

# BYLAWS



## Quail Creek

McLendon-Chisholm,  
Rockwall County, Texas

Amended & Approved by Homeowners on April 7, 2015  
Recorded & Effective on May 29, 2015 (Rockwall County 2015000007655)

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## I. General

- 1.01 Name and Location. The name of this organization shall be the QCHOA INC. ("Association") an IRS 501 c (4), a non-profit corporation organized under the Texas Non-Profit Corporation Act. The principal office of the Association shall be in the Quail Creek Subdivision, McLendon-Chisholm, Texas. The Association may have such other offices as may from time to time be designated by the Members of its Board of Directors (the Board).
- 1.02 Fiscal Year. The Association shall have a fiscal year beginning on October 1 and ending on September 30 of the following year.
- 1.03 Governing Laws. Insofar as Federal Law does not apply, the provisions of these Bylaws shall be governed by and constructed in accordance with the laws of the State of Texas.
- 1.04 Non-Profit Character. (a) The Association is a non-profit Association; (b) It is organized and operated exclusively for non-profit purposes. No part of its net income shall inure to the benefit of any Officer, Director, Member or private individual nor shall it declare or make to any such persons any dividend or other distribution. (c) This section shall not prevent the payment of reasonable compensation for services rendered or the reimbursement of reasonable expense incurred in connection with the Association's affairs.
- 1.05 Prohibited Activities.
- A. The Association shall not carry on propaganda or otherwise attempt to influence legislation.
  - B. It shall not participate or intervene in any political campaign on behalf of any candidate(s) for public office.
  - C. It shall not make any distribution, engage in any activity or enter into any transaction, the effect whereof, under applicable Federal laws then in force, will cause the Association to lose status as an organization exempt from Federal income taxes.

## II. PURPOSE

The purpose of the Association shall be civic (a) to represent the residents of QCHOA, Inc. as their liaison to the City of McLendon-Chisholm, Rockwall County, Texas and other governmental entities; (b) to oversee and evaluate the maintenance of roads, open spaces and other common areas; and (c) to manage the affairs of the QCHOA, Inc.

## III. DEFINITIONS

- 3.01 Association. "Association" shall mean and refer to the Quail Creek Homeowners' Association (QCHOA, Inc.).
- 3.02 Board of Directors. "Board" or "Board of Directors" shall mean and refer to the duly elected or appointed collective of Officers/Directors of the Association that acts as the governing body of the Association.
- 3.03 Board Meeting. "Board Meeting" shall mean a meeting between a quorum of the Board during which Association business is considered and the Board takes formal action. It does not include the gathering of a quorum of the Board at a social function unrelated to the business of the Association.

- 3.04 Bona Fide. "Bona Fide" shall mean legitimate and verifiable.
- 3.05 Business Day. "Business Day" means a day other than Saturday, Sunday, or a state or federal holiday.
- 3.06 CC&Rs. "CC&Rs" shall mean and refer to the Declaration as defined under Bylaw Subsection 3.08.
- 3.07 Common Areas. "Common Areas" shall mean any area within the Quail Creek Subdivision designated for common use as depicted on the recorded Plats, and any other property conveyed to the Homeowners' Association for the common use and enjoyment in accordance with the Declaration.
- 3.08 Declaration. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions (CC&Rs) applicable to the Subdivision and recorded in the office of the County Clerk of Rockwall County, Texas, as the same may be amended or supplemented from time to time as therein provided.
- 3.09 Dedictory Instrument. "Dedictory Instrument" means each governing instrument covering the establishment and maintenance of the Association. The term includes restrictions or similar instruments subjecting Owners to restrictive covenants, Bylaws, or similar instruments governing the administration or operation of the Association, including properly adopted rules and regulations of the Association, and all lawful amendments to the covenants, Bylaws, policies, rules, or regulations.
- 3.10 Director. "Director" shall mean and refer to a duly elected or appointed member of the Board of Directors and used interchangeably with "Officer."
- 3.11 Electronic Ballot. "Electronic Ballot" means a Ballot (i) given by e-mail, facsimile or posting on an Internet website;(ii) for which the identity of the Owner submitting the Ballot can be confirmed; and (iii) for which the Owner may receive a receipt of the electronic transmission and receipt of the Owner's Ballot.
- 3.12 Lot. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map with the exception of the Common Areas as heretofore defined.
- 3.13 Officer. "Officer" shall mean and refer to a duly elected or appointed member of the Board of Directors and used interchangeably with "Director."
- 3.14 Owner. "Owner" shall mean and refer to the recorded Owner, whether one or more persons, of fee simple title to any Lot but excluding those having only security interest in such Lot until such time as such person shall have acquired title pursuant to foreclosure or any other proceeding in lieu of foreclosure and becomes the recorded Owner thereof.
- 3.15 Person. "Person" refers to an individual, corporation, LLC, partnership, association, trust or any other legal entity or any combination thereof.
- 3.16 Proxy. "Proxy" shall mean an agent or substitute who is authorized to act on behalf of a Member.
- 3.17 Member. "Member" shall mean every person that holds a Membership in the Association pursuant to the Declaration of Covenants, Conditions and Restrictions.
- 3.18 Recording. "Recording" shall mean, when referencing a document, policy or instrument, that it has been recorded with the County of Rockwall or other governing agency as required by the Texas Property Code.
- 3.19 Records. "Records" shall mean the Books and Records of the Association.

## IV. GOVERNANCE

- 4.01 Governance. The Association is governed by a seven-member Board of Directors elected annually, which is established as collective fiduciaries of the Association who owe the Members a high duty of good faith, fair dealing, honest performance, strict accountability and the duty of loyalty requiring that all Officers act in good faith and not allow their personal interest to prevail over the interest of the Association.
- 4.02 Governing Ascendancy. No Bylaw, rule, or policy may be amended to conflict with the Declaration<sup>1</sup> or Texas State Property Code. The Bylaws supersedes Board Policies, while the Declaration supersedes the Bylaws, while the Texas Property Code supersedes the Declaration.
- 4.03 Membership. As defined in the Declaration.<sup>2</sup>
- 4.04 Voting. Nothing may disqualify a Member from voting in an election or vote.<sup>3</sup>
- A. A Person may not vote if the Person has an interest in a lot only by virtue of being a lienholder.
- 4.05 Association Records & Policies.<sup>4</sup> The Board shall document, keep and, when applicable, Record the following policies, which shall be posted and made available for viewing or download via the Association's website:
- A. Fine and Enforcement Policy
  - B. Record Retention Policy
  - C. Record Reproduction and Copying Policy
  - D. Priority of Payments Policy
  - E. Alternative Payment Schedule Guidelines
  - F. Reimbursement Policy
  - G. Rules & Order of Business Policy for Member Meetings
  - H. 60 Day Ballot Initiative Policy
  - I. Other policies as the Board deems necessary.
- 4.06 Member Privacy. The Association and Board shall not release or allow inspection of any books or records that identify the Dedicatory Instrument violation history of an individual Owner, an Owner's personal financial information, including records of payment or nonpayment of amounts due the Association, an Owner's contact information, other than the Owner's address without prior written consent.<sup>5</sup> Information may be released in an aggregate or summary manner that would not identify an individual Owner.<sup>6</sup>
- 4.07 Member Email for Notifications. It is an Owner's duty to keep an updated e-mail address registered with the Homeowners' Association.<sup>7</sup>
- 4.08 Waiver of Notice. If a Member who is entitled to but was not provided proper notice of a Meeting actually participates in or attends such Meeting, such participation or attendance at such Meetings constitutes a waiver of meeting notice unless he or she participates in or attends such meeting solely to object to the transaction of business at the Meeting on the grounds that the meeting was not lawfully called or convened.<sup>8</sup>
- 4.09 Records of Meetings. Official actions of the Board or its Members that pertain to the business of the Association shall be documented and recorded in writing.

- 4.10 Assessment. The Board is authorized to levy assessments on behalf of the Association pursuant to Article 4 of the Declaration in furtherance of the Association purposes, both Regular Assessments and Special Assessments. Special Assessments shall be for capital improvements or for the repair, maintenance and/or replacement of roads or Common Areas.
- 4.11 Gift. The Association shall be authorized to receive gifts, legacies and bequests (general or specified purposes), subject to the approval of the Board.

## V. MEETINGS OF MEMBERS

- 5.01 Participation. Only bona fide Members or their designated proxies may participate in Association Meetings.
- 5.02 Regular (Annual) Meeting of Members. A Regular Meeting of the Members shall be held annually, during the first week of October at a time and place designated by the Board of Directors.
- A. The Board shall be responsible to prepare and distribute the agenda for the meeting, which shall include the following:
- 1) The nomination and election of a permanent chair of the meeting, pursuant to the Board Policy.
  - 2) Annual finance report and proposed budget.
  - 3) Motions presented by Members.
  - 4) The nomination and election of Board Officers, pursuant to the Board Policy.
  - 5) Other business as may be properly brought before the meeting.
- B. Mandatory Election Required After Failure to Call Regular Meeting.<sup>9</sup> If the Board does not call an annual meeting of the Association Members, an Owner may demand that a meeting of the Association Members be called not later than the thirtieth (30th) day after the date of the Owner's demand. If the Board fails to do so on or before the thirtieth (30th) day after the date of a demand, three (3) or more Owners may form an election committee and hold an election in accordance with Texas Property Code Section 209.014.
- 5.03 Special Meetings of Members. Except as provided under Bylaw Subsection 5.02B, special meetings of the Members, for any stated purpose or purposes, may be called either by (i) the President, (ii) a majority of the Board, or (iii) by written and signed petition of at least ten percent (10%) (seven (7) by count) of the Members.<sup>10</sup> Business transacted at a Special Meeting shall be confined to the purposes stated in the notice of the Special Meeting and are subject to the notice requirements pursuant to Bylaw 0.
- 5.04 Record Date. The Board of Directors may fix in advance a record date for the purposes of determining Members entitled to notice of or to vote at a meeting of Members, such a record date being not less than ten (10) days nor more than sixty (60) days prior to such meetings. In the absence of any action by the Board, the date upon which the notice of the meeting is mailed shall be the record date.
- 5.05 Location. Meetings shall be held in a location in Rockwall County that is convenient for attendees and in an environment that is adequate for the Members to convene, deliberate, and vote.

5.06 Notice.<sup>11</sup> Not later than the tenth (10th) day or earlier than the sixtieth (60th) day before the date of meeting by Members, notice to all Owners shall be given.

- A. The notice shall include the location, address, day, date, and time of the meeting.
- B. In the case of a Special Meeting, the general purpose or purposes for which the meeting is called shall be included.
- C. Such notice shall be deemed to have been properly sent when notice has been provided when one of the following two options are met:

- 1) Via US mail, postmarked not later than the 10th day or earlier than the 60<sup>th</sup> day before the date of the meeting to the last known address of the person who appears as Member on the record of the Association at the time of the notice. The last address appearing in the record of the Association at the time of the mailing of any such notice shall be deemed the official address of such Member for all purposes hereunder, and it shall be the duty of each Member to notify the Secretary of the Association of all address changes when the mailing address is different from the county recorded records; or
- 2) No earlier than sixty (60) days, nor later than ten (10) days, before the date of the Membership Meeting,
  - (a) By e-mail to each Owner who has a registered e-mail address with the Homeowners' Association, and;
    - (i) It is an Owner's duty to keep an updated e-mail address registered with the Homeowners' Association.<sup>12</sup>
  - (b) On the Quail Creek website, [www.quailcreekrockwall.org](http://www.quailcreekrockwall.org), and;
  - (c) With a sign that is placed in a conspicuous manner and reasonably designed at the entrance/exit to the Quail Creek subdivision not later than seventy-two (72) hours or earlier than the tenth (10th) day before the beginning of the meeting.

D. A Member's right to receive notice may be waived in accordance with Bylaw Subsection 4.07.

5.07 Quorum. For a meeting of the Membership, a quorum is established by a majority, which is fifty percent, plus one vote (50% +1) (35 by count if all sixty-nine lots qualify as one vote in accordance with Bylaw 6.01B), of the eligible votes, either in person or by proxy.

A. If a quorum shall not be present or represented at any meeting of the Members, another meeting may be called, subject to the notice requirements thereof, and the required quorum at such subsequent meeting shall be one-half (1/2) (eighteen (18) by number) of the required quorum at the preceding meeting.

- 1) For an Annual Meeting, the meeting shall automatically be rescheduled two weeks following on the same day of the week, at the same time.
  - (a) The Board shall secure a location in accordance with Bylaw Subsection 5.05.
  - (b) The required quorum at such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting (eighteen (18) by number).
  - (c) Proper notice shall be provided to the Membership in accordance with Bylaw Subsection 0.



B. The only actions that can be taken in the absence of a quorum are to fix the time in which to adjourn, recess, or take measures to obtain a quorum (for example, contacting Members during a recess and asking them to attend).

- 1) The prohibition against transacting business in the absence of a quorum cannot be waived even by unanimous consent.

5.08 Decorum. The Association meetings are intended, among other things, to provide a forum for open discussion of Members' concerns and interests. All in attendance shall maintain proper conduct and decorum. As such:

A. Meetings shall be conducted using Roberts Rules of Order, which is based on the consideration of the rights of the majority, of the minority (especially a large minority greater than one-third (1/3)), of individual Members, of absentee Members, of all of these groups taken together. As such, the Chair shall:

- 1) govern the process of conducting the meeting in an even-handed way, without prejudice;
- 2) neither present motions or amendments nor participate in discussion or debate unless the Chair is temporarily or permanently passed to a designated or appointed "chair-pro-tem;"
- 3) when he/she is a Member or designee, only participate in a "voice" or "standing vote" in the case of a tie while all other manners of casting their vote, and that as a proxy designee, is appropriate; and
- 4) enforce reasonable rules of conduct, and is empowered to use any lawful means or law enforcement entity to maintain order and decorum in the Association's meetings. Such reasonable rules of conduct specifically prohibit any violation of public law, and shall include without being limited to disruptive or disorderly conduct, use of abusive or profane language or gestures, acts designed to intimidate, offend or threaten harm to other persons, and actions intended to damage or destroy property.
- 5) Any person who is asked to leave a meeting for actions of misconduct or improper decorum, said request being made by the meeting's Chairman, or escorted from a meeting by a law enforcement official shall not have any legal recourse against the Association for any action taken in good faith by its Chairman or any other Member authorized to pursue legal action against any individual who engages in any illegal act(s) at any meeting.

5.09 Order of Business. All meetings of Members shall be governed by the rules of order as established by Board Policy in accordance with Bylaw Subsection 4.05G and in all cases to which they are applicable and in which they are not inconsistent with these Bylaws or the Policy, the rules contained in the most current edition, at the time of the meeting, of Robert's Rules of Order. Special rules may be developed and approved by the majority of the Members present and voting. In cases of conflict between Robert's Rules and special rules, the special rules will govern.

5.10 Member Right To Present Motions. No Member may be denied the right to participate and present a motion or motions, so long as the Board was notified at least five (5) business days before the meeting of the general purpose so that the it may be included on the Agenda.

## VI. VOTING; INITIATIVES; ELECTIONS; BALLOTS

Where the voice and/or consent of the Membership is required or permitted pursuant to these Bylaws, the governing documents of the Association, and or Texas state law, the Association shall govern these efforts according to the methods as prescribed in this section.

6.01 Voting. Voting is limited to bona fide Members of the Association.

- A. When designating a proxy, a Member must sign and date the document or they must do so by bona fide means of electronic authorization.
- B. Pursuant to Article 3 Section 3 of the Declaration, cumulative voting is not permitted, whereas one person owning multiple lots may exercise only one vote.
  - 1) Accordingly, voting percentages stipulated in these Bylaws shall be the prevailing standard over any and all references to vote count.

6.02 Ballots. For any contested race, votes must be cast by ballot.

- A. A paper ballot must either be signed by the voting Member or must have a verifiable way to link the ballot to the voting Member, on which they must sign.<sup>13</sup>
  - 1) Written and signed Ballots are not required for uncontested races.<sup>14</sup>
- B. An electronic ballot that is cast in accordance with these Bylaws constitutes a written and signed Ballot.<sup>15</sup>
- C. A person who is a candidate in an election or who is otherwise the subject of an Association vote, or a person related to that person within the third degree by consanguinity or affinity, may not tabulate or otherwise be given access to the Ballots cast in that election or vote.<sup>16</sup>
- D. A person other than a person described by Subsection (C) may tabulate votes in an Association election or vote but may not disclose to any other person how an individual voted.<sup>17</sup>
- E. With the exception of elections, the Board may conduct a ballot initiative whereby Members may vote on measures that require a greater number of votes than may be possible to achieve at a meeting, or where all Members must have an opportunity to consider said measures.
  - 1) Any ballot initiative must be approved by a majority of the Members at a properly called meeting, where a quorum is established.
  - 2) All ballot initiatives must meet the standards as described in (A) and (B).
  - 3) The Board shall adopt and maintain a policy to carry out an approved ballot initiative that shall include an established timeframe for the initiative, the process of verifiable ballot delivery to Members, measures that protect the integrity and security of the ballots, and transparency in tabulating the votes.

6.03 Absentee or Electronic Ballot.<sup>18</sup> An absentee or electronic Ballot:

- A. May be counted as an Owner present and voting for the purpose of establishing a quorum only for items appearing on the Ballot;
- B. May NOT be counted, even if properly delivered, if the Owner attends any meeting to vote in person, so that any vote cast at a meeting by an Owner supersedes any vote submitted by absentee or electronic Ballot previously submitted for that proposal; and

C. May NOT be counted on the final vote of a proposal if the motion was amended at the meeting to be different from the exact language on the absentee or electronic Ballot.

- 1) A solicitation for votes by absentee Ballot must include:
  - (a) an absentee Ballot that contains each proposed action and provides an opportunity to vote for or against each proposed action;
  - (b) instructions for delivery of the completed absentee Ballot, including the delivery location; and
  - (c) the following language: "By casting your vote via absentee Ballot you will forgo the opportunity to consider and vote on any action from the floor on these proposals, if a meeting is held. This means that if there are amendments to these proposals your votes will not be counted on the final vote on these measures. If you desire to retain this ability, please attend any meeting in person. You may submit an absentee Ballot and later choose to attend any meeting in person, in which case any in-person vote will prevail."
- 2) If an electronic Ballot is posted on an Internet website, a notice of the posting shall be sent to each Owner that contains instructions on obtaining access to the posting on the website.

6.04 Election of the Board. All Officers of the Association shall be elected annually at the regular meeting of the Members, except as hereinafter provided.

A. Nominations & Voting. Any Member of the Association may be nominated for any position on the Board so long as they have not been convicted of a felony or crime involving moral turpitude.<sup>19</sup>

- 1) Nominations and voting shall be taken in turn, beginning with President. Following the close of nominations, Members shall vote by ballot, unless it is an uncontested race, whereby the candidate is the established winner.<sup>20</sup>
  - (a) The candidate who receives fifty percent, plus one (50%+1) of the votes cast is declared the winner.
    - (i) In the event that no one candidate achieves fifty percent, plus one (50%+1) of the votes cast (in races with three (3) or more candidates), the two (2) candidates that received the most votes shall compete in a runoff ballot.
  - (b) Nominations and voting for Vice President shall then commence, followed by Treasurer, and then Secretary.
  - (c) There shall be one (1) series of Nominations for the Architectural Review Committee (ARC). Following the close of nominations, Members shall vote by ballot for as many as three (3) distinct candidates listed.
    - (i) The top three (3) vote getting candidates are declared the winners.
    - (ii) The candidate who receives the most votes shall be deemed Chairman of the ARC.
      - In the event of a tie between two or all three elected ARC members, the Board shall, at the first regular or special meeting of the Board select, by a majority vote, the Chairman of the ARC.<sup>21</sup>

- 6.05 Vacancies of the Board. Any voluntary vacancy occurring in the Board of Directors may be filled by an affirmative vote of the majority of the remaining Directors, though less than a quorum of the Board at a regular or special meeting of the Board. The vacancy created by the involuntary removal of a Director in accordance with Bylaw Subsection 7.10 shall be filled by a vote of the membership through a Special Meeting of the Membership in accordance with these Bylaws. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.
- 6.06 Amending the Bylaws. A Bylaw may not be amended to conflict with the CC&Rs.<sup>22</sup>
- A. Any amendment to these Bylaws must receive written approval by at least sixty-seven percent (67%) (forty-seven (47) by count) of the Membership except where these Bylaws expressly reflect or mirror a superseding amended instrument or more current law, whereby those parts may be amended by the Board without the consent or approval of the Membership so long as:
- 1) The amendments are only for the purpose of bringing the Bylaws into compliance;
  - 2) The Members have been provided sixty (60) days written notice, whereas the notice includes (i) a copy of the CC&R or Property Code section where the Bylaws are in conflict, (ii) the current wording of the section of the Bylaws to be amended, and (iii) the new proposed wording;
  - 3) During the sixty day notice period, Board Agendas shall include a forum for Members to ask questions and speak to the proposed compliance amendment(s); and
  - 4) Twenty percent (20%) (fourteen (14) by count) of the Membership does not oppose the amendment via petition that is submitted to the Board on or before the sixtieth (60th) day following notice.
- 6.07 Regular or Special Assessment. Pursuant to the Declaration,<sup>23</sup> any meeting of the Membership where a vote to either increase the Regular Assessment<sup>24</sup> by more than the permitted ten percent (10%) or enact a Special Assessment,<sup>25</sup> shall require a quorum of sixty percent (60%) (forty-one (41) by count) of the Membership with consent by at least sixty-seven percent (67%) (twenty-eight (28) by count) of the established quorum to pass the proposal.
- 6.08 Voting List. At least ten (10) days before each meeting of Members, a complete list of the Members entitled to vote at such meetings and the number of votes entitled to be cast by each Owner shall be prepared by the Secretary.
- A. Such list, for a period of ten (10) days prior to such meeting:
- 1) Shall be subject to inspection by any Member at any reasonable time.
  - 2) Shall be kept on file:
    - (a) In the home of the President and/or Secretary of the Association; and/or
    - (b) Posted on the Association's website, [www.quailcreekrockwall.org](http://www.quailcreekrockwall.org).
- B. Such list shall be produced and kept open at the time and place of the meeting during the whole time thereof, and shall be subject to the inspection of any Member who may be present.

## VII. BOARD OF DIRECTORS

- 7.01 Number. The Board shall consist of seven (7) Directors/Officers as described herein. All Directors shall be Members of the Association.
- 7.02 Purpose. The Board of Directors is a “Representative Board” and shall govern in a manner that reflects a sense of the majority of the voting Members of the Association so long as those actions do not undermine, contradict, or violate the governing instruments and/or superseding law. As such the Board shall:
- A. Work as a collective whereas no individual member may act on behalf of the Association without expressed authorization to do so as reflected in either meeting Minutes or through a formal written decree; and
  - B. Act in good faith on behalf of the Membership and the Association; and
  - C. Act under the presumption that the Declaration and/or Bylaws of the Association are valid and enforceable until or unless,
    - 1) a section, portion, part or the whole of the governing instruments violates or contradicts a superseding rule, statute, or law; as determined by either:
      - (a) unanimous consent of the Board; or
      - (b) a court of law; and
  - D. Amend these Bylaws in accordance with Bylaw Subsection 6.06A when a superseding instrument or statute is determined to alter a section, portion, or part of the whole.
  - E. Respond to Member’s questions and/or concerns in a timely manner, in most cases forty-eight (48) hours (defined as two (2) business days).
- 7.03 Office, Authority and Duties. The affairs of the Association shall be managed by the Board which may perform all lawful acts as are not otherwise required to be exercised by the Members. Authority to govern is granted by, and contained within, these Bylaws and the dedicatory instruments of the Association. While the roles of its Officers are distinctive, the Board shall act as a collective, meaning that its parts are not greater than the whole.
- A. The authority of the Board shall include the power to:
    - 1) Bill & collect Assessments in accordance with the Declaration and these Bylaws;
    - 2) Adopt, publish and enforce policies, rules and regulations governing the Association;
    - 3) Act on behalf of the Members to enforce deed restrictions established by the Declaration; and
    - 4) Act in accordance with all provisions of the Declaration.
  - B. The Board is responsible for the financial well being of the Association. As such, the Board shall:
    - 1) Adopt an annual budget during the first meeting of a new Board term.
      - (a) Once approved, the Board shall publish the budget on the Association’s website, [www.quailcreekrockwall.org](http://www.quailcreekrockwall.org) and email it to all Members.
    - 2) Review the financial report at each Regular Board meeting.
    - 3) Ensure that the Board approves expenditures that exceed Budget

(a) Details regarding excess shall be included in Board Minutes.

C. Officers shall read and be acquainted with the Texas State Property Code, the Declaration, and these Bylaws.

7.04 Officers of the Board. The Officers shall include a President, Vice President, Secretary, Treasurer and three (3) Members at Large elected during the Regular or Special Meeting of the Membership by methods established in these Bylaws. All Officers must be Members of the Association.

A. President. The President shall have general charge and supervision of the business of the Association, but no greater authority to govern as the Board pursuant to Bylaw Subsection.

B. The President shall also:

- 1) Preside at all meetings of the Board;
- 2) Serve as the primary spokesperson of the Association;
- 3) Provide a written agenda for Board meetings, which shall include any Director-requested agenda item(s), so long as they are submitted at least forty-eight (48) hours in advance of the required deadline to provide meeting notice (72 hours) to Members;
- 4) Act as registered agent for the Association in conjunction with the Secretary;
- 5) Act as Temporary Chair at all Homeowners' Association meetings until a Permanent Chair is elected in accordance with Bylaw Subsection 5.09; and
- 6) Perform such other duties as are authorized by the Board.

C. Vice President. The Vice President shall preside in the absence of the President and assume all responsibilities of that office upon its vacancy. The Vice President shall have primary oversight of the Common Areas and shall be the liaison to the Landscape Committee, if any.

D. Secretary. The Secretary shall take and manage minutes of all official business of the Board and ensure that proper notice is provided for the activities and actions of the Homeowners' Association. The Secretary shall:

- 1) Act as Registered Agent for the Association in conjunction with the President. At any time there is a change in this position, notification must be made with the Secretary of State and Rockwall County to reflect the Registered Agent's name and address;
- 2) Take a written record as Minutes of the proceedings of the Board and of Committees having any authority of the Board;
  - (a) The Secretary shall also present these Minutes to the Board at least 72 hours before the next Regular Board meeting.
- 3) Present and distribute at each annual and regular meeting written minutes of the previous annual or regular meeting or any special meeting;
- 4) Keep an attendance roster of the Board at all meetings;
- 5) Prepare and send Board and Association correspondence;
- 6) Keep and maintain the records of the Association which shall include, but not be limited to the following:
  - (a) Official minutes and documents of the Association.
  - (b) Member violation complaint log.

- (c) Board Vote log and an Annual Meeting Vote log.
  - (d) Fine log.
  - (e) Correspondence log.
- 7) Shall publish an electronic directory, for those Members who have provided written consent to do so, annually of Members with e-mail addresses, telephone numbers and mailing addresses; and
  - 8) Act as Temporary Secretary at all Homeowners' Association meetings until a Permanent Secretary is elected in accordance with these Bylaws.

E. Treasurer. The Treasurer shall:

- 1) Keep correct and complete books and records of all accounts;
- 2) Make such reports as the Board shall require;
- 3) Make the books and records of the Association, including financial records, open to and reasonably available for examination by an Owner or the Owner's agent;<sup>26</sup>
- 4) Keep an account of all monies received and expended for the use of the Association, and make disbursements authorized by the Board in accordance with approved budget;
- 5) Maintain Association depositories approved by the Board, with funds drawn on signatures of the President, Vice President, or Treasurer in accordance with directives from the Board;
- 6) Provide a report of receipts, assets and liabilities of the Association at all duly organized meetings;
- 7) Prepare an annual budget, report of receipts, disbursements and final balances for the incoming Board;
- 8) Assist the President in the preparation of all necessary filings with any regulatory agencies; and
- 9) Provide Resale Certificates – within ten (10) days of a request, disclosing additional information on Resale Certificates, including all lawsuits to which the Association is a party and all transfer-related fees by amount and payee. Resale Certificates must contain conspicuous notice language, and require that resale certificates include Rights of First Refusal (ROFRs) other than those prohibited by statute, the amount and purpose of any special assessment that has been approved before the Resale Certificate is delivered, lawsuits to which the Association is a party (except for lawsuits relating to unpaid ad valorem taxes) and a statement of all fees associated with a transfer of ownership, including a description of the fee, to whom the fee is paid and the amount. To collect the costs of \$50 of producing the Resale Certificate from the homebuyer, the Association may require advance payment of the fee.<sup>27</sup>

F. Architectural Review Committee (ARC). Three (3) Members at Large shall constitute the Architectural Review Committee established under Article VI of the Declaration of Covenants, Conditions and Restrictions for Quail Creek.

- 7.05 Term of Office. Officers shall serve a term of one (1) year and thereafter until their successors are elected and qualified.
- A. The beginning of an Officer's term:
- 1) Shall coincide with the annual meeting in October; and
  - 2) Immediately following a meeting of Members where an Officer's election has taken place, or
  - 3) In the case of appointment to fulfill an unexpired term, immediately following the appointment at a duly called Regular or Special Board Meeting.
- B. An Officer's term ends:
- 1) Immediately following a meeting of Members where that Officer's election has taken place, or
  - 2) Immediately following a notice of resignation pursuant to Bylaw Subsection 7.09, or
  - 3) In the case of removal from office, immediately following a determination by the Board pursuant to Bylaw Subsection 7.10A.
- 7.06 Remuneration & Reimbursement. A Director or Committee Member shall receive no remuneration for their services as such but shall be entitled to reimbursement for reasonable expenses incurred in connection with Association's affairs in accordance with a Board Policy pursuant to Bylaw Subsection 4.05F.
- 7.07 Qualification. Except as provided in Bylaw Subsection 6.04A, any current Member of the Association is qualified to serve as an Officer.<sup>28</sup>
- 7.08 Election. Members of the Board shall be elected in accordance with Bylaw Subsection 6.04.
- 7.09 Resignation. Any Officer/Director or Committee Member may resign by giving written notice to the President or Secretary.
- 7.10 Removal from Office. Any member of the Board may be removed for the following:
- A. If a Board is presented with written, documented evidence from a database or other record maintained by a governmental law enforcement authority that a Board Member has been convicted of a felony or crime involving moral turpitude, the Board Member is immediately ineligible to serve on the Board of the Association and is automatically considered removed from the Board, and prohibited from future service on the Board.<sup>29</sup>
- B. By majority vote of the Membership at a Special Meeting of the Membership in compliance with Bylaw Subsection 5.03.

## **VIII. MEETINGS OF THE BOARD**

- 8.01 Open Board Meetings.<sup>30</sup> Regular and Special Board Meetings must be open to Members and subject to notification requirements as described herein.
- 8.02 Methods.<sup>31</sup> The Board may meet by any method of communication, including electronic and telephonic, without prior notice to Owners, if each director may hear and be heard by every other director, or the Board may take action by unanimous written consent to consider routine and administrative matters or a reasonably unforeseen emergency or urgent necessity that requires immediate Board action. Any action taken without notice to Owners under Bylaw Subsection



8.07 must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting, and documented in the minutes of the next regular or special Board Meeting.

A. The Board may not, without prior notice to Owners under Bylaw Subsection 8.07, consider or vote on:

- 1) fines;
- 2) damage assessments;
- 3) initiation of foreclosure actions;
- 4) initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety;
- 5) increases in assessments;
- 6) levying of special assessments;
- 7) appeals from a denial of architectural control approval; or
- 8) a suspension of a right of a particular Owner before the Owner has an opportunity to attend a Board Meeting to present the Owner's position, including any defense, on the issue.

8.03 Regular Board Meetings.<sup>32</sup> The Board shall convene not less than monthly, based on a set scheduled day of the month as established during the first regular meeting of a new term, to conduct the business of the Association. As determined by a majority, the Board may alter the regularly scheduled day of the month and change the date of the meeting when conflicts arise.

8.04 Special Board Meetings. Any Director may, with the support of two (2) other Directors, call a special meeting of the Board. Business transacted shall be confined to the purposes stated in the notice of the Special Meeting and are subject to the notice requirements pursuant to Bylaw 8.07.

8.05 Transitional Meeting. The first regular meeting of the Board, following the election of Board Officers, the outgoing officers and committee chairs will meet with incoming officers for a report on status of ongoing events and duties and review of financial reports. Transfer of all Records and property of the Association shall be passed on at this meeting.

8.06 Location.

A. Except for a meeting held by electronic or telephonic means under Bylaw Section 8.02, Board Meetings shall be held in Rockwall County.

B. All meetings shall convene in a location that is convenient and in an environment that is adequate for the Board to convene and deliberate, retire into executive session, as well as interested Members a place to hear and observe the proceedings.

8.07 Notice of Board Meetings.<sup>33</sup> Members shall be given notice of the date, hour, and place, for Regular and Special meetings of the Board.

A. The general subject, including a general description of any matter to be brought up for deliberation in executive session, shall be included.

B. The notice shall be either:

- 1) mailed to each Owner not later than the tenth (10th) day or earlier than the sixtieth (60th) day before the date of the meeting; or

- 2) provided no later than seventy-two (72) hours or earlier than the tenth (10th) day before the beginning of the meeting by:
  - (a) a sign that is placed in a conspicuous manner and reasonably designed at the entrance/exit to the Quail Creek subdivision; and
  - (b) on the Association's website, [www.quailcreekrockwall.org](http://www.quailcreekrockwall.org); and
  - (c) sending the notice by e-mail to each Owner who has registered an e-mail address with the Association.
    - (i) It is an Owner's duty to keep an updated e-mail address registered with the Homeowners' Association.<sup>34</sup>

C. A Member's right to receive notice may be waived in accordance with Bylaw Subsection 4.07.

- 8.08 Quorum of the Board. A majority of the Board (four (4) by count) shall constitute a quorum of Board Members present, either in person, electronically or telephonically.
- 8.09 Voting; Action by Majority. The act or vote of a majority of the Directors present, either in person or by proxy, at which a quorum is present shall be the act or vote of the Board unless the act or vote of a greater number is required by these Bylaws.
- 8.10 Minutes.<sup>35</sup> The Board shall keep a record of each regular or special Board Meeting in the form of written minutes of the meeting.
  - A. The Board shall post meeting records, including approved minutes and a draft of minutes awaiting approval (marked as DRAFT), on the Quail Creek neighborhood website before the next meeting of the Board.

## IX. MISCELLANEOUS

- 9.01 Prohibited Transactions. Tax Exemption: The Association shall not act in ways that constitute a basis for denial of tax exemption under applicable law.
- 9.02 Compliance with Internal Revenue Code. The Association shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws; the Association shall not retain any excess business holdings as defined in Sections 4942C of the Internal Revenue Code of 1954 or corresponding provision of any subsequent Federal tax laws; the Association shall not make any investments on such manner as to subject it to tax under Section 4944 of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws; the Association shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws.
- 9.03 Dissolution. On dissolution, liquidation or winding up of the Association (whether voluntary or involuntary) the net assets shall be distributed as determined by the Association, but only to one or more religious, charitable for educational organization exempt from Federal Income Tax under Section 501(C)[3] of the Internal Revenue Code of 1954, or corresponding provision of any such future law.

## Reference

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- <sup>1</sup> Property Code Title 11, § 209.0041(h) [Added by Acts 2011, 82nd Leg., R.S., Ch. 1217 (S.B. 472), Sec. 2, eff. September 1, 2011].
- <sup>2</sup> Declaration Article I, Section 1.8 [Recorded December 31, 2009]
- <sup>3</sup> Property Code Title 11, § 209.0059 Added by Acts 2011, 82nd Leg., R.S., Ch. 1026 (H.B. 2761), Sec. 3, eff. January 1, 2012.
- <sup>4</sup> Property Code Title 11, § 209.005 Added by Acts 2001, 77th Leg., ch. 926, Sec. 1, eff. Jan. 1, 2002. Amended by: Acts 2007, 80th Leg., R.S., Ch. 1367 (H.B. 3674), Sec. 6, eff. September 1, 2007. Acts 2011, 82nd Leg., R.S., Ch. 1026 (H.B. 2761), Sec. 2, eff. January 1, 2012.
- <sup>5</sup> Required under Property Code Title 11, § 209.0041(m) Added by Acts 2011, 82nd Leg., R.S., Ch. 1217 (S.B. 472), Sec. 2, eff. September 1, 2011.
- <sup>6</sup> Required under Property Code Title 11, § 209.0041(m) Added by Acts 2011, 82nd Leg., R.S., Ch. 1217 (S.B. 472), Sec. 2, eff. September 1, 2011.
- <sup>7</sup> Property Code Title 11, § 209.0051(f) Added by Acts 2011, 82nd Leg., R.S., Ch. 1026 (H.B. 2761), Sec. 3, eff. January 1, 2012.
- <sup>8</sup> Tex. Bus. Org. Code § 6.052(b)
- <sup>9</sup> Property Code Title 11, § 209.014 Added by Acts 2011, 82nd Leg., R.S., Ch. 1026 (H.B. 2761), Sec. 5, eff. January 1, 2012.
- <sup>10</sup> Tex. Bus. Org. Code § 22.155. Such procedures apply to all Texas Subdivision Associations that are incorporated as nonprofit corporations and are in addition to applicable provisions under the Texas Uniform Condominium Act and Chapter 209 of the Texas Property Code.
- <sup>11</sup> Property Code Title 11, § 209.0056 Added by Acts 2011, 82nd Leg., R.S., Ch. 1026 (H.B. 2761), Sec. 3, eff. January 1, 2012.
- <sup>12</sup> Property Code Title 11, § 209.0051(f) Added by Acts 2011, 82nd Leg., R.S., Ch. 1026 (H.B. 2761), Sec. 3, eff. January 1, 2012.
- <sup>13</sup> Property Code Title 11, § 209.0058(a) Added by Acts 2011, 82nd Leg., R.S., Ch. 1026 (H.B. 2761), Sec. 3, eff. January 1, 2012.
- <sup>14</sup> Property Code Title 11, § 209.0058(c) Added by Acts 2011, 82nd Leg., R.S., Ch. 1026 (H.B. 2761), Sec. 3, eff. January 1, 2012.
- <sup>15</sup> Property Code Title 11, § 209.0058(b) Added by Acts 2011, 82nd Leg., R.S., Ch. 1026 (H.B. 2761), Sec. 3, eff. January 1, 2012.
- <sup>16</sup> Property Code Title 11, § 209.00594(a) Added by Acts 2011, 82nd Leg., R.S., Ch. 1026 (H.B. 2761), Sec. 3, eff. January 1, 2012. Amended by: Acts 2013, 83rd Leg., R.S., Ch. 1062 (H.B. 3176), Sec. 1, eff. June 14, 2013
- <sup>17</sup> Property Code Title 11, § 209.00594(b) Added by Acts 2011, 82nd Leg., R.S., Ch. 1026 (H.B. 2761), Sec. 3, eff. January 1, 2012. Amended by: Acts 2013, 83rd Leg., R.S., Ch. 1062 (H.B. 3176), Sec. 1, eff. June 14, 2013
- <sup>18</sup> Property Code Title 11, § 209.0058(b) Added by Acts 2011, 82nd Leg., R.S., Ch. 1026 (H.B. 2761), Sec. 3, eff. January 1, 2012.
- <sup>19</sup> Property Code Title 11, § 209.00591(b) Added by Acts 2011, 82nd Leg., R.S., Ch. 1217 (S.B. 472), Sec. 2, eff. January 1, 2011.
- <sup>20</sup> Property Code Title 11, § 209.0058(c) Added by Acts 2011, 82nd Leg., R.S., Ch. 1026 (H.B. 2761), Sec. 3, eff. January 1, 2012.

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<sup>21</sup> The duly elected members of the ARC are considered to be full voting members of the Board and therefore may participate in the Board vote for the ARC Chairman when either two or all three tie for the most votes during the election at the Meeting of the Membership.

<sup>22</sup> Property Code Title 11, § 209.0041(h) Added by Acts 2011, 82nd Leg., R.S., Ch. 1217 (S.B. 472), Sec. 2, eff. September 1, 2011.

<sup>23</sup> Declaration Article IV [Recorded December 31, 2009]

<sup>24</sup> Declaration Article IV, Section 4.3 [Recorded December 31, 2009]

<sup>25</sup> Declaration Article IV, Section 4.5 [Recorded December 31, 2009]

<sup>26</sup> Property Code Title 11, § 209.005 Added by Acts 2001, 77th Leg., ch. 926, Sec. 1, eff. Jan. 1, 2002. Amended by: Acts 2007, 80th Leg., R.S., Ch. 1367 (H.B. 3674), Sec. 6, eff. September 1, 2007. Acts 2011, 82nd Leg., R.S., Ch. 1026 (H.B. 2761), Sec. 2, eff. January 1, 2012.

<sup>27</sup> 207.003 Property Code Title 11, § 207.003 Added by Acts 2011, 82nd Leg., R.S., Ch. 1142 (H.B. 1821), Sec. 5, eff. January 1, 2012.

<sup>28</sup> Property Code Title 11, § 209.00591(a) Added by Acts 2011, 82nd Leg., R.S., Ch. 1217 (S.B. 472), Sec. 2, eff. January 1, 2011.

<sup>29</sup> Property Code Title 11, § 209.00591(b) Added by Acts 2011, 82nd Leg., R.S., Ch. 1217 (S.B. 472), Sec. 2, eff. January 1, 2011.

<sup>30</sup> Property Code Title 11, § 209.0051 Added by Acts 2011, 82nd Leg., R.S., Ch. 1026 (H.B. 2761), Sec. 3, eff. January 1, 2012.

<sup>31</sup> Property Code Title 11, § 209.0051(h) Added by Acts 2011, 82nd Leg., R.S., Ch. 1026 (H.B. 2761), Sec. 3, eff. January 1, 2012.

<sup>32</sup> Property Code Title 11, § 209.0051(c) Added by Acts 2011, 82nd Leg., R.S., Ch. 1026 (H.B. 2761), Sec. 3, eff. January 1, 2012.

<sup>33</sup> Property Code Title 11, § 209.0051(e) Added by Acts 2011, 82nd Leg., R.S., Ch. 1026 (H.B. 2761), Sec. 3, eff. January 1, 2012.

<sup>34</sup> Property Code Title 11, § 209.0051(f) Added by Acts 2011, 82nd Leg., R.S., Ch. 1026 (H.B. 2761), Sec. 3, eff. January 1, 2012.

<sup>35</sup> Property Code Title 11, § 209.0051(d) Added by Acts 2011, 82nd Leg., R.S., Ch. 1026 (H.B. 2761), Sec. 3, eff. January 1, 2012.

<sup>35</sup> Property Code Title 11, § 209.0051(h) Added by Acts 2011, 82nd Leg., R.S., Ch. 1026 (H.B. 2761), Sec. 3, eff. January 1, 2012.

<sup>35</sup> Property Code Title 11, § 209.0051(g) Added by Acts 2011, 82nd Leg., R.S., Ch. 1026 (H.B. 2761), Sec. 3, eff. January 1, 2012.

<sup>35</sup> Property Code Title 11, § 209.0051(c) Added by Acts 2011, 82nd Leg., R.S., Ch. 1026 (H.B. 2761), Sec. 3, eff. January 1, 2012.