

BYLAWS  
OF  
APPLE SPRINGS OWNERS ASSOCIATION

These Bylaws govern the affairs of Apple Springs Owners Association, a non-profit corporation (referred to as the "Corporation") organized under the Texas Non-Profit Corporation Act (referred to as the "Act"). The purpose for which the Corporation has been organized is set out in the Articles of Incorporation for the Corporation. The corporation is a voluntary membership organization whose members own real property in Apple Springs, a subdivision situated partly in Travis County, Texas and partly in Williamson County, Texas, the plat of which is recorded in Volume 83, Page 51A-55B, of the plat records of Travis County, Texas (referred to as the "Subdivision"). In these Bylaws the term "Owner" shall mean and refer to the beneficial owner, whether one or more persons or entities, of the fee simple title to any Lot or portion of a Lot, including contract purchasers, but excluding those having such interest merely as security for the performance of an obligation. The term "Lot" shall mean and refer to each portion of the Subdivision so segregated and numerically designated as a lot of the recorded plat of the Subdivision.

ARTICLE I.

OFFICES

Section 1. The principal office of the Corporation shall be the address within the Subdivision designated by the Board of Directors from time to time.

Section 2. The Corporation shall maintain a registered office and registered agent in the State of Texas. The registered office may, but need not, be identical with the Corporation's principal office. The Board of Directors may change the registered office and the registered agent as provided in the Act.

ARTICLE II.

DIRECTORS

Section 1. The business and affairs of the Corporation shall be managed by its Board of Directors. The Board of Directors shall consist of persons appointed by the Corporation organizers.

Section 2. The number of directors shall be at least three (3) and no more than seven (7), with an initial number of three (3). The number of directors may be changed from time to time by resolution of the current Board of Directors. A director need not be a resident of the State of Texas nor an owner of property in the Subdivision.

Section 3. Each Director shall have a term of five (5) years. Terms shall be renewable at the sole discretion of each Director.

Section 4. In the event that a Director is unable to complete a term of office or at the conclusion of a term of office is unwilling to renew, he shall appoint a successor with the advice and consent of the remaining Directors. If the Director is deceased or otherwise unwilling or unable to appoint a successor, the remaining Directors shall appoint a successor.

Section 5. The Board of Directors may include up to two (2) ex-officio Directors, appointed at the sole discretion of the Voting Directors, who may attend meetings and give advice. Per the Act, such ex-officio Directors shall have no vote and accrue no liability for acts and omissions of the Corporation.

Section 6. Directors shall not receive any salary for their services.

### ARTICLE III.

#### MEMBERS

Section 1. To qualify for membership in the Corporation, a member must be an Owner and must have paid the applicable annual dues established from time to time by the Board of Directors. The Corporation shall have one class of voting membership. Members shall be entitled to one vote for each Lot owned for which annual dues have been paid.

Section 2. Notwithstanding the preceding paragraph, no Owner who holds office, pays dues, attends meetings, or has any vested interest in the organization formed under charter number 1324911-01 which forfeited said charter on 8/27/96, shall be eligible for membership.

Section 3. In order to remedy the conditions of ineligibility for membership defined in the preceding paragraph, a Lot Owner can resign from that organization. Such Lot Owners may become eligible for membership by providing a signed copy of their resignation letter and a copy of their postal receipt for certified mail of same to a Director.

Section 4. When two or more persons or entities hold undivided interests in any Lot, all such persons or entities may be members of the Association, however, the vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to each Lot in which such members own undivided interests.

Section 5. Membership in the Corporation is not transferable or assignable. Membership is not a property right. Annual dues are payable at the commencement of the Corporation's fiscal year. Membership dues are not proratable for members who join or terminate membership during the fiscal year.

Section 6. For the purpose of determining members entitled to notice of or to vote at any meeting of members, the record date shall be the date on which notice of the meeting is mailed.

## ARTICLE IV.

### OFFICERS

Section 1. The initial officers shall be appointed by the Board of Directors to serve until the first annual meeting. Thereafter, the Officers of the Corporation shall be elected by the members and shall be a President, a Vice-President, and a Secretary-Treasurer. Any two or more offices may be held by the same person.

Section 2. Each officer shall hold office until his successor has been elected and qualifies, or until the death, resignation, or removal of the officer.

Section 3. No officer shall receive compensation for service as an officer of the Corporation.

Section 4. The President shall be the chief executive officer of the Corporation and, subject to the direction of the Board of Directors, shall supervise and control the business and affairs of the Corporation. He shall preside at all meetings of the members. He shall see that all the orders and resolutions of the Board are carried into effect, and shall perform such other duties as the Board of Directors may prescribe.

Section 5. 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. The Vice-President shall also have such powers and perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 6. The Secretary-Treasurer shall attend all meetings of the members and of the Board of Directors and shall keep a true and complete record of the proceedings, including all votes and resolutions presented at these meetings and shall be custodian of said records. He shall give or cause to be given all notices required by law or these Bylaws. The Secretary-Treasurer shall have the custody of the corporate funds and shall keep full and accurate accounts of receipts and disbursements of the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Secretary-Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and directors, at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as Secretary-Treasurer and of the financial condition of the Corporation. The Secretary-Treasurer shall also perform such other duties as may be prescribed by the Board of Directors or the President.

Section 7. Cumulative voting for the election of officers shall not be permitted.

Section 8. Any officer may be removed either for cause or without cause at a special meeting called for that purpose. Removal shall be accomplished by the affirmative vote of a majority of the Board of Directors.

## ARTICLE V.

### COMMITTEES

Section 1. The Board of Directors shall have the authority to establish committees (by Resolution), appoint and remove committee members, delegate authority, and disband committees, at its sole discretion. Any resolution establishing a committee shall state the purpose of said committee. Committees shall not be required to keep and publish minutes. Instead, committees shall, upon request from the Board, give oral reports at Board of Directors meetings.

## ARTICLE VI.

### MEETINGS.

Section 1. The Directors of the Corporation may hold regular or special meetings.

Section 2. Regular meetings of the Board of Directors shall be held as established by the Board from time to time. The Board of Directors may provide, by resolution, for the time and place for the holding of additional regular meetings without other notice than such resolution.

Section 3. Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) directors. Notice of the call of a special meeting shall be via electronic means (phone, fax or e-mail) and delivered not later than during the day immediately preceding the day for which such meeting is called. Neither the business proposed to be transacted, nor the purpose of any special meeting of the Board of Directors need be specified in the notice or waiver or notice of such meeting.

Section 4. Notice of any special meeting may be waived in writing signed by the person or persons entitled to such notice. Such waiver may be executed at any time before or after the holding of such meeting. Attendance of a director at a special meeting shall constitute a waiver of notice of such special meeting, except where a director attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 5. At any meeting of directors, a majority of the directors shall constitute a quorum for the transaction of business. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors unless otherwise specifically required by law or these By-laws. If a quorum is not present at any meeting of directors, the directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

Section 6. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the members of the Board of Directors. Such consent shall have the same force and effect as a unanimous vote at a meeting, and may be stated as such in any document or instrument filed with the Secretary of State.

Section 7. Each committee shall determine its own meeting schedule.

Section 8. The chairperson of each committee shall, upon request, make themselves available to attend Board of Directors meetings and give oral reports on the activities of their respective committees.

Section 9. Meetings of members shall be held at the place within the Subdivision as may be stated in the notice of the meeting. An annual meeting of the members, for the purpose of electing the officers and transacting such other business as may properly be brought before the meeting, shall be held in the month of December on the day and at the time determined by the Board of Directors.

Section 10. Failure to hold the annual meeting at the designated time shall not work a dissolution of the Corporation. In the event the Board of Directors fails to call the annual meeting, any member may make demand that such meeting be held within a reasonable time. Such demand shall be made in writing by certified mail directed to any officer of the Corporation. The annual meeting shall thereafter be called within sixty (60) days following such demand.

Section 11. Special meetings of the members may be called by the President, the Board of Directors, or 10% of the members entitled to vote at the meetings. No business other than that specified in the notice shall be transacted at a special meeting.

Section 12. Written or printed notice stating the place, day, and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary or the officer or person or persons calling the meeting, to each member of record entitled to vote at such meeting. If mailed, such notice 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.

Section 13. The officer or agent having charge of the Corporation's records shall make, at least ten (10) days before each meeting of members, a complete list of the members entitled to vote at such meeting or any adjournment thereof.

Section 14. The requirements for quorums, proxies, and voting percentages (majorities) shall vary depending upon the issue at hand. Votes to abolish this Corporation, amend the Articles of Incorporation, or to amend these Bylaws shall require a quorum of sixty percent (60%) of members present, a supermajority of two-thirds (2/3) of votes cast to pass, and no proxies allowed. In addition, votes on any issue deemed "special", by and at the sole discretion of the Board of Directors, including but not limited to, those effecting precedents or other irreversible positions such as annexation, shall require these same quorums, proxies, and voting percentages.

Section 15. Votes to alter the deed restrictions shall be conducted in accordance with deed restriction 17 and shall include all Lot Owners (member and nonmember) Such votes shall utilize a paper ballot and be conducted over as many days (up to 30) as required to achieve a simple majority (51%). If a proposed change is unable to achieve a majority of Lot Owners written ballots within 30 days, it will be deemed to have failed. No proxies shall be allowed on deed restriction changes.

Section 16. Votes on regular issues at regular meetings require a quorum of ten percent (10%) of members present, a simple majority (51%) of votes cast, and proxies may be used, unless the question is one upon which the vote of a greater number is required by law, the Articles of Incorporation, or these Bylaws. The members present or represented at a meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum

Section 17. A member may vote either in person or, when allowed, by proxy executed in writing by the member. No proxy shall be valid after sixty (60) days from the date of its execution unless otherwise provided in the proxy. Each proxy shall be filed with the Secretary prior to or at the commencement of the meeting.

## ARTICLE VII.

### MISCELLANEOUS PROVISIONS

Section 1. The Board of Directors may authorize any officer to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances. The Corporation shall not lend money to or otherwise assist its officers, directors or members.

Section 3. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

Section 4. The fiscal year of the Corporation shall begin on January 1 and end on December 31 of each year.

Section 5. The Board of Directors shall not be required to provide a corporate seal.

Section 6. The Corporation shall indemnify Directors, Officers, and members at the sole discretion of the Board of Directors and in accordance with the Act and applicable law. The Corporation shall not indemnify anyone charged with discrimination or favoritism.

## ARTICLE VIII.

### AMENDMENTS

Section 1. These Bylaws may be altered, amended or repealed at any meeting of the members called for that purpose at which the required quorum is present, by the affirmative vote of two-thirds (2/3) of the votes entitled to vote at such meeting, represented in person; provided notice containing the actual wording of the proposed alteration, amendment, or repeal be contained in the notice of such meeting.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected acting secretary of Apple Springs Owners Association and the foregoing Bylaws constitute the Bylaws of the Corporation. These Bylaws were duly adopted at a meeting of the Board of Directors held on the \_\_\_\_\_ day of \_\_\_\_\_, 1999.

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Secretary