

***BY-LAWS OF THE
LOCH NESS COVE CIVIC ASSOCIATION***
Willis, Montgomery County, Texas

ARTICLE I. NAME AND PURPOSE

- 1.0 NAME:** The name of the organization shall be Loch Ness Cove Civic Association, hereafter referred to as the Association. It should be a nonprofit organization.
- 1.1 GOVERNANCE:** The by-laws shall govern the Association and its members and facilitate the fulfillment of the purposes provided in these by-laws.
- 1.2 PURPOSE:** The purpose of the Association is to manage all matters associated with the easements, drainage, and neighborhood park and boat ramp including the assurance of the use of the park and boat ramp to Loch Ness Cove property owners, residents and guests for the duration of the existence of Loch Ness Cove Subdivision.

ARTICLE II. MEMBERSHIP

- 2.1 ELIGIBILITY FOR MEMBERSHIP:** All property owners in the Loch Ness Cove Subdivision are automatically members.
- 2.2 HONORARY MEMBERSHIP:** Honorary membership may be obtained with a majority vote of members with voting rights. Honorary membership includes the same access as regular members for one year from the date of membership with the exception of voting rights. Honorary members are not eligible to vote on any matter put forth by the Association.
- 2.3 ANNUAL DUES:** Membership and dues are mandatory. The amount for annual dues shall be determined by the Board Members of the Association. Annual dues are assessed per lot and include the duration from January 1 until December 31 of each year. Annual dues are due on January 31st of each year for the current year. Annual dues may be paid out over an agreed period of time, with no late fee, if requested by the property owner.
- 2.4 CHANGES TO ANNUAL DUES:** Changes to the annual dues exceeding 20% of the previous year's dues require a majority vote of all members in good standing. Increases of annual dues may not exceed more than 20% from the current rate unless a majority vote (51%) of all members in good standing is received.
- 2.5 NON-PAYMENT:** While every effort will be made to accommodate financial hardships, ultimately the annual fees are due by January 31st. Late fees may be charged for payments received after due date, unless an agreed payment plan is in place. Non-payment will result in a late fee of \$50 and possibly a vendor's lien filed with Montgomery County at the expense of the property owner, including all expenses and/or costs associated with filing said lien. In addition, interest will be applied to all dues from the point of the first due date.
- 2.6 PRIVILEGES:** Property owners in good standing will be entitled to full membership privileges for one year from January 1 to December 31.
- 2.7 VOTING RIGHTS:** Property owners in good standing shall be entitled to one vote in all Association elections extended to members excluding situations reserved or restricted to Officers only.
- 2.8 TERMINATION OF VOTING RIGHTS:** Voting rights may automatically be terminated with default of payment of the annual Association dues or fees.
- 2.9 RESIGNATION OFFICER:** Any Officer may resign by filing a written resignation with the Secretary of the Association.

ARTICLE III. OFFICERS

3.1 OFFICERS: The Association shall consist of a minimum of three Officers which will include a President, Treasurer and Secretary. In addition, to the minimum requirement, two additional officers may be added as needed to include: Vice President and Community Events Officer (or other position title). The Officers may not be limited to the duties of offices as stated.

3.2 ELECTION OF OFFICERS: Officers are property owners in Loch Ness Cove Subdivision and are unpaid volunteers.

Initial Officers of the Association are volunteers who have been appointed by the Civic Association founder(s) and will serve on the Board through the entire process of transferring the park/boat launch, easements and any other assets from the Developer. In addition, the initial Officers will serve on the Board after the transition of said assets to the Association for a reasonable amount of time until the first official election is held.

For purposes of continuity, the Treasurer and Secretary should not be changed over by election or otherwise during the same year with the exception of violation of these By Laws to which the Association is governed.

Hereafter, annual elections will be held. Annual elections will include both the (Secretary and President) or (Treasurer and Vice President) or any combination excluding the Secretary and Treasurer in the same year. The (Community Events Officer) may be up for election annually.

Example Only: The combination of Secretary and Treasurer may be paired with either the President or Vice President as desired:

- First election: (2-year term): Treasurer, Vice President, Community Events Officer
 - Note: the first election may not include the Secretary or President
- Second election, the following year: (2 year term): Secretary, President, Community Events Officer
 - Note: the second election may not include the Treasurer or Vice President
- Third election: Repeat the “First election” ballot
- Fourth election: Repeat the “Second election” ballot
- Each year hereafter alternating election ballots will be repeated.

3.3 QUALIFICATION OF OFFICERS: Candidates for Officers align with the *Texas State Law Library “Property Owners’ Associations – Board of Directors”* guidance and include the following:

- Officers must be property owners while serving on the Board
- Officers must be in good standing on all dues/fees
- The majority of board members must live in the subdivision
 - If 5 Board Members, a minimum of 3 must live in the subdivision
 - If 4 Board Members, a minimum of 3 must live in the subdivision
 - If 3 Board Members, a minimum of 2 must live in the subdivision
- Two Board Members cannot reside at the same household while serving on the Board
- Candidates must not have a felony within the past 20 years

3.4 TERM OF OFFICE: Initial Officers serve from the date the Association was established on October 11, 2022, and shall serve through the transition from the Developer and afterwards for a reasonable time period until the first election is held. Hereafter, Officers shall serve a two-year (24 month) term.

3.5 DUTIES OF OFFICERS: The duties of the Officers are as follows:

3.4.1 PRESIDENT: Shall be the principal executive officer of the Association and shall preside over all meetings, represent the Association on public occasions, and make such committee appointments from the membership as

shall be deemed advisable for the effective conduct of the work of the Association. The President may delegate duties as needed to other Officers.

- 3.4.2 **VICE PRESIDENT:** If filled, shall assist the President as requested and represent the Association on appropriate occasions. The Vice President shall also, in the absence or disability of the President, perform the duties and exercise the powers of the President of the Association and may delegate duties as needed to other Officers.
 - 3.4.3 **TREASURER:** Shall collect, safeguard, disburse and make periodic reports of all funds collected in the name of the Association and other activities as needed.
 - 3.4.4 **SECRETARY:** Shall keep attendance records and record the proceedings of all meetings, maintain adequate records of the Association activities, and conduct such official correspondence as required.
 - 3.5.4 **COMMUNITY EVENTS OFFICER: (Optional):** Shall coordinate efforts for community events, volunteer planning, and neighborhood beautifications or improvements. May organize or provide guidance on grant applications or other civic activities.
- 3.6 **OBLIGATION:** Unless authorized, no officer shall have any power or authority to bind the Association by any contract or engagement, to pledge its credit, or to render it liable monetary for any purpose or in any amount.
 - 3.7 **VACANCIES AND REMOVAL FROM OFFICE:** Any officer may be removed by a majority vote of the other Officers and/or members of the Association (excluding the officer to be removed). Upon the death, removal, resignation, or incapacity of an officer of the Association, the sitting officers may appoint a temporary replacement (*as described in Section 3.3 TERMS OF OFFICE*) to serve until the next annual election.
 - 3.8 **MANAGEMENT:** The Association shall be managed by the Officers so appointed until, elected, with powers consistent with these by-laws.

ARTICLE IV. MEETINGS OF MEMBERS

- 4.1 **PLACE OF MEETINGS:** Meetings of the officers and members shall be held at any place selected.
- 4.2 **REGULAR MEETINGS:** Regular meetings of the officers shall be held annually at a minimum and may be held more frequently as the Board Members determines the need. The location may be agreed upon by the Board Members with no restrictions.
- 4.3 **ANNUAL MEETING:** Annual meeting of the members shall be held at least one time during a fiscal year. The President can call a meeting for the subdivision members as the board deems necessary and by the fourth quarter of the fiscal year for elections of officers. Members of the Association shall elect officers of the Association annually as defined in section 3.2 Election of Officers. If an annual meeting has not been called eighteen (18) months after the previous annual meeting, any member may call an annual meeting for the purpose of such elections.
- 4.4 **SPECIAL MEETINGS:** Special meetings of the Members may be called by the President, a majority of the Officers of the Association, or by twenty-five percent [25%] of the members entitled to vote.
- 4.5 **NOTICE OF MEETINGS:** A notice of the annual meeting, stating the place, day, and time shall be given by the Secretary or by the person(s) authorized to call the meeting to each member of record entitled to vote at the meeting. This notice shall be given at least fourteen [14] days before the date named for the meeting, with the exception of (if applicable) regular monthly meetings for which, once a firm date, time and place have been publicized to all the members by mail, no further notice shall be required.
- 4.6 **QUORUM:** The Members present at any properly announced meeting intended for all members shall constitute a quorum of a minimum of 25% at such meeting to ensure a quorum.

ARTICLE V. VOTING

- 5.1 VOTING:** Matters presented to members, excluding votes reserved for Officers, shall be decided by a majority vote of members via in-person and/or mail-in ballots.
- 5.2 VOTING BY MAIL:** Where Officers are to be elected or any other election is to be made by the members whereas a count of the votes of all the members may be desired, the election may be conducted by mail or by distribution ballot in such manner as the Officers of the Association shall determine advisable.

ARTICLE VI. COMMITTEES.

- 6.1 AUTHORIZATION TO ESTABLISH COMMITTEES.** The Association may establish committees as deemed necessary to pursue its stated objectives.
- 6.2 COMMITTEE MEMBERS:** Committee Leads may be appointed by a majority vote of the current Officers. Members of committees may be volunteers and/or selected by the Committee Lead.

ARTICLE VII. FINANCES.

- 7.1 EXPENDITURES:** Expenditure of funds outside of maintenance or repairs, exceeding \$1,000.00 must be approved by a majority of property owners (example: storage shed, birdhouse or swing set, etc...). Funds spent for the intended purpose of maintenance and repairs for the park, boat launch or any easement and normal operating expenses such as postage, paper, printing of newsletters, association notices or office needs, or other considerations of importance deemed necessary by the board are considered part of the maintenance fees.
- 7.2 FINANCIAL REPORTS:** Financial reports shall be prepared by the Treasurer and presented to the Officers at annual meetings and will be included in member communications determined by the Association in the form of newsletter, website or other types of platforms at a minimum of annually. Financial reports will be available by email as requested by a member in good standing with the Association.

ARTICLE VIII. AMENDME

- 8.1 PROCEDURE:** The Associations by laws may be amended by a majority vote of Officers.

ARTICLE IX. NON-COMPLIANCE WITH BYLAWS.

- 9.1 NON-COMPLIANCE PENALTIES:** Noncompliance with the by-laws of the Association may result in termination of Office and/or access to amenities.

ARTICLE X. ETHICS

- 10.1 CONFLICT OF INTEREST:** Any member of the board who has a financial, personal, or official interest in, or conflict (or appearance of a conflict) with any matter pending before the board, of such nature that it prevents or may prevent that member from acting on the matter in an impartial manner, will offer to the board to voluntarily excuse him/herself and will vacate his seat and refrain from discussing and voting on said item.
- 10.2 CODE OF CONDUCT:** Officers must, at all times, comply with all applicable laws and regulations. The organization will not condone the activities of Officers who achieve results through violation of the law or unethical business dealings. This includes any payments for illegal acts, bribery, harassment, bullying or other unethical behavior.

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