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RP-2018-488667

CLEAR LAKE CITY COMMUNITY ASSOCIATION, INC. BYLAWS

ARTICLE I: NAMES, PURPOSES AND OFFICES

1.1 Name

The name of this corporation is CLEAR LAKE CITY COMMUNITY ASSOCIATION, INC. (hereinafter known as "CLCCA").

1.2 Purpose

This corporation is organized for exclusively civic, educational, and recreational purposes, to wit:

- (a) To provide for maintenance, preservation and architectural control of properties within the boundaries of CLCCA jurisdiction, and to promote the health, recreation and well-being of the residents and of the community. The purpose of the corporation shall not be the protection, promotion or stimulation of any business organized for profit;
- (b) To promote and provide educational and public recreational facilities for the residents of Clear Lake City and surrounding areas; and
- (c) To maintain, and conduct buildings and properties for educational and recreational facilities.

Neither any donation made to this corporation nor any fund or property arising there from, in whatever form it may take, shall be diverted from the purposes here set out.

1.3 Principal Office

The principal office shall be 16511 Diana Lane, Houston, Texas 77062, or such other place as may be determined by the Board of Trustees.

1.4 Members

The corporation shall have no members.

1.5 Meaning of Words and Phases

The meaning of words and phrases as defined in Texas Governmental Code, Code Construction Act 311, Construction Laws 312, and Black's Law Dictionary.

ARTICLE II: MANAGEMENT

2.1 Form of Management

This corporation shall take a "Board-Manager" form. All powers of the corporation shall be vested in the Board of Trustees except as otherwise provided in these Bylaws (Ref: Bylaw 8.1) and Policies (Ref: Bylaw 8.3) and are applicable to all Trustees at all times. The Board shall employ a General Manager, who shall execute the bylaws and administer the business of the corporation in accordance with the policies, Board approved resolutions, and budget adopted by the Board of Trustees.

ARTICLE III: REPRESENTATION

3.1 Number of Trustees

The number of Trustees is fixed at 9.

2 elected from Core A (Oakbrook) of Clear Lake City, Harris County, Texas

2 elected from Core B (Oakbrook West) of Clear Lake City, Harris County, Texas

2 elected from Core C (Meadowgreen) of Clear Lake City, Harris County, Texas

2 elected from Core D (Camino South) of Clear Lake City, Harris County, Texas

1 elected from Commercial/Industrial Areas of Clear Lake City, Harris County, Texas

3.2 Tenure of Office

Tenure of office for each elected Trustee shall be three years provided that, in order to create continuity of management, the Trustees will have their terms staggered. Members of the Board

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of Trustees shall be seated, after swearing an Oath of Office, as the first order of new business and commence their term of office on the third Wednesday of June of any given year. Unless an elected Trustee resigns, or this term of office otherwise expires prematurely, they shall continue to serve for the period of time which he/she was elected or appointed. (Ref: BOC 22.202)

Core A (Oakbrook): Position one 2019 / Position two 2021
Core B (Oakbrook West): Position one 2019 / Position two 2021
Core C (Meadowgreen): Position one 2020 / Position two 2021
Core D (Camino South): Position one 2019 / Position two 2020
Commercial/Industrial Arcas 2020

3.3 Board Orientation

Before the beginning of each fiscal year, Trustees are required to attend a mandatory orientation session, during the month of June, which will include, but not be limited to reviewing:

- Bylaws, Policies, and other CLCCA Governing Resolutions & Documents
- Fiduciary Responsibilities
- Texas Open Meetings Act (TOMA); all Trustees must review the TOMA video and complete the certification within 30 days of the new fiscal year.
- Texas Public Information Act (TPIA)
- Texas Business Organization Code (BOC)
- Texas Property Codes (TPC)
- Robert Rules of Order (Bylaw 6.8)
- CLCCA Financial Overview

ARTICLE IV: ELECTIONS

4.1 Regulations

Rules governing elections shall be those which govern elections for public office in the State of Texas except as required by the Texas Property Code or stated specifically herein. (Ref: Committee & Charter Policies & Election Code 1 & 232)

4.2 Election Judge, Ballots, Voters

A qualified election judge shall be present on Election Day and during early voting. Elections of Trustees shall be conducted by secret ballot as the CLCCA is a mixed-use master association that existed before January 1, 1974, and does not have the authority under a dedicatory instrument or other governing documents to impose fines. (Ref: 82 Leg. HB2761 & SB472)

4.3 Dates of Trustee Election

Elections for Trustees shall be held on the first Saturday of May in any given year. Early voting shall begin one (1) business week prior to Election Day. Voters must either appear in person at the place of voting which shall be at 16511 Diana Lane, Houston, Texas 77062-5796 or fill out an Absentee ballot, which shall be provided by mail to voters with disabilities or conflicts that are unable to attend in person. The Absentee ballot shall be returned by mail to the CLCCA, 16511 Diana Lane, Houston, TX 77062, ATTN: Election Judge. The Absentee ballot must be received by the Friday, prior to the Election Day on Saturday. If a voter has requested and received an Absentee ballot and comes to vote in person on the day of the election, the voter must present the unmarked Absentee ballot to the election judge.

4.4 Qualification of Voters

(a) *For a residential candidate representing a specific residential core:*

Ownership of a residence within said core's boundaries. The records of ownership maintained

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by the CLCCA office will provide the basis for voter qualification. It is the responsibility of each owner to assure that his/her name appears in the ownership records maintained by the CLCCA business office by April 1. Each owner of record shall be entitled to a vote per residence owned in said core or cores. [i.e. in the event one owner owns 3 residences within said core, then such owner shall be entitled to 3 votes in that core]. A maximum of two (2) votes per residential property is permitted in the event that proof of ownership shows at least two owners of record.

(b) *For a commercial/industrial candidate representing the commercial/industrial area:* Ownership of a commercial/industrial establishment within the jurisdictional boundaries of the CLCCA. The records of ownership maintained by the CLCCA office will provide the basis for voter qualification. It is the responsibility of each owner to assure that his/her name appears in the ownership records maintained by the CLCCA business office by April 1st. Each owner of record for each commercial/industrial establishment is entitled to vote. In the event the owner of a commercial/industrial establishment is a corporate entity or partnership, it shall appoint a designated person to vote one vote on behalf of the owner(s), with such designation to be evidenced in writing by an authorized officer or agent for the owner of the commercial/industrial establishment.

(c) *Proof of Ownership:*

- i. Residential: This shall be in the form of a) Warranty Deed to property within the CLCCA boundaries; or b) Current Harris County or School District tax assessment invoice; or c) Homeowners Insurance Policy of Property within the CLCCA boundaries showing owners name and mortgage commitments.
- ii. Commercial Property: This shall be in the form of a) Personal Property tax receipt, or b) Properly executed deed; or c) Commercial Insurance Policy of commercial property within the boundaries showing owners name and mortgage commitments.

(d) *Voting:*

A government issued ID with photo shall be allowed to verify identification which corresponds to Ownership as indicated in the CLCCA Voting Rolls, i.e. CLCCA Records of Ownership.

4.5. Qualification of Candidates

(a) *For election as a core Trustee:*

The qualification shall be ownership and occupancy of a residence in the Core for six (6) months prior to the beginning of the filing period. No candidate or Trustee shall be allowed to serve if he/she has been convicted of any crime involving moral turpitude, felony, or theft within the last 20 years. A criminal background check shall be performed to confirm qualification. The records of ownership maintained by the CLCCA office will provide the basis for candidate qualification. It is suggested that candidates attend a minimum of four (4) Board of Trustee meetings and sign their name in the guest book upon arrival for the year prior to election.

(b) *For election as a commercial/industrial Trustee:*

The qualification shall be ownership/proprietorship of a commercial/industrial property/establishment within the jurisdictional boundaries of the CLCCA for six (6) months prior to the beginning of the filing period. No candidate or trustee shall be allowed to serve if he/she has been convicted of any crime involving moral turpitude, felony, or theft within the last 20 years. A criminal check shall be performed to confirm qualification. The records of ownership maintained by the CLCCA office will provide the basis for candidate qualification. Proof of proprietorship of a business where the proprietor is not the owner of the land will consist of a properly executed lease or commercial insurance policy for the business operated clearly showing the address of such business. (Reference 1968 Clarification Document C756828 Page 3)

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(c) *Proof of Ownership:*

- i. Residential: This shall be in the form of a) Warranty Deed to property within the CLCCA boundaries; or (b) Current Harris County or School District tax assessment invoice; or c) Homeowners Insurance Policy of Property within the CLCCA boundaries showing owners name and mortgage commitments.
- ii. Commercial Property: This shall be in the form of a) Personal Property tax receipt, or b) Properly executed deed; or c) Commercial Insurance Policy of commercial property within the boundaries showing owners name and mortgage commitments.
- iii. Proprietorship of a Business where the proprietor is not the owner of the land will consist of a properly executed lease or commercial insurance policy for the business operated clearly showing the address of said business within the CLCCA boundaries.
- iv. Acceptable Proof of Ownership: A Driver's License, a Voter's Registration Card, or a Utility Bill is NOT Proof of Ownership and will NOT be accepted as such.

4.6 Vote Counting

The election judge(s) shall count the votes after the close of the poll. If desired, candidates or their notarized agent only may be present during their vote count. The judge may ask the security officer to remove a candidate if they interfere with the vote count. The election judge(s) will post the election results at the polling place after the vote count is made and seal all documents. The General Manager will become custodian of the sealed election documents which shall be retained for ten (10) years and will then be destroyed. However, prior to the voter roll call list being sealed with the rest of the election documents, a copy shall be reproduced and given to the GM and may be provided upon a TPIA Request.

4.7 Filing Deadline for Inclusion on Printed Ballot

The deadline to be included on the ballot as a candidate for a residential or commercial position is at the close of business on the Friday, fifteen (15) calendar days prior to the Voting Day first Saturday in May. In the event a candidate does not submit their name in person or by notarized agent to the General Manager or Board of Trustees by this deadline, he/she may run as a write-in candidate. If a write-in candidate is elected, that individual shall pay \$20 application fee and fill out the application form for the purposes of a background check and verification the candidate is qualified to serve as a CLCCA Trustee (Ref: Election Code 146.001) Information pertaining to whom has already submitted an application to be placed onto the ballot, will be provided to the public, no later than ten (10) days prior to early voting. (REF TPC 209.00593)

4.8 Provisional Balloting

In the event that a person presents himself/herself to vote in an election and the person's name is not on the CLCCA voter roll, the person may be allowed to vote on a provisional ballot which shall be sealed in an envelope by the election judge. In the event that the outcome of the election might be affected by the number of provisional ballots, the election judge, and one of the following acting as a witness; President, Vice-President, or Secretary shall determine the voter's eligibility. Documentation shall include an original current executed deed or the person's name listed as owner in the Harris County Appraisal District property owner data or Harris County Clerk's property records. If the election judge determines that the person is a legal owner, the vote shall be counted. Provisional ballots, whether counted or not, shall be preserved along with the other documents of the respective election. (Ref: Secretary of State Texas Administrative Code 81.172 & Election Code 63.011)

4.9 Tie Vote

In the event of a tie vote, a runoff election shall be conducted on the first Saturday in June, between the tied applicants. If after the runoff election, there is still a tie, there shall be a coin

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flip to decide the outcome. The person calling the flip of the coin shall be the candidate appearing on the Ballot first. The coin flip shall be performed by the Election Judge.

Any challenge to the Election shall be made in writing and submitted to the CLCCA Office no earlier than one calendar day after the final vote has been certified by the Election Judge and no later than ten (10) calendar days after the vote count has been certified. The letter of challenge shall be provided to the Election Judge and to the Board of Trustees upon receipt at the CLCCA Business Office within three (3) calendar days. The topic of the challenge shall be on the Agenda at the next regular scheduled meeting of the Board of Trustees, in open session, for discussion and resolution and their majority decision shall decide the issue. (Ref: Election Code 232)

4.10 Recall Elections

(a) A recall election for a residential core Trustee:

Shall be called by the Board of Trustees upon the receipt of a valid recall petition. The petition shall include the printed name, signature, address and date of at least one hundred (100) property owners who reside in the core of the recall Trustee. The person or persons who collect the petition shall be a property owner of the recall Trustee's core and shall sign the petition to attest to that fact. The presenter of the petition must sign and have notarized an affidavit on each page that swears to the authenticity of the signatures on the petition. The original completed petition must be submitted to the Secretary of the Board within ninety (90) days of the first dated signature. A recall petition shall state one or more of the following three reasons for the recall: 1) Breach of public confidence that is offensive to the community or public peace; 2) A mandate that the judgment or actions of the Trustee are not in the best interest of the subdivision. 3) An absence of regard for responsibilities relating to the Charter, Policies and By-laws of the Association.

The recall election must be held within sixty (60) days from receipt of a valid recall petition. If a recall election is necessary between thirty (30) and sixty (60) days before the regular Election Day (1st Saturday in May) it can be included on the ballot of the regular election. A separate recall election cannot be held less than thirty (30) days from the regular election.

A minimum of one hundred (100) voters is required to vote in a recall election. If fewer than one hundred (100) qualified voters vote, the recall fails. A minimum of two-thirds (2/3) of voters must vote affirmatively in order to recall a Trustee. Voters must be property owners in the trustee's core or commercial industrial owners in the CLCCA area.

(b) A recall election for a commercial Trustee:

Shall be called by the Board of Trustees upon the receipt of a valid recall petition. The petition shall include the printed name, signature, address and date of at least thirty (30) commercial owners within the CLCCA area. The person or persons who collect the petition shall be a commercial owner of an entity in the commercial/industrial area and shall sign the petition to attest to that fact. The presenter of the petition must sign and have notarized an affidavit on each page that swears to the authenticity of the signatures on the petition. The original completed petition must be submitted to the Secretary of the Board within ninety (90) days of the first dated signature. A recall petition shall state one or more of the following three reasons for the recall: 1) Breach of public confidence that is offensive to the community or public peace; 2) A mandate that the judgment or actions of the Trustee are not in the best interest of the CLCCA community; 3) An absence of regard for responsibilities relating to the Charter,

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Policies and By-laws of the Association.

The recall election must be held within sixty (60) days from receipt of a valid recall petition. If a recall election is necessary between thirty (30) and sixty (60) days before the regular Election Day (1st Saturday in May) it can be included on the ballot of the regular election. A separate recall election cannot be held less than thirty (30) days from the regular election.

A minimum of thirty (30) voters is required to vote in a recall election. If fewer than thirty (30) qualified voters vote, the recall fails. A minimum of two-thirds (2/3) of voters must vote affirmatively in order to recall a Trustee. Voters must be commercial owners in the CLCCA area.

(c) *Voting procedure in recall elections:*

The voting in recall elections is to be carried out in the same manner as regular elections. No newly elected, re-elected, or appointed Trustee may be recalled by election for a period of ninety (90) days after assuming the office of Trustee.

ARTICLE V: VACANCY

5.1 Vacancy Criteria

A vacancy* on the Board of Trustees automatically occurs, without Board action if: (a) a Trustee is absent from any combination of four (4) of the following board or assigned meetings during the one year period of July to June: Regular, Special, Emergency, or assigned committee meeting, or is (b) a Trustee is no longer a property owner of a residential or commercial/industrial establishment within the jurisdictional boundaries of the CLCCA, or a Trustee is removed pursuant to Section 5.4 below.

* Emergencies occurs from time to time preventing attendance at a meeting. In that event, a Trustee is required to notify the President or Vice-President or the Committee Chair, two (2) hours in advance of a Board or Committee meeting for an excused absence to be considered. The Board will determine at the next regularly scheduled meeting in closed session, if the excuse is legitimate or the Committee Chair will discuss excuse legitimacy among the remaining members. If no prior notice is given, it is considered an absence.

5.2 Resignations

The office held by any member of the Board of Trustees shall be deemed vacant upon the death of the Trustee or upon the receipt of the letter of resignation in writing by the Trustee (Ref: BOC 22.211). No oral statement of resignation shall be accepted. Within five (5) days of receipt of a letter of resignation, the President shall notify the Board of Trustees that a vacancy has occurred and provide them with a copy of the letter. (Ref: BOC 22.212)

5.3 Filling Vacancy

Any vacancy or vacancies occurring on the Board of Trustees shall be filled by the affirmative vote of a majority of the remaining Trustees at a regularly scheduled meeting and shall serve out the remainder of the term of office of the vacancy (Ref: BOC 22.212). Within three (3) business days of any board member vacancy the General Manager shall send an email blast that notifies the CLCCA community of an opening on the Board of Trustees. Additional notices (i.e. newspapers) to the community shall be done as soon as possible. Any person interested in filling the vacancy shall have three (3) weeks to fill out an application and return it in person to the CLCCA Business Office. Once the three (3) week period has passed the CLCCA Business Office shall review the applications for appropriate qualifications. The General Manager shall present all qualified candidates to the Board of Trustees at the next regularly scheduled meeting. If the first vote fails to appoint a Trustee, the two candidates receiving the most votes shall remain in nomination, all others being withdrawn and another vote taken. The newly

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appointed Trustee begins the term of office in accordance with Section 3.2 of these By-Laws and is seated immediately following the appointment and the Oath of Office is administered by the Presiding Officer. The Trustee will have equal status and rights as if elected. If no applications are submitted within the three (3) week period, the deadline will be extended for one additional three week period.

5.4 Removal of Trustee

A request for action to remove a Trustee from office (Ref: BOC 22.211), may be made by parliamentary procedure with a motion, second, discussion and the agreement of at least four sitting Trustees. . The Trustee against whom the removal action is pending shall be notified of the request and its causes by registered mail no less than thirty (30) days before the vote to be taken at a Special Meeting called no earlier than the thirty (30) day notification. The removal of a Trustee may be considered only for (a) violation of fiduciary responsibilities; (b) unresolved conflict of interest; (c) conviction of any felony; (d) divulging "privileged" or closed session information to unauthorized sources or individuals that result in harm, discredit, or slander to the organization (CLCCA) or its officers; (e) knowingly and blatantly violating the Texas Open Meetings Act, (f) unresolved Deed Restrictions, and (g) repeated violations of the Bylaws and or Policies of the CLCCA.

The Trustee shall have the opportunity to defend against the removal action in closed meeting and may call any person / persons to speak in his/her defense. Two- thirds (2/3) vote by the Trustees present shall be required to remove the Trustee.

Any six (6) or more, not related, qualified voters who wish to question the performance or qualification of a Trustee elected from their core may request appearance before a group of four (4) Trustees; (2) whom they select and (2) whom the acting President selects, in order to present their position in a confidential meeting with those Trustees. Reasons a voter may call this meeting: a) A breach of public confidence that is offensive to the community or public peace; b) A mandate that the judgment or actions of the Trustee are not in the best interest of the subdivision or CLCCA community; c) Absence of regard for responsibilities relating to the Charter, Policies and By-laws of the Association. Those Trustees may then decide on a course of action supporting or rejecting the concerns or action requests expressed in the meeting.

5.5 Dual Office Holding

A Trustee shall not hold more than one elected or appointed Position on the Board of Trustees at a time but may run for more than one position on the Board, provided that the ballot does not contain a candidate's name more than once on the ballot. The candidate shall choose the position on the Board to be held, in case, of winning more than one position on the Board.

ARTICLE VI: MEETINGS

6.1 Regular Meetings

The Board of Trustees shall conduct regular meetings during the year and such meetings shall be held on the third Wednesday of each month. In accordance with TOMA 551.043 a 72 Hour minimum notice shall be posted on the Bulletin Board. The agenda may also be posted on the CLCCA website prior to the meeting. The Board can vote to change the date, at any Board meeting, when holidays or special occasions will interfere with the third Wednesday. The President, Vice President and General Manager together have the authority to cancel a regular, special, or emergency meeting due to a potential catastrophe or catastrophe outlined in TOMA Section 551.0411. A vote is not needed to reschedule a canceled meeting, but the new meeting date must comply with the 72 hour minimum notice required by TOMA. The Board shall also

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meet on the fifth Wednesday in any given month that has a fifth Wednesday as a regular Board meeting.

6.2 Annual Meeting - June

At the June meeting, the Board of Trustees shall receive the results of the election and at that time, seat the newly elected Trustees. The Board of Trustees shall receive a list of all names of the Trustees, addresses, telephone numbers and date of expiration of the terms of the Trustees. The June meeting of each year shall be considered the Annual Meeting of the Corporation to comply with TPC Section 209.014. If the Association is unable to hold its June Annual Meeting due to a potential catastrophe or catastrophe as outlined above in 6.1, then the Board of Trustees shall have its Annual Meeting as soon as is practical in July.

6.3 Special Meetings

Special meetings of the Trustees may be called by the President, or by *any two Trustees acting jointly*, for a purpose or the purposes, which shall be stated in the written notice of the meeting. The stated purpose of the meeting will constitute the Agenda and shall be the sole matter(s) under deliberation by the Board of Trustees at the Special meeting. Trustee(s) who call a Special meeting must confirm the room availability with the General Manager prior to submitting the Special Meeting request. The President and/or two trustees acting jointly must notify the General Manager of the meeting request. It shall be the responsibility of the General Manager for publication and Web posting. In compliance with TOMA 551.043, a minimum of 72 Hour notification to the public of a called Special meeting is required to be posted on the bulletin board and the website. Special meetings shall be considered Open meetings. The sole exception is if the purpose is of the nature that would normally be conducted in the regular closed meeting of the Board of Trustees. Minutes shall be kept of the Special meeting. At the next regularly scheduled meeting of the Board of Trustees, the President will present the minutes from the Special meeting for approval in either closed or open session as appropriate.

6.4 Conducting Business

Under no circumstances will a committee meeting conduct business as the Board of Trustees.

6.5 Emergency Meetings

In the event of an emergency, the President or *any two Trustees acting jointly* may call an emergency meeting to address the emergency only. Public notice must be given at least two (2) hours before the meeting (TOMA 551.045). An emergency is a situation that has occurred unexpectedly and is not a pre-existing condition. For instance, an air conditioning system breaks in July, playground equipment is vandalized in a manner that threatens safety of children playing on it, a storm topples a tree, an underground water pipe breaks, or a power transformer malfunctions.

An Emergency item can also be added to an existing agenda in accordance with TOMA 551.045, provided it complies with the requirements of TOMA 551.045 and is posted on the bulletin board and on website at least two (2) hours prior to the start of the scheduled meeting.

Generally, an emergency is such that without immediate action the Association would be exposed to new legal liability, severe loss to capital equipment or condition of land, or loss of normal operations.

For any Board action outside a regular meeting, the circumstances of the emergency and the outcome of the decision process shall be attested and recorded at the next full meeting of the

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- Trustees following the action.
- 6.6 Committee Meetings
Committee meetings shall be called by the Chairman and three (3) calendar days (72 Hours) shall be considered sufficient notice. The committee must meet on the call of two (2) of its members if a Chairman fails to call a meeting. Quorum in a committee is a majority of its appointed membership. The committee Chairman usually serves as Secretary and may keep brief notes of the meeting. Any committee member who is absent shall be informed by the Chairman as to the actions of the committee at the meeting. Current Standing Committees are: Architecture Review, Budget & Finance, Bylaws & Policies, Communications, Personnel, Election, and Facilities. Committee Charters are documented in the Committee and Charter Policies.
- 6.7 Quorum
A majority of the duly elected or appointed and qualified five (5) Trustees or more shall constitute a quorum (Ref: TOMA 551.001 & BOC 22.213) for the transaction of business at any meeting. An affirmative vote of a majority of the five (5) or more Trustees thus present and voting, shall be necessary for the transaction of ordinary business of the corporation, except as otherwise provided by the Certificate of Formation or Certificate of Amendment and these Bylaws and Policies.
- 6.8 Robert's Rules of Order
Robert's Rules of Order Parliamentary Procedures will act as a guideline for all meetings.

ARTICLE VII: OFFICERS

- 7.1 Officers of the Corporation
The officers of the corporation shall consist of a President, a Vice President, a Secretary, a Treasurer and such other officers as the Board of Trustees may, from time to time, determine. The officers shall be Trustees. Officers shall be nominated and elected at the June meeting after the swearing or affirming the Oath of Office by the newly elected Trustees. The vote for officers shall be conducted in open session without secret balloting per 1978 Legal Opinion John Hill JH-1163. Service will start with their election and officers will hold office at the pleasure of the Board.
- 7.2 Number of Offices
Two or more officer positions on the Board of Trustees shall not be held by a single Trustee.
- 7.3 Salary
There shall be no salaries for the Trustees or officers.
- 7.4 Period of Time, Removal and Vacancy
The officers of the corporation shall hold office until their successors are elected or appointed and qualify. Any officer elected or appointed by the Board of Trustees may be removed at any time by the affirmative vote of a majority of the elected and appointed Trustees. Such removal shall be without prejudice to the fiduciary responsibilities, if any, of the persons so removed. Election or appointment of an officer or agent shall not of itself create fiduciary responsibility. Any vacancy occurring in any office of the corporation by death, resignation, removal, or otherwise shall be filled by an appointee confirmed by the Board of Trustees. (Ref: BOC Chapters 22.206, 22.208, 22.211, 22.2111, and 22.212).
- 7.5 The President
The President shall be the Chief Executive Officer of the corporation and shall see that all orders and resolutions of the Board of Trustees are carried into effect. He/she shall preside at all meetings of the Board of Trustees. The President shall attest to and certify closed session minutes and documents as may be required.

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- 7.6 The Vice President
The Vice-President shall, in the absence or disability of the President, perform the duties and will have the authority to exercise the powers of the President. He/she shall perform such other duties and have such other authority and powers as the Board of Trustees may from time to time prescribe or as the President may from time to time delegate.
- 7.7 The Secretary
The Secretary shall affix the seal of the Corporation to any instrument requiring it following authorization by the Board. The Secretary is responsible for the minutes of all meetings of the Board of Trustees. The Secretary shall attest and certify such Board minutes and documents as may be required from time to time. The Secretary shall perform other duties and have such powers as delegated by the Board.
- 7.8 The Treasurer
The Treasurer shall present statements of the financial condition of the corporation at monthly Board meetings and as otherwise requested by the Board. The Treasurer shall perform other duties and have such other powers as delegated by the Board.
- 7.9 Committees
The Board of Trustees may create standing and special committees of no less than two (2) and not more than four (4) members with powers and duties as the Board of Trustees may determine. Select committees as determined by the Board of Trustees may have up to three (3) advisors, (except for special committees) who advise the Committee, but have no voting or quorum responsibilities. Committee and chairperson appointments are made by the President and confirmed by the Board. (Ref: BOC 22.219)
- 7.10 Interim Architectural Review Committee
In order to provide continuity of action, at the June meeting, the newly elected President shall appoint and the Board approve an interim Architectural Review Committee. (Ref: TPC 204.011 & BOC 22.219)
- 7.11 Committee Structure and Charters
Each standing committee of the Board shall have a charter for that committee setting forth the duties, responsibilities and composition of said committee. At the first committee meeting after a standing committee is appointed, the charter shall be prepared if it does not exist. If the charter exists, the committee shall review the charter and prepare any necessary updates. New and updated charters shall be presented to the Board for approval. All standing rules of the Board of Trustees of the CLCCA shall be equally applicable to any standing or special committees.
- 7.12 Dissolution of Committees
Upon the recommendation of the Chairman of a committee, or if there is no Chair, upon recommendation of the President of the Board of Trustees, a standing or special committee may be dissolved, subject to approval by a vote of the majority of the quorum present. All committees both standing and special are dissolved at the time the new trustees are empaneled during the June board meeting in reference to Bylaws 6.2 & 7.10.

ARTICLE VIII: BYLAWS

- 8.1 Provisions for Regulation and Management
The Bylaws may contain any provisions for the regulation, operation, and management of the affairs of the CLCCA in accordance with the Texas Business Organizations Code, Texas Property Codes, the Certificate of Formation or Certificate of Amendment, Deed Restrictions, the Texas Open Meetings Act, and the Texas Public Information Act. These By-Laws as currently written are the laws of the Corporation. They shall be explicitly followed by all

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members of the Board of Trustees without deviation. If an amendment to the as-written By-Laws is desired, the amendment procedures set forth below in Article VIII, Section 8.2 must be followed.

8.2 Power to Alter, Amend or Repeal

The power to alter, amend or repeal the Bylaws or to adopt new Bylaws shall be vested in the Board of Trustees, provided the repeal or adoption does not involve the attempt to correct a violation of these Bylaws by a sitting Trustee. This action may be taken at any regular or special meeting of the Board of Trustees, provided that notice of the proposed amendments is given in writing to all of the Trustees ten (10) calendar days before such meeting.

8.3 Policy Statements

The Board may adopt policy statements and other resolutions not inconsistent with these Bylaws, the Certificate of Amendment and the Deed Restrictions which have the same effect as Bylaws. These policy statements currently written are also the laws of the Corporation. They shall be explicitly followed by all members of the Board of Trustees without deviation.

ARTICLE IX: GENERAL PROVISIONS

9.1 Annual Financial Statement

A certified audit of the financial records of the corporation shall be performed and a statement of financial condition shall be issued within two hundred and seventy (270) days of the end of the fiscal year schedule permitting by an independent auditor hired by the Board of Trustees.

9.2 Checks

All checks or demands for money and notes of the corporation shall be signed by the President, the Vice President and/or the Treasurer.

9.3 Fiscal Year

The fiscal year of the corporation shall be set from July 1 through June 30 of any given year.

9.4 Seal

The corporate seal shall be in such form as may be prescribed by the Board of Trustees. The seal may be used by causing it, or a facsimile thereof, to be impressed on, affixed to, or in any manner reproduced upon, instruments of any nature to be executed by officers of the corporation.

9.5 Books and Records

The corporation shall keep correct and complete books and records of account and shall keep meeting minutes of the proceedings of its Board of Trustees. These books and records shall be at its registered office or principal place of business.

9.6 Assessment Collection

Assessments are due and payable by July 31 of each year. If assessments are not paid on or before July 31 of each year, an initial late payment fee of \$25 or 5% (whichever is greater), shall be incurred on the first of August of that year. Also, an additional charge \$5/month or 2% (whichever is greater), will be incurred on the first day of each month thereafter for the year's unpaid assessment until paid in full.

9.7 Operational Funds

Funding for the day to day operations and maintenance of the activities of the CLCCA shall be referred to as OPERATIONAL FUNDS. These shall be derived normally from community services charges (mill assessments), fees for services, and with Board approval, interest from Reserve Fund Investments. As such, the planning, programming and budgeting for expenditure of these funds shall be absolutely restricted to the amount of anticipated income in any fiscal year. Likewise, capital improvements from Operational Funds shall be prohibited.

9.8 Transfer Fee

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Whenever a property is sold, refinanced, and/or a new deed is created, a transfer fee shall be charged to the buyer. The amount of the fee shall be established by the Board of Trustees.

- 9.9 Capital Outlays
Capital outlays for amounts greater than that which the Board determines from time to time to be within the purview of the General Manager for equipment or improvements shall be made only with the approval of the Board of Trustees.
- 9.10 Influence Peddling
Neither the Board of Trustees nor the General Manager will purchase goods or services from any member of the Board of Trustees, family members of Board of Trustees, or domestic partner and family members of domestic partner.
- 9.11 Competitive Bids
Competitive bids shall be solicited at all times, unless the Board of Trustees votes to waive the policy based upon cost, state of the technology or other factors. When such bids are received they shall be separated into several parts, i.e.; bidder understanding of and intent to comply with technical specifications; bidder location (perhaps indicative of prompt response during contingencies); prior proven performance of bidder (track record), as indicated by recorded experience and close adherence to schedules; and, proposed cost. Each consideration, or such others as may be decided, shall be evaluated on a fair, competitive basis. If after 45 calendar days have passed from the date the request for bids, the Board has the option to accept less than the three required bids to proceed and the board may vote to accept the bid with no other bids submitted.
- 9.12 Proxy Voting
Proxy voting is not allowed for matters of the Board. (Ref: BOC 22.215 and Attorney General Letter Opinion LO 1994-028 based upon a 1942 Texas Supreme Court Decision).
- 9.13 Policy Statements re Deed Restrictions
The Board of Trustees may adopt policy statements to clarify operational and administrative procedures, but these statements are to be filed with Harris County before taking effect, in accordance with TPC 202.006 and shall be published on the website per TPC 207.006.

ARTICLE X: INDEMNIFICATION

- 10.1 Indemnity
The Association shall indemnify every Trustee or officer, his heirs, executors and Administrators, against all loss, cost and expense, including attorney's fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Trustee or officer of the Association, except in matters of gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters in which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Trustee or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Trustee or officer may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association in connection with the foregoing indemnification provision shall be treated and handled by the Association as Common Expenses; provided, however, nothing contained in the Article X shall be deemed to obligate the Association to indemnify any Owner of a Lot or Commercial Unit who is or has been a Trustee or officer of the Association with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Declaration of Covenants, Conditions and Restrictions for any subdivision in Clear Lake City as an Owner of a Lot or Commercial Unit covered thereby.

CLEAR LAKE CITY COMMUNITY ASSOCIATION, INC. BYLAWS

APPENDIX

ACRONYMS AND ABBREVIATIONS

(Former) Texas Non-Profit Corporation Act (TNPCA) 78 Legislature 2003 HB 1156	(Current) Texas Business Organizations Code (BOC) 78 Legislature 2003 HB 1156
Articles of Incorporation	Certificate of Formation
Articles of Amendment	Certificate of Amendment
Restated Articles of Incorporation	Restated Certificate of Formation
Articles of Correction	Certificate of Correction
Articles of Dissolution	Certificate of Termination
Articles of Merger	Certificate of Merger
Articles of Consolidation	Certificate of Merger
Application for Certificate of Authority	Application for Registration

Texas Open Meetings Act (TOMA) Texas Governmental Code 551

Texas Property Codes (TPC) Codes 201 - 215

Texas Public Information Act (TPIA) Texas Governmental Code 552

I hereby certify that the foregoing is a true and correct copy of the By-laws of the CLEAR LAKE CITY COMMUNITY ASSOCIATION, INC., as revised at the meeting of the Board of Trustees of said corporation held October 17, 2018.


Leslie Eaton, Secretary

18 October 2018
Date

RP-2018-488667