include the right to make extracts to such an extent as is found reasonable by the Board of Directors. Determination of this privilege to make extracts shall not be delegated by the board to others. Demand of inspection other than at a member's meeting shall be made in writing upon the President, Secretary or Assistant Secretary of the Association.

3. **CHECKS, DRAFTS, ETC.:** All checks, drafts or other orders for payment of money, notes or other evidence of indebtedness issued in the name of or payable to the Association shall be signed or endorsed by such person or persons and in such manner, as from time to time shall be determined by resolution of the Board of Directors.

4. **ANNUAL REPORT:** The Board of Directors of the Association shall cause to be sent to the members, an annual report, not later than 100 days after the close of the fiscal year or calendar year.

5. **CONTRACTS, ETC., HOW EXECUTED:** The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Association and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Association by any contract or agreement or to pledge its credit to render it liable for any purpose or to any amount.

6. **CERTIFICATES OF MEMBERSHIP:** All certificates will be signed on behalf of the Board of Directors.

7. **INSPECTION OF BY-LAWS:** The Association shall keep in its principal office for the transaction of business, the original or a copy of the By-Laws as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the members or their agents at all reasonable times during business hours.

ARTICLE VIII
Amendments

Amendments to the By-Laws: The By-Laws may be amended at any regular meeting of the Board of Directors by a majority vote, the proposed amendment having been submitted in writing at a previous board meeting.

CERTIFICATE OF FORT CLARK SPRINGS ASSOCIATION, INC.


I, the undersigned do hereby certify:

1. That I am the duly elected and acting Secretary of FORT CLARK SPRINGS ASSOCIATION, INC., a Texas Corporation, and;
2. That the foregoing By-Laws comprised of fourteen (14) pages, were ratified and adopted by a resolution of the Board of Directors, Fort Clark Springs Association, Inc., on this 18 day of June, 2011, and;
3. That all By-Laws and amendments to these By-Laws that were in effect on this 18 day of June, 2011 were declared null and void.

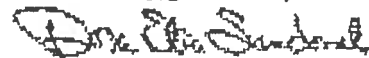


LARRY FARLOW, SECRETARY

ATTEST:


DEBBIE ISAACS, PRESIDENT

Book: 192
Pages: 0096 - 0109
Doc# 66939
Filed & Recorded
08/12/2011 2:16PM
DORA SANDOVAL
COUNTY CLERK
KINNEY COUNTY CLERK
RECORDS MANAGEMENT \$ 5.00
COURTHOUSE SECURITY \$ 1.00
RECORDING \$ 57.00
RECORDS ARCHIVE \$ 5.00





RESOLUTION 2014-02
FORT CLARK SPRINGS ASSOCIATION, INC.

**A RESOLUTION AMENDING THE BY-LAWS OF
THE FORT CLARK SPRINGS ASSOCIATION, INC., A TEXAS NON-PROFIT CORPORATION**

BE IT RESOLVED by the Board of Directors of Fort Clark Springs Association, Inc., that the By-Laws are hereby amended as follows:

That Article IV, Section 3, be deleted in its entirety and replaced with the following:

3. **ELECTION AND TERM OF OFFICE:** Members of the Board of Directors of the Association shall be elected as provided herein to serve a term of three (3) years. If the number of directors is increased, the initial term of office for the additional positions may be fewer than three (3) years, as determined by the Board of Directors.
 - a. A director shall hold office for the term for which he/she is elected and until his/her successor is elected and qualified. Any director may be removed by a majority vote of the members at either an annual membership meeting or a special meeting held for such purpose, provided notice of such removal proposition shall be given to all members with the notice of such meeting. Directors shall be elected as follows.
 - b. Qualifications of candidates for the Board of Directors
 - (1) Shall be a Fort Clark Springs Association Lot Owner/Charter Member
 - (2) Shall be willing to serve if elected.
 - (3) Shall be willing to adhere to the Board of Directors' Code of Ethics.
 - (4) Shall disclose any situation which violates, may violate, or could appear to violate the intent of the Board of Directors' Code of Ethics.
 - (5) Shall not serve as a voting member of any committee appointed by the Board of Directors while serving concurrently on the Board of Directors.
 - c. Search and Certification Committee
 - (1) At its regular September meeting, the Board of Directors shall appoint a Search and Certification committee comprised of five (5) members. The committee's purpose is to encourage Association members to run for the Board, to accept applications, and to certify that those who wish to run have met the qualifications described herein.
 - (2) Qualifications of committee members
 - (a) Shall be an Association member at the time of appointment
 - (b) Shall be willing to serve
 - (3) Duties of committee members
 - (a) Search for and accept all applications from persons thought to be interested in and qualified for serving on the Association Board of Directors.
 - (b) Certify that each candidate meets the qualifications necessary to serve on the Board.
 - (c) Accept all such certified candidates, who meet the published deadline for completion of applications, to appear on the ballot.
 - (d) Establish reasonable deadlines for applications and submission of materials to be mailed with the ballot.
 - (e) Submit the list of certified candidates' names to the Board of Directors at their regular January meeting. At this time the order in which the candidates will appear on the ballot will be determined by lot.
 - d. Election Notification Requirements
 - (1) Each Association member shall be notified each year on or before November 10 either by letter or by a publication that is sent to the membership of any change to
 - (a) Election procedures
 - (b) Definition of the eligibility of
 - 1) Candidates for the Board
 - 2) Voters
 - (c) Deadlines for
 - 1) Submitting applications to run for the Board
 - 2) Submission of materials for the ballot
 - e. Election procedures:
 - (1) All elections shall be determined by mailed ballot.
 - (2) There shall be no proxy vote since all votes are by mail.
 - (3) Each membership in the Association shall be entitled to a vote by mail.
 - (a) Each membership shall vote for as many directors as there are openings on the board of directors at the time of the election.
 - (b) Each membership shall vote on each proposal or ballot question as directed on the ballot.

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- (4) Annual Election – tabulation and certification of the mailed votes – shall be handled by an impartial auditing firm designated by the Board of Directors.
 - (a) The auditing firm's address shall be the return address for all ballots mailed.
 - (b) Ballots returned as undeliverable shall be held by the auditing firm until the end of the fiscal year, then returned to the Director of Operations.
- (5) The Mailing Committee shall be responsible for the security, preparation for and mailing of ballots. This committee shall be comprised of
 - (a) The Association Board of Directors Secretary as chair. If this individual is running for reelection, an alternate Board member shall serve.
 - (b) Two representatives appointed by each candidate to carry out the preparation of the ballot mailings.
- (6) The Director of Operations shall prepare, certify the accuracy of, and furnish to the Mailing Committee by January 15 the following
 - (a) Membership list as of January 1.
 - (b) Mailing labels for each membership. This label shall be affixed to the back of each ballot.
- (7) After lots have been drawn for ballot placement at the January Board of Directors meeting, the Director of Operations shall by February 3 have ballots, candidates' resumes, and pros and cons for any proposals printed. This material, along with envelopes addressed to the auditor, and mailing labels shall be ready for the Mailing Committee.
- (8) Prior to February 11, the Mailing Committee shall prepare all materials described above for mailing. The committee shall also mail the certified list of eligible members to the auditors.
- (9) Voters returning ballots to the auditors
 - (a) Must sign each ballot returned.
 - (b) Must return only one (1) ballot per envelope.
- (10) The auditor will compare the mailing label attached to the ballot to the certified list of memberships to verify a legal ballot.
- (11) No additional ballot(s) shall be given or sent to any member for any reason.
- (12) Members may vote for other than those whose names appear on the ballot by writing in names of qualified individuals who have agreed to serve if elected.
- (13) The results, as certified by the auditor, shall be presented at the annual membership meeting by a representative of the auditing firm. At that time the newly elected Directors shall be sworn in by an officer of the Association and the outgoing Directors shall step down. The new Board of Directors shall then choose and elect the officers of the Association in compliance with these By-Laws.
- (14) A plurality of the votes cast by those entitled to vote and voting shall constitute an election. The candidates receiving the most votes shall be elected. In case of a tie, choice shall be by lot.
- (15) A vacancy, if such should exist at the time of the annual election, for an unexpired term shall be filled by the first runner up to the winners of the annual election. In the event there is more than one unexpired term to be filled, the longest unexpired term shall be awarded to the first runner up and the next longest unexpired term to the second runner up and so forth.

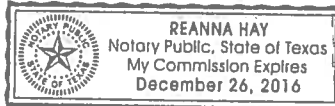
PASSED AND APPROVED by the Board of Directors of the Fort Clark Association, Inc., acting in regular session on this 29 day of October, 2014 by majority _____ / unanimous vote.

M.E. Roberson
 President of the Board of Directors
 M.E. Roberson

Myrna Cassel
 Secretary of the Board of Directors
 Myrna Cassel

This instrument was acknowledged before me on this 29th day of October, 2014.

Reanna Hay
 Notary Public, State of Texas



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 Doc# 069359
 Filed & Recorded
 9/30/2014 10:15AM

B.E. Sweet B.E. Sweet
 Vice President of the Board of Directors

William Herman William Herman
 Associate Vice President of the Board of Directors

Sandra Hagen Sandra Hagen
 Treasurer of the Board of Directors

DORA SANDOVAL
 COUNTY CLERK
 KINNEE COUNTY CLERK
 RECORDS MANAGEMENT \$ 10.00
 COURTHOUSE SECURITY \$ 1.00
 RECORDING \$ 9.00
 RECORDS ARCHIVE \$ 10.00

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