

(approved by vote of quorum of CLPMC property owners
4/28/2012)

**BYLAWS OF CLEAR LAKE PINES MAINTENANCE CORPORATION
a Non-Profit Corporation**

**ARTICLE I
Definitions**

1. **DEFINED TERMS:** Terms used in these Bylaws shall have the same meanings given to them in the "Amended and Restated Deed Restrictions of Clear Lake Pines, Sections One (1), Two (2), Three (3), and Four (4)" (the "Restrictions") recorded in the Official Public Records of Real Property of Fayette County, Texas, unless otherwise specifically provided herein.

**ARTICLE 2
Offices**

1. **PRINCIPAL OFFICE:** The principal office of Clear Lake Pines Maintenance Corporation (the "Corporation") in the State of Texas shall be located in Fayette County. The Corporation may have such other offices as the Board of Directors may determine or as the affairs of the Corporation may require from time to time.

2. **REGISTERED AGENT AND OFFICE:** The Corporation shall have and continuously maintain in the State of Texas a registered office, as required by the Texas Business Organizations Code. The registered office may be, but need not be, identical with the principal office of the Corporation. The registered agent and the address of the registered office may be changed from time to time as deemed necessary and appropriate by the Board of Directors.

**ARTICLE 3
Purpose**

1. **GENERAL PURPOSE:** The primary purpose of the Corporation is to administer a maintenance fund consisting of maintenance fees which will be assessed against each Member of the Corporation. Maintenance fees will be used for the maintenance of roads, dams, picnic, park and recreational areas, and lakes within Clear Lake Pines, Sections One (1), Two (2), Three (3) and Four (4), a subdivision in Fayette County, Texas (the "Subdivision"), the enforcement of the Restrictions, and the management and administration of the Subdivision. The Corporation shall be entitled to enforce the collection of such maintenance fees and, as provided in the Restrictions, has a lien against each Lot owned by the Member against whom the maintenance fees are assessed to secure payment of such maintenance fees.

2. **ENFORCEMENT OF RESTRICTIONS:** The Corporation is further responsible for the enforcement of the Restrictions applicable to the Subdivision.

3. ARCHITECTURAL CONTROL: The Corporation is responsible for the review and approval or disapproval of all proposed construction on Lots through an Architectural Control Committee, as provided in Section III, of the Restrictions.

ARTICLE 4 Members

1. MEMBERSHIP: The Corporation shall have one (1) class of membership. Each record owner of a Lot in the Subdivision shall be a Member of the Subdivision. Membership in the Corporation shall be appurtenant to and may not be separated from ownership of a Lot. Upon acquiring title to a Lot, the owner shall automatically become a Member of the Corporation. Membership in the Corporation shall automatically terminate when an owner ceases to have an ownership interest in any Lot in the Subdivision. A record owner of a Lot means a person listed as grantee in a deed to a Lot. Each person shown on a deed to a Lot shall be a Member of the Corporation. Voting rights of the Members are set forth in Article V of these Bylaws.

2. COMPLIANCE WITH RESTRICTIONS: Each Member agrees to abide by the provisions of the Restrictions applicable to the Subdivision.

ARTICLE 5 Meetings of Members

1. ANNUAL MEETING: The annual meeting of the Members shall be held in the month of April of each year on a date and at a time designated by the Board of Directors. The annual meeting shall be held for the purpose of electing Directors and transacting such other business which may be properly submitted at the meeting. The Board of Directors may establish an agenda for each annual meeting and include the agenda with the notice of annual meeting.

2. SPECIAL MEETING: Special meetings of the Members may be called by the President, the Board, or by the Corporation upon the receipt of a petition signed by owners representing not less than ten percent (10%) of the Lots. No business may be transacted at a special meeting of the Members other than that set forth in the notice of such meeting. The Board of Directors may establish an agenda for a special meeting, consistent with the purpose for which the special meeting is called, and include the agenda with the notice of special meeting. If a special meeting is called by the Corporation as result of the receipt of a petition signed by owners representing not less than ten percent (10%) of the Lots, the petitioning owners shall not have the authority to establish the agenda for the meeting.

3. PLACE OF MEETING: The Board of Directors may designate any place within Fayette County, Texas as the place of meeting for any annual meeting or for any special meeting of the Members of the Corporation. If no designation is made, the place of meeting shall be the registered office of the Corporation; but if all the Members shall meet any time and place within the boundaries of Fayette County, Texas and consent to the holding of a meeting, such meeting shall be valid without call or notice, and at such meeting, any corporate action may be taken.

4. NOTICE OF MEETINGS: Notice stating the place, day, and hour of any annual or special meeting of Members shall be delivered either personally, by mail, by facsimile or by email to each Member not less than thirty (30) nor more than sixty (60) days before the date of such meeting, by or at the direction of the President or the Secretary. The purpose or purposes for which the meeting is called shall be stated in the notice. Notice to a Member by facsimile or email must be sent to the facsimile number or email address provided to the Corporation in writing by that Member. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the Corporation, with postage thereon prepaid. If faxed, the notice of a meeting shall be deemed to be delivered as provided by any applicable statute or, if not so provided, as of the date and time reflected in the written confirmation that the facsimile was successfully transmitted. If emailed, the notice of meeting shall be deemed to be delivered as of the date and time shown on a confirmation that that email was transmitted or, if the Corporation's email system does not provide such a confirmation, the date and time shown on a confirmation that the email was opened. For the purpose of determining Members entitled to notice of a meeting, the membership of the Corporation shall be determined at the close of business on the date that is seven (7) days prior to the date the notice of meeting is first given.

5. VOTING RIGHTS: Except in the case of the same Member(s) owning more than one (1) Lot, there shall be one (1) vote per Lot on each matter submitted to a vote of the Members; if the same Member(s) own more than one (1) Lot, such Member(s) shall be entitled to only one (1) vote on each matter submitted to a vote of the Members. All Members of the Corporation may attend meetings of the Corporation and all Members in Good Standing may exercise their vote at such meetings either in person or proxy. Fractional votes and split votes will not be permitted.

6. QUORUM: Members in Good Standing (present in person or by proxy) holding not less than fifteen percent (15%) of the total number of votes in the Corporation which may be cast as of the date of the meeting shall constitute a quorum for all purposes at any meeting of the Members, unless otherwise provided in these Bylaws or in the Restrictions. Once a quorum is established at a meeting, the meeting shall be validly called and held and the quorum may not be defeated by the subsequent departure of Members in Good Standing. If the number of Members in Good Standing necessary to constitute a quorum at any annual or special meeting of the Members shall fail to attend in person or by proxy, the Members in Good Standing present in person or by proxy may adjourn such meeting without notice other than by announcement at the meeting and reconvene the meeting either at a later time on the same date or on another date. At the reconvened meeting, the quorum requirement shall be reduced to Members in Good Standing (present in person or by proxy) holding not less than ten percent (10%) of the total number of votes of the Corporation which may be cast at the meeting. At any such adjourned and reconvened meeting at which a quorum may be present, in person or by proxy, any business may be transacted which might have been transacted at the meeting as originally notified or called.

7. PROXIES. At any meeting of Members, a Member in Good Standing may vote by proxy executed in writing by the Member in Good Standing or by his duly authorized attorney-in-fact. Proxies shall be filed with the Secretary of the Corporation at or before the appointed time of each meeting of the Corporation. All proxies shall be revocable unless

expressly provided therein, and shall automatically terminate upon conveyance by the owner of his Lot.

ARTICLE 6 Board of Directors

1. GENERAL POWERS: The Board of Directors of the Corporation shall have all powers, duties and authorities vested in or delegated to the Corporation and not reserved to the Members by these Bylaws, the Restrictions, or any law, including but not limited to:

- (a) the adoption and publication of rules and regulations for the use of the recreational facilities within the Subdivision;
- (b) the suspension of the right to use the recreational facilities of a Member during any period in which such Member shall be in default in the payment of the maintenance fees or other charges added to the Member's assessment account in accordance with the provisions of the Restrictions. Such rights may also be suspended, after notice and hearing, for a period not to exceed ninety (90) days for infractions of the Restrictions and published rules and regulations;
- (c) the declaration of the office of a member of the Board to be vacant in the event such Director shall be absent without just cause from three (3) consecutive regular meetings of the Board;
- (d) the employment of a full or part-time manager and such other employees of the Corporation as the Board may deem to be necessary and the establishment of the duties of all such employees;
- (e) the formation of committees as provided in these Bylaws and as the Board otherwise deems advisable for the proper and efficient operation of the Corporation; and
- (f) the management and administration of the Corporation.

2. NUMBER, TENURE AND QUALIFICATIONS: The Board shall consist of five (5) Directors. A Director must be a Member in Good Standing of the Corporation or the representative of a corporation or other entity which is a Member in Good Standing of the Corporation. Not more than one (1) representative of a corporation or other entity that is Member in Good Standing may serve on the Board at any given time. Persons related by blood or marriage are not permitted to serve on the Board of Directors at the same time; further, persons who are members of the same household, although not married, are not permitted to serve on the Board of Directors at the same time. Nominations for election to the Board of Directors shall be made by a nominating committee, if such a committee is appointed by the Board, and from the floor at the annual meeting of the Members of the Corporation.

The Treasurer of the Corporation shall be elected on an annual basis. The Treasurer shall also be a Director. The terms of the other four (4) Directors shall be staggered. At the annual meeting of the Members held in 2012, two (2) Directors shall be elected to serve a term of two (2) years each and two (2) Directors shall be elected to serve a term of one (1) year each. The candidates receiving the highest number of votes at the annual meeting held in 2012 shall be elected to fill the two (2) year terms. Thereafter, at each annual meeting, the Members in Good Standing shall elect the two (2) Directors to fill the terms that expire as of the annual meeting, each to serve a term of two (2) years.

3. REGULAR MEETINGS: A regular annual meeting of the Board of Directors shall be held without other notice than this Bylaw provision, immediately after (i.e., on the same date of) the annual meeting of the Members. The Board of Directors may provide by resolution the time and place for the holding of additional meetings of the Board without other notice than such resolution. A regular meeting of the Board of Directors may be called by or at the request of the President or any two (2) Directors. Members of the Board of Directors may participate in and hold a meeting by conference telephone or similar communications equipment as provided in the Texas Business Organizations Code. Participation in a meeting by conference telephone or similar communications equipment shall constitute presence in person at such meeting except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

4. SPECIAL MEETINGS: Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) Directors.

5. NOTICE: Except in instances in which notice is waived, as provided in this Section, notice of any special meeting of the Board of Directors shall be given at least three (3) and not more than thirty (30) days prior to the date of the meeting by written notice delivered personally or sent by mail, facsimile or email to each Director at his address as shown by the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid at the address of the Director according to the records of the Corporation. Notice by facsimile or email must be sent to the facsimile number or the email address provided to the Corporation in writing by that Director. If notice is given by a facsimile, such notice shall be deemed to be delivered as of the date and time reflected in the written confirmation that the facsimile was successfully transmitted. If emailed, the notice of meeting shall be deemed to be delivered as of the date and time shown on a confirmation that the email was transmitted or, if the Corporation's email system does not provide such a confirmation, the date and time shown on a confirmation that the email was opened. Any Director may waive notice of any meeting before or after the meeting by signed, written waiver. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted at the meeting must be specified in the notice or waiver of notice of any special meeting.

6. QUORUM: A majority of the Board of Directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board, but if less than a majority of

the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time with further notice.

7. MANNER OF ACTING: The act of a majority of the Directors present at a meeting where a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or these Bylaws. A record of the results of all votes cast by the Board of Directors will be recorded in the minutes of each meeting.

8. REMOVAL/VACANCIES: Any Director may be removed from the Board, with or without cause, by the affirmative vote of Members in Good Standing representing two-thirds (2/3) of the votes in the Corporation entitled to be cast at a special meeting called for such purpose or at an annual meeting. Any Director may also be removed from the Board for cause by a majority vote of the Board (excluding the Director whose removal is proposed) and the Officers of the Corporation (excluding the Treasurer if the removal of the Treasurer is proposed). For purpose of this Section, "cause" means a determination by the Officers and Directors voting on removal that the Director took action that was not authorized by a majority vote of the Board and materially affected the Corporation or failed to take action consistent with the purposes of the Corporation which was directed to be taken by a majority vote of the Board and which materially affected the Corporation. In the event of the removal of a Director by vote of the Members in Good Standing, a successor for such removed Director shall be elected by a majority vote of the Members in Good Standing present in person or by proxy at such meeting. In the event of the removal of a Director for cause by a vote of the Officers and Directors, a successor shall be selected by a majority vote of the remaining Directors. Vacancies in the Board of Directors caused by reasons other than removal shall be filled by the remaining Directors. A Director elected or appointed to fill a vacancy created on the Board shall serve for the unexpired term of his predecessor.

9. COMPENSATION: No Director or Officer of the Corporation shall receive any salary, fee or compensation for his or her services on behalf of the Corporation in such capacity.

10. RESPONSIBILITIES: Each Director is expected to become familiar with and have knowledge of the history of the Corporation, and the Articles of Incorporation, the Bylaws, all amendments to the Articles of Incorporation and Bylaws, all rules and regulations, all existing policy resolutions, and the Restrictions applicable to the Subdivision (all of such documents being collectively referred to as the "Governing Documents"). Upon election or appointment, the Governing Documents will be provided each Director by the Board of Directors. Each Director will be responsible for fulfilling the duties of their office, on behalf of the Members of the Corporation, in such a manner that is consistent with these Governing Documents.

11. LIABILITY: To the fullest extent provided by law, a Director of the Corporation shall not be liable to Corporation or its Members for monetary damages for an act or omission in the Director's capacity as a Director except for: (a) a material breach of a Director's loyalty to the Corporation or its Members; (b) an act or omission that is determined by a court to be in bad faith or intentional misconduct or a knowing violation of the law; (c) a transaction from which a Director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the Director's office; (d) an act prohibited by law. The Corporation shall carry insurance deemed necessary to provide coverage for the Officers and Directors of the Corporation.

12. RESIGNATIONS. Any Director or Officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein; or, if no time be specified, at the time of its receipt by the President or Secretary. The acceptance of the resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

ARTICLE 7 Officers

1. OFFICERS: The Officers of the Corporation shall be a President, one Vice-President, a Secretary and a Treasurer. No Officer shall hold more than one office in the Corporation. As provided in Article 6, Section 2 of these Bylaws, the Treasurer of the Corporation shall also be a Director.

2. VACANCIES: Any vacancy in an office resulting from the death, resignation, disqualification or removal of an Officer shall be filled by the Board of Directors. The person appointed as an Officer shall serve for the unexpired portion of the term.

3. PRESIDENT: The President shall be the principal executive Officer of the Corporation and shall in general supervise and control all the business and affairs of the Corporation. He shall preside at all meetings of the Board of Directors. He may sign, with the Secretary or any other proper Officer of the Corporation authorized by the Board of Directors, any contracts or other instruments which the Board of Directors has authorized to be executed; and in general he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors.

4. VICE PRESIDENT: In the absence of the President or in the event of his inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President.

5. TREASURER: The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Corporation, receive and give receipts for moneys due and payable to the Corporation from any source whatsoever, and deposit such moneys in the name of the Corporation in such banks, trust companies, or other such depositories as shall be selected in accordance with the directions of the Board of Directors; and in general perform all duties incident to the office of Treasurer and such other duties as may be assigned to him by the President or by the Board of Directors. The Treasurer shall be a Director of the Corporation and shall serve a one year term of office, as specified in Section 7 of this Article.

6. SECRETARY: The Secretary shall take and keep the minutes of the meetings of the Board of Directors in one or more books provided for that purpose; give all notices in accordance with the provisions of these Bylaws or as required by law; be custodian of the Corporate records and of the seal of the Corporation, and affix the seal of the Corporation to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws; keep a register of the post office address of each Member which shall be provided to the

Secretary by each Member, and generally perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the President of the Board of Directors.

7. ELECTION AND TERM OF OFFICE: The Officers of the Corporation shall be elected annually by the Board of Directors except the Treasurer who shall be elected by the Members at the annual meeting. If the election of Officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. Each Officer shall hold his office until his successor shall have been duly elected or appointed and shall have qualified.

8. REMOVAL: With the exception of the Treasurer, any Officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its reasonable, good faith judgment the best interests of the Corporation will be served. By way of example and not in limitation, the Board of Directors may consider absences from three (3) consecutive regular or special meetings without just cause as grounds for removal of an elected or appointed Officer. The Treasurer may be removed only for cause in accordance the provisions of Article 6, Section 8, of these Bylaws.

ARTICLE 8 Committees

1. STANDING COMMITTEES: There shall be the following standing committees: (a) Lakes & Parks Committee; (b) Road and Dam Committee; (c) Architectural Control Committee; and (d) Audit Committee. Each committee shall consist of three (3) Members in Good Standing, all of whom shall be appointed by the Board of Directors. Members of a committee may be removed by the Board at any time and shall serve for such term as may be designated by the Board or until resignation or removal by the Board. The Board may, at any time, assume the duties and functions of any committee.

2. OTHER COMMITTEES: The Board of Directors may establish other committees from time to time as deemed necessary. Any such committee may be dissolved by the Board upon the completion of the tasks assigned to the committee or if the Board otherwise determines that the committee is no longer necessary.

3. CHAIRMAN OF STANDING COMMITTEE: A Member of the Corporation shall be appointed by the President to be chairman of each of the standing committees and a member of the Board of Directors shall be designated as the liaison member of the Committee. No member of the Board of Directors shall be a liaison member of more than one (1) committee. The Chairman and Board member on each committee shall meet as soon as convenient after such appointment to select persons to serve upon the committee.

4. MEMBERSHIP OF STANDING COMMITTEES: Each standing committee shall be comprised of not more than five (5) members, including the Chairman, but not including the President who shall be an Ex Officio member. The members other than the Chairman shall be selected by the Chairman of the standing committee and the Board liaison from the Members of the Corporation who are not then presently on the Board of

Directors. No person shall be a member of more than two (2) standing committees except that the President shall be an Ex Officio member of all committees.

5. DUTIES OF STANDING COMMITTEES: The Board of Directors shall by resolution determine the duties, responsibility and functions of the standing committees and other committees.

6. VACANCIES: Vacancies in chairmanship or membership of any committee shall be filled by appointment made in the same manner provided in the case of the original appointment.

7. MEETING AND QUORUM: The Chairman shall be responsible for calling meetings of the committee, and shall give each committee member sufficient notice of such meeting to afford a committee member a reasonable opportunity to attend. A majority of the members serving on a committee, not including the President of the Corporation, as an ex officio member of the committee, shall constitute a quorum and the act of the majority of the members serving on the committee who are present at a meeting at which a quorum is present shall be the act of the committee.

ARTICLE 9

Contracts, Checks, Deposits and Funds

1. CONTRACTS: The Board of Directors may authorize any officer or officers, agents of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract for the Corporation. Such authority may be general or confirmed to specific incidents, as approved by the Board of Directors and recorded in the minutes of the Board meeting. The Corporation may engage service providers as deemed necessary including, without limitation, a CPA or accountant to maintain the financial records of the Association. No officer or agent of the Corporation shall enter into a verbal contract on behalf of the Corporation. Competitive bids will be solicited whenever possible and the Board of Directors will determine the criteria for selecting the best bid and such selection criteria will be recorded in the minutes of the Board meeting. At an annual or special meeting, a majority of the Members in Good Standing present in person or by proxy shall approve contracts for the purchases or sales of permanent assets, capital improvements or long-term commitments which involve an expenditure or commitment in excess of \$5,000.00.

2. CHECKS AND DRAFTS: All checks, drafts, or orders for the payment of money, notes or other evidence of indebtedness shall, require the signature of any two (2) members of the Board of Directors and the approval of the Board of Directors.

3. DEPOSITS: All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may direct.

4. GIFTS: The Board of Directors may accept on behalf of the Corporation any gift, bequest or devise for the general purposes or for any special purpose of the Corporation.

ARTICLE 10
Books and Records

The Corporation shall keep correct and complete books and record of account and shall also keep minutes of the proceedings of its Members, Board of Directors, and committees, and shall keep at the registered or principal office of the Corporation a list of the Members entitled to vote. All books and records of the Corporation may be reviewed by any Member or its agent or attorney for any proper purpose at any reasonable time upon written request stating a proper purpose.

ARTICLE 11
Fiscal Year

The fiscal year of the Corporation shall begin on the first day of April of each year and end on the last day in March of the following year.

ARTICLE 12
Assessments

Each Member shall be subject to annual maintenance fees and special assessments payable to the Corporation, as provided in the Restrictions.

ARTICLE 13
Financial Records

The Board of Directors may employ an accounting firm or property management company to handle the billing of the Corporation, to keep the books and records of the Corporation, to handle the tax matters on behalf of the Corporation, and to handle other administrative functions as deemed necessary. The Audit Committee shall perform a review of the Corporation's financial records at least once each fiscal year.

ARTICLE 14
Maintenance of Lakes and Other Areas

The Board of Directors may engage a contractor on an annual basis or longer or shorter contract term as deemed appropriate to perform maintenance work on the roads, picnic, park and recreational areas and the lakes. Each contractor engaged by the Corporation shall be required to maintain general liability insurance and to provide a certificate of insurance to the Board of Directors of the Corporation prior to the commencement of any work. Each contractor engaged by the Corporation shall also be required to either maintain workers compensation insurance applicable to all persons working in the Subdivision on behalf of the contractor or execute a waiver of liability applicable to the contractor and all of contractor's employees, agents, representatives and subcontractors.

ARTICLE 15
Corporate Seal

The Board of Directors shall provide a corporate seal, which shall be in the form of a circle and shall have inscribed thereon the name of the Corporation.

ARTICLE 16
Waiver of Notice

Whenever any notice is required to be given under the provisions of the Texas Business Organizations Code or under the provisions of the Articles of Incorporation or Bylaws of the Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE 17
Amendment

These Bylaws may be altered, amended or repealed at any regular or special meeting of the Members and new Bylaws may be adopted by Members in Good Standing present, in person or by proxy, representing not less than a majority of the votes entitled to be cast at a meeting at which a quorum is established.

ARTICLE 18
Robert's Rules of Order

The rules contained in the most current edition of Robert's Rules of Order (at the time of the event) shall govern the Corporation in all cases to which they are applicable, so long as the rules do not conflict with the laws of the State of Texas or the Governing Documents of the Corporation.

ARTICLE 19
Dissolution

In the event that the Corporation is ever dissolved for any purpose other than the formation of a more desirable corporate entity, then all assets owned by the Corporation at that time, and after the payment of all liabilities owed by the Corporation, shall be donated either to a township which shall be known as Clear Lake Pines, the boundaries of which will be the same as the area now designated as the Subdivision according to the recorded plats of the Subdivision, or as provided by the Texas Business Organizations Code.

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