

Adopted September 11, 2014

BYLAWS

OF

THE HIGHLANDS NORTH HOMEOWNERS' ASSOCIATION, INC.

(A Non-Profit, Non-Stock Texas Corporation)

1. PURPOSE:CHARTER PROVISION

1.1. **PURPOSES:** The general purpose of the Highlands North Homeowners' Association (the "Association") is the promotion of the common good and general welfare of the homeowners in the area of Plano, Texas, bound by Park Boulevard, Eden Valley, 15th street--FM 544 (Norman Whitsett Parkway), and Nest (hereinafter referred to as the "Highlands North Community"). More specifically, the purpose of the Association is the bringing about of civil betterment and social improvement of the community through the following activities:

- A. Preserve and beautify community property in cooperation with local government;
- B. Prevent physical deterioration of the community;
- C. Promote public safety and crime prevention in the community;
- D. Publish a community newsletter as needed;
- E. Sponsor public meetings of community residents;
- F. Sponsor activities for community residents
- G. Review zoning and public school matters affecting the community;
- H. Encourage community residents to maintain their property;
- I. Any other activities, not inconsistent with the Texas Non-Profit Corporation Act or those sections of the Internal Revenue Code of 1954 relating to tax exempt organizations, designed to enhance the common good and general welfare of the Highlands North Community.

1.2. **NON-PROFIT CHARTER:** The Association shall be organized and operated exclusively for non-profitable purposes. No part of the income of the Association shall be distributable to its members, directors or officers.

1.3. ACTIVITIES:

- A. The Association shall remain non-partisan and non-political at all times. The corporation shall never participate or intervene, either directly or indirectly in any political campaign on behalf of or in support of any candidate for public office.
- B. The Association may coordinate individual or group action before local legislative and administrative agencies with respect to zoning, traffic and parking regulations, property tax valuation, public schools, and similar matters.
- C. The Association shall not be operated primarily as a social club for the benefit, pleasure or recreation of its members.
- D. The Association shall not engage in activities directed to exterior maintenance of private residences. However, the provision shall not prohibit activities of the Association designed to encourage community residents to maintain the exteriors of their residences.

2. MEMBERS

2.1. **MEMBERSHIP:** All Homeowners, regardless of sex, race, national origin or religion residing in the Highlands North Community shall be considered members of this Association. In addition, any individuals or entities owning homes (but not apartments) within the Highlands North Community and not residing therein, and who shall request membership in the Association, shall also be considered members of the Association. Any adult person residing and renting but not owning a home in the Highlands North Community and who requests membership in the Association shall also be considered a member of the Association.

2.2. **VOTING PRIVILEGES:** Each member of the Association shall be entitled to cast one (1) vote on any matter of business which is put to a vote of the members; provided, however, any individual or entity owning a home or homes in the Highlands North Community but not residing there shall have only one vote regardless of the number of homes they own or the number of individuals owning interests in those homes. Voting by proxy is hereby expressly denied. Provided, however, that failure of any member to pay his or her annual dues at the beginning of each fiscal year shall cause those members who are delinquent in said payments to forfeit all discussion and voting privileges concerning the expenditure of Association funds, until such time those dues are paid. The failure of any member to pay his or her annual dues shall not cause that member to lose his or her membership or other privileges incidental thereto in this Association, with the sole exception of discussion and voting privileges concerning the expenditure of funds as previously mentioned.

3. BOARD OF DIRECTORS AND OFFICERS

3.1 **COMPOSITION OF THE BOARD:** The Board of Directors shall be composed of eight (8) members elected at the annual meeting of the Association.

- A. The four (4) Officers of the Association.
- B. The three (3) At Large Directors elected from the General Membership, and
- C. The immediate Past President, who shall be a non-voting member of the Board

3.2 **GENERAL OFFICERS:** There shall be four (4) Officers of the Association elected at the annual meeting of the Association. The Officers shall be composed of:

- A. The President
- B. The Vice President
- C. The Secretary; and
- D. The Treasurer

3.3 **ELIGIBILITY:** Any member who is current in his or her dues shall be eligible for nomination and election as an Officer or Director provided, however, a duly elected Director shall not be elected and serve two (2) consecutive terms as a Director, and a duly elected Officer shall not be elected and serve two (2) consecutive terms in the same office. This limitation shall not apply to any Officer or Director who is appointed to fill a vacancy during an unexpired term, and such Officer and Director may be nominated and elected to the same position in the following term.

3.4 **NOMINATIONS:**

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- A. A Nominating Committee, consisting of the President and two other members chosen by the Board shall nominate at least one (1) person for each of the four Officer positions and at least three (3) persons for the At Large Directors.
- B. All nominations shall be announced in the newsletter published immediately preceding each annual meeting. Provided, however, that nothing in these Bylaws shall prohibit additional nominations from the floor during the annual meeting.
- C. The Secretary shall be responsible for preparation, distribution, collection and counting of ballots during the election at the annual meeting.

3.5 **VOTING:**

- A. At each annual meeting, the Secretary shall present a prepared ballot listing thereon all nominees for the Board of Directors and Officers as well as blank spaces for the names of additional nominees who may be nominated from the floor.
- B. OFFICERS: Each nominee for each office who receives a simple majority of the total votes cast for that particular office shall be duly elected to that particular office. Provided, however, that in those instances in which two or more nominees for that same office receive an equal number of votes, an additional ballot or ballots containing only those nominees receiving an equal number of votes shall be necessary in order to fill the position or positions which have not been previously filled.
- C. AT LARGE DIRECTORS: The three (3) nominees receiving the largest number of votes on the first ballot shall be declared duly elected to the positions of Directors. Provided, however, that in those instances in which two or more nominees receive an equal number of votes and three At Large Directors cannot be elected, an additional ballot or ballots containing only those nominees receiving an equal number of votes shall be necessary in order to fill the position or positions which have not been previously filled.

3.6 **TERM OF OFFICE:** The term of office of each Officer and Director shall be from the date of their election or appointment through and including the date of the next annual meeting following their election or appointment.

3.7 **AUTHORITY OF BOARD OF DIRECTORS:** The Board shall manage and direct the affairs of the Association.

3.8 **AUTHORITY OF OFFICERS:** In addition to their duties as Directors of the Association, the Officers shall have the additional duties and powers:

- A. The **President** shall be the Chief Executive Officer. He/she shall see that all orders and resolutions of the Board including those requiring the approval of the members are carried into effect. The President shall be an ex-officio member of all standing and special committees. It shall be the duty of the President to preside at all meetings of the Association, to conduct the meetings in an efficient and business-like manner, to call special meetings of the Association and to perform such other duties as pertain to his/her office.
- B. The **Vice President** shall serve in the place of the President whenever necessary and shall be responsible for the preparation of the annual budget for presentation to the Board of Directors.
- C. The **Secretary** shall keep minutes of the proceedings of the Association, Board, and of Committees having any authority of the Board, and a record of the names and addresses of persons entitled to vote. In addition, the Secretary shall attend to all

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correspondence and shall be responsible for seeing that notice is given the members of any special meetings and all annual meetings. The outgoing Secretary shall, within ten (10) days after the close of his term of office, turn over to the newly elected Secretary all records of the Association in his/her custody.

- D. The **Treasurer** shall keep correct and complete books and records of account and shall make such reports as the Board shall require. It shall be the duty of the Treasurer to receive, hold and disburse all funds, and to make a report thereof at each regular meeting, provided, however, all disbursements must be approved by at least two (2) officers. The Treasurer shall assist the Vice President in preparation of the annual budget for presentation to the Board of Directors. The outgoing Treasurer shall, within ten (10) days after the close of his/her term of office, turn over to the newly elected Treasurer all monies and records of the Association in his/her custody.
- E. In general, the Officers have such authority and duties as are given by these Bylaws and as the Board shall, from time to time, determine.

3.9 **MEETINGS OF BOARD OF DIRECTORS**

- A. **PLACE OF MEETINGS:** The President shall determine the times and places in which the Board shall meet. Reasonable notice shall be given.
- B. **ANNUAL MEETING:** The Board shall hold an annual meeting following the annual meeting of the members.
- C. **SPECIAL MEETINGS:** Special Meetings of the Board may be called by the President on reasonable notice to each Director. Except as may be otherwise expressly provided by statute, or by the Articles of Incorporation, or by these Bylaws, neither the business to be transacted at, nor the purpose of any special meeting need be specified in a notice or waiver of notice.
- D. The President shall preside at meetings of the Board. In the absence of the President, the next ranking Officer shall assume the authority and duty of the President.

3.10 **QUORUM: ACTION BY MAJORITY:** A majority of the voting members of the Board of Directors shall constitute a quorum. The act or vote of a majority of the Directors present at a meeting in which a quorum is present shall be the act or vote of the Board. Each Director, other than the immediate past President, shall have one vote, exercisable in person only. Provided, however, nothing herein shall authorize the Board to act in a manner inconsistent with the authority granted thereto by these Bylaws.

4. **STANDING COMMITTEES**

4.1 **COMMUNITY BEAUTIFICATION AND PRESERVATION COMMITTEE:** Within one (1) month immediately following their election, the incoming Board shall appoint and notify a Chairman and at least two (2) additional members who shall constitute the Community Beautification and Preservation Committee. All members of this Committee shall serve a term of one (1) year and thereafter until their successors are appointed and qualified. They may serve consecutive terms. The Committee shall implement and coordinate methods of preserving, beautifying and improving community property.

4.2 **MEMBERSHIP COMMITTEE:** Within one (1) month immediately following their election, the incoming Board shall appoint and notify at least two (2) additional members who shall constitute the Standing Committee on Membership. All members of this Committee shall serve a term of one (1) year and thereafter until their successors are appointed and qualified. They may serve consecutive terms. The Committee shall:

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- A. Maintain at all times, a current list, including names, addresses and **contact information** for all members and be so organized as to provide a thorough and prompt contact system.
- B. Invite new residents of the Highlands North Community to the meetings of the Association.

4.3 SECURITY COMMITTEE: Within one (1) month immediately following their election, the incoming Board shall appoint and notify a Chairman and at least two (2) members who shall constitute a Security Committee. All members of this Committee shall serve a term of one (1) year and thereafter until their successors are appointed and qualified. They may serve consecutive terms. The Committee shall, in cooperation with the local law enforcement agencies, promote the safety and security of the Highlands North Community by:

- .1 Providing information to the residents of the community concerning crime prevention and safety, and
- .2 Encouraging residents of the community to cooperate in efforts to promote safety and reduce crime.
- .3 **OTHER COMMITTEES:** The Board shall have the authority to create such other committees, composed of at least three (3) members, one of whom is Chairman, to carry out the purpose of the Association.

5. FINANCES

5.1 FUNDS: The Association shall be authorized to raise funds by dues, solicitations, benefits, lectures, exhibits, and other legitimate methods not inconsistent with the corporation's status as either a non-profit corporation or tax-exempt organization.

- A. **ANNUAL DUES:** The amount of the annual dues per household shall be determined each year in the following manner:

- 1. At its annual meeting the Board of Directors shall approve an annual budget for the coming fiscal year. The fiscal year shall run from **October 1** of the then current year to the last day of **September** of the following year. The annual budget shall list proposed expenditures, estimated income, and the amount of annual dues per household required to meet the excess, if any of the proposed expenditures over estimated income. Provided, however, no major expenditure of funds may be made without the approval of the members.
- 2. The annual dues so determined shall be due and payable each year.
- 3. Homeowners who move into the Highlands North Community during the last fiscal quarter of the Association shall be considered as guests of the Association and not required to pay any annual dues for that particular fiscal year.
- 4. All dues shall promptly be delivered to the Treasurer upon collection. The Treasurer shall prepare and submit to the President a list of all homeowners in the Highlands North Community **on a regular basis**, indicating thereon those families who have paid their annual dues for the **current** fiscal year.

5.2 GIFTS: The Association shall be authorized to receive gifts, legacies, and bequests (for general or specified purposes), subject to the approval of the Board.

5.3 RESERVES: ENDOWMENT FUNDS The Board of Directors, providing the requisite members have approved, may create reserves for such purposes as it shall think beneficial to the Association, and may abolish the reserves in the manner created. The Board, providing the

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requisite members have approved, may create endowment funds, to assure the future success and purposes of the Association, in amounts and at times it deems feasible.

6. MISCELLANEOUS

6.1 FISCAL YEAR: The fiscal year shall begin on **October 1** and end on the last day of **September**.

6.2 PUBLICATION: The Association shall have a newsletter as the official publication of the Association. The incoming Board shall appoint an Editor within one (1) month following the Board's election to office. The Editor shall serve a term of one (1) year and thereafter until his successor is appointed. An Editor may serve consecutive terms. The Editor shall appoint a staff to assist in the reporting of the community news and in the distribution of the publication. Provided, however, that the newsletter shall remain non-partisan and non-political at all times and shall never participate, directly or indirectly, in any political campaign on behalf of or in support of any candidate for public office.

6.3 VACANCIES: In the event that a vacancy occurs in any office or on the Board of Directors for any reason, including, but not limited to death, resignation, or removal from the Highlands North Community, the Board of Directors shall appoint a successor who shall serve in such appointed capacity until this successor is elected at the next annual meeting. Provided, however, that any member who fills a vacancy in an unexpired term shall not lose his eligibility for election to such office or position on the Board of Directors for the ensuing term.

6.4 MEETINGS: Regular meetings of the Association shall be held as decided by the Board of Directors. **An annual meeting of the Association shall be held in September for the election of Officers and Directors.** Except as otherwise provided, the condensed version of Roberts Rules of Order shall govern and control in the conduct of all meetings.

6.5 QUORUM: A quorum necessary to transact business of the Association and to approve the Board's recommendations and requests at all regular and special meetings shall consist of **eleven (11) members**.

6.6 AMENDMENTS: Any amendment to these Bylaws shall necessitate a two-thirds vote of the members present, provided the quorum requirement has been satisfied. Amendment to these Bylaws may be considered at any meeting but must be voted on at the next following regular meeting.

6.7 PROHIBITED TRANSACTIONS: The Association shall not do any act which shall constitute a basis for denial of its status as a non-profit and /or tax exempt organization under applicable law.

6.8 DISSOLUTION: In the event of dissolution or winding up of the Association, whether voluntary or involuntary, the net assets after payment of all claims and expenses shall be **distributed to the Plano Parks and Recreation Department**.

6.9 REMUNERATION: **REIMBURSEMENT** A Director, Officer and/or Committee member shall receive no remuneration for his services as such but shall be entitled to reimbursement for actual, reasonable expenses incurred by him in connection with the Association's affairs.

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6.10 WAIVER OF NOTICE: Whenever any notice is required to be given to any person, a waiver thereof in writing signed by such person, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

6.11 RESIGNATION: Any Director, Officer and/or Committee member may resign by giving notice to the President or the Secretary.

6.12 EMPLOYEES: The Board of Directors, subject to approval by the members, shall hire any employees that may be needed, and shall fix the terms of employment and compensation.

These Bylaws of the Highlands North Homeowners Association, Inc. are set in motion as of the signatures and dates below:

DATE: _____

APPROVING BOARD SIGNATURES:

Kathy Forisha, President
4116 Hampshire _____

Barbara Case, Vice President
4104 Whippoorwill _____

Jim Smiddy, Secretary
4212 Prospect Lane _____

Mary Margaret McDonald, Treasurer
4217 Cassandra Lane _____