**Blue Lake Property Owners Association – Bylaws**

As Amended July 5, 1997

As Amended July 2, 2011

As Amended April 23, 2016

As Amended July 2, 2016

**ARTICLE I: Functions of the Corporation**

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| **Section** | **1.** | Blue Lake Estates Property Owners Association, Inc. was formed for the purpose of protecting the personal and property rights of all members and their families and guests; for the purpose of promoting the safety and welfare of all members, families, and guests; and for the rendering of such services as the Officers and Directors shall deem practical and appropriate to the general welfare and within the limitations set forth in the Articles of Incorporation. | |  |
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| **Section** | **2.** | |  |  | | --- | --- | | To properly carry out the purposes enumerated in Section 1, the Corporation may, at the discretion of its Board of Directors, perform any or all of the following activities, the exercise of which shall be deemed to be within the scope of activities contemplated by the Articles of Incorporation:  **A.** Handle the collection of the annual assessment of the maintenance funds, which assessment is a lien running with the land of each property owner.  **B.** Provide for the security of the subdivision and the protection of the rights and properties of each member by arranging for police and fire protection.  **C.** Administer and disburse the maintenance fund as well as other resources, to provide for the maintenance and improvement of piers, parkways, and other dedicated areas.  **D.** Provide for the care of vacant, unimproved, and unkept lots by removing and destroying grass, weeds, rodents, snakes, and other pests; and perform such other services as in the judgment of the Board may be necessary and proper to protect the health and safety of the members and to keep the area neat, clean, and in good order.  **E.** Enforce charges, restrictions, conditions, and covenants existing upon and created for the benefit of any property for which this Corporation renders service, and pay any and all expenses incident thereto, including court costs and attorney’s fees.  **F.** Negotiate and administer contracts for any of the services the Corporation renders, is authorized to render, or for which it is responsible; and for any function or service deemed by the Board to be in the best interest of a majority of members.  **G.** Perform such other functions as are deemed necessary and expedient to the promotion of the welfare of the Blue Lake Estates property owners generally, including, but not limited to, the issuance of building permits and maintenance of architectural control to ensure conformance with the restrictive covenants, and overs the operation of the Blue Lake Golf Course and the Blue Lake Tennis Courts.  **H.** Acquire by donation, gift, purchase or other means, and own, hold, enjoy, lease, operate, maintain, convey, sell, transfer, mortgage, or otherwise encumber, dedicate for public use, or otherwise dispose of real or personal property of any kind.  **I.** Provide the necessary financial support of the Corporation’s operation through mailing and accounting for the annual assessment on each lot or on each aggregate of not more than two adjoining lots having one common owner, and through the encumbrance of the assessment by borrowing money. |  | |  |  | | |

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| **Section** | **3.** | The activities and services of the Corporation shall be available to all property owners of Blue Lake Estates located in Llano County, Texas. |

**ARTICLE II: Membership**

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| **Section** | **1.** | The members of the Corporation shall be all persons, or entities, who are owners of real property in Blue Lake Estates. Those whose annual assessments are fully paid shall be considered as full voting members for all purposes. Those whose assessments are not fully paid shall receive only those voting rights set out in the restrictive covenants. Should any dispute arise as to whether a property owner is delinquent in payment of his annual assessment, the question shall be determined by the Board of Directors, and its decision shall be final. |
| **Section** | **2.** | A husband and wife, joint tenants, or tenants in common, or any entity owning property in Blue Lakes Estates, shall be counted as only one member, regardless of the number of lots owned or the size of the assessment paid. |

**ARTICLE III: Meetings of the Membership**

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| **Section** | **1.** | There shall be an annual meeting of the membership on a Saturday between May I and August I of each year, at a time and place to be designated by the Board of Directors, provided that the specific place shall be within a thirty mile radius of Blue Lake Estates. |
| **Section** | **2.** | A special meeting of the membership may be called by the President of the Corporation, the Board of Directors, or by any group of members holding not less that 10% of the votes entitled to be cast at such meeting. |
| **Section** | **3.** | Notice of any meeting of the membership, whether a regular annual meeting or a special called meeting, shall be written and shall state place, day and hour of the meeting, whether it is a regular or special meeting, and if the latter, the reason for which the meeting is called. The notice shall be delivered or mailed at least fourteen (14) days prior to the meeting. |
| **Section** | **4.** | All costs incurred by the Association in connection with special meetings called by an aggregation of the membership other than the Board of Directors, shall be borne by the members petitioning for such assembly. Further, the notices shall not be delivered unless the petition is in writing, and until the funds to cover the estimated cost of such processing have been deposited by petitioners with the Board of Directors, the President or the Treasurer. |
| **Section** | **5.** | At any meeting of the membership, the vote of a majority of the votes entitled to be cast by the members present, or represented by proxy, shall be the act of the members meeting and shall bind the Corporation to the determination, subject to the Articles of Incorporation and to the law. For issues which have been defined in advance notices, ballots in writing may be submitted to the Secretary or the President and counted if received no later than the third day prior to the meeting date. |
| **Section** | **6.** | At any meeting of the membership, the presence of each member and the existence of any proxy authorizations shall be filed with the Secretary or other corporate officer- recording events. |
| **Section** | **7.** | At the option of the Board of Directors, a mail ballot may be submitted to the membership in lieu of a special called meeting. A majority of the mail ballots voted on any question submitted, shall be the act of the members of the Corporation. |

**ARTICLE IV: The Board of Directors**

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| **Section** | **1.** | The Corporation shall be managed by a Board of Directors consisting of five members duly elected to such Board. The Board, or any member thereof, may be recalled by a two-thirds (2/3) majority of the membership present at any general meeting or a special meeting called for that purpose. (Adopted April 16, 2016) |
| **Section** | **2.** | At the annual meeting of the membership in 2016, and on every even numbered year thereafter, two Directors shall be elected to the Board by a plurality of the vote of the membership voting to succeed those whose terms expire. Similarly, at the annual meeting of 2017, and on each odd numbered year thereafter, three Directors shall be elected to the Board by a plurality of the vote of the membership voting. A member may cast only one vote for any given nominee. In the event of a tie among the nominees, the issue shall be resolved by the flip of a coin. |
| **Section** | **3.** | Directors elected by the membership shall serve two years or until replaced by an elected successor. |
| **Section** | **4.** | No person shall be a Director of the Corporation unless he is a bona fide member whose annual assessments are fully paid, as provided in Article U, Section 1. Also, if any Director shall cease to be a qualified member, he shall automatically cease to be a Director. If any Director shall fail to attend three consecutive Board meetings, he may be removed from office by the remaining Directors. |
| **Section** | **5.** | The Board shall nominate to the membership the number of persons required to fill the Director positions to be elected from the slate presented by the Nominating Committee or from its own insight and shall inform the membership at least thirty (30) days in advance of the election about the slate. The Board shall also advise the membership at that time that any member may nominate additional names for one or more of the available positions, but the nominations must be presented to the Board in writing at least fourteen (14) days in advance of the election along with the assurance that the nominated persons have agreed to serve if elected. |
| **Section** | **6.** | Ballots along with a ballot envelope and a return addressed envelope shall be mailed thirty (30) days prior to the Annual Meeting. Marked ballots may be mailed to the Secretary or presented in person anytime prior to the start of the Annual Meeting. The Secretary shall be responsible for the collection and tabulation of the ballots. Ballots will be tabulated during the Annual Meeting and announcement of elected board members will be made at the appropriate time during this meeting. |
| **Section** | **7.** | Any vacancies occurring on the Board of Directors prior to the expiration of the term shall be filled by majority vote of the remaining Directors. |
| **Section** | **8.** | The Board of Directors shall meet quarterly in the third week of April, July, October and January. Special meetings of the Board of Directors may be called by the President, or on motion, in writing, signed by three or more Directors. |
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| **Section** | **9.** | The time and place of all regular and special meetings of the Board of Directors shall be determined By the Board of Directors. Notice of all meetings shall be mailed or delivered to each Director at least fourteen (14) days before the date set for the meeting. |
| **Section** | **10.** | At any special meeting, only the business set forth in the notice shall be transacted unless all Directors are present and agree unanimously to the transaction of other business. |
| **Section** | **11.** | At the first meeting of the newly elected Board, the Board of Directors shall elect one of their members to serve as President and to preside over the meeting of the Board. His term shall run for one year. The President shall function as the Chairman of the Board of Directors. |
| **Section** | **12.** | The Board of Directors, as representatives of the members of the Corporation, shall establish the policies, criteria, and limitations within which the Officers of the Corporation shall administer the corporate affairs. Pursuant to these general duties, the Board of Directors shall be responsible for the specific accomplishment of the following duties, among others:   |  |  | | --- | --- | | **A.** | Establish the operating budget within which the Officers shall administer the corporate affairs annually. | | **B.** | Study and approve or deny plans submitted by the Officers for the accomplishment of the purposes of the Corporation. | | **C.** | Supervise all officers in the performance of their duties and remove any officer from office. Such removal may be with or without cause. | | **D.** | Maintain, or provide for the maintaining of, complete records of all money received and expended, and make a full and complete report thereof to the membership at each regular or special meeting thereof The said books and records shall be open to the inspection of the membership at reasonable business hours. | | **E.** | Keep for at least ten years a complete record of all meetings of the Directors and the proceedings thereof, (including any ancillary data and considerations such as committee reports, etc. which might form the basis of decisions reached during Board deliberations) such records to be open to the inspection of the membership at reasonable business hours. | | **F.** | Perform such functions as specified as the responsibility of the Board in the restrictive covenants relative thereto. | | **G.** | Request of the membership the contribution of labor or other personal services which may help to accomplish the goals of the Corporation without undue financial obligation. | | **H.** | Perform any and all other acts and duties, have and exercise any and all other power and authority provided for in these By-Laws and in the Articles of Incorporation, both as amended, in the pursuit and satisfaction of the purposes of this corporation. | |
| **Section** | **13.** | Every act and decision by a majority of the Directors present at any meeting, at which a quorum is present, shall be regarded as the act of the Board of Directors, except as otherwise provided by statute or in the Articles of Incorporation, or these By-Laws, and such shall bind the Corporation. In the absence of a quorum, a majority of the Directors present may adjourn the meeting to a later date, and from time to time if necessary, until the next regular meeting of the Board of Directors. |
| **Section** | **14.** | A majority of the duly elected and qualified Directors shall constitute a quorum for the transaction of any and all business of the Corporation. |
| **Section** | **15.** | The office of Director shall be non-compensatory, but the Board may authorize the reimbursement of actual expenses incurred by any Director under instruction from the majority. |
| **Section** | **16.** | Any new project and its’ related expenses that falls outside of the definition of “usual and necessary” as defined by the POA Board and initiated by same that reaches a cost greater than $10,000 either singularly or cumulatively shall be placed before the property owners for their approval at a regular quarterly meeting of the Association. It is understood that unbundling or breaking a project up to avoid reaching the cap is not permitted. Notification of the vote to all property owners must be at least thirty (30) days in advance of the meeting and shall be conducted by the POA accepted means of communication at that time. The notification of the vote shall include the purpose of the project, the scope of work, and the total budget for the project. A vote on the project shall be taken at the quarterly meeting and the project shall be deemed approved by a simple majority of the eligible votes cast at the meeting. (Adopted July 2, 2016) |

**ARTICLE V: Nominating Committee**

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| **Section** | **1.** | The President shall appoint a Nominating Committee of three members of the Association, at least one of which shall have served as President, to select potential nominees to the Board of Directors at the time of the January meeting of the Board. The President shall review the proposed members with the Board prior to announcing such appointments: |
| **Section** | **2.** | The Nominating Committee shall provide the Board with the slate of nominees for service on the Board of Directors at its meeting each April. |
| **Section** | **3.** | The slate of Nominees selected by the Nominating Committee shall be chosen from the membership at large to provide a broad base of experience and perspective. Nominees should have demonstrated they have the interests of the community at heart, as demonstrated by their past service or endeavors on behalf of Blue Lake Estates. |
| **Section** | **4.** | The Nominating Committee should make every effort to ensure that a non resident member of the Association is nominated to the Board. The Board, after being presented with the slate proposed by the Nominating Committee, may also appoint a resident or nonresident candidate to the slate. Through this provision, an effort will be made to retain two non-resident directors with overlapping terms. |

**ARTICLE VI: The Officers**

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| **Section** | **1.** | The Officers of the Corporation shall be a President, Vice President, Secretary, and Treasurer. The office of President and Treasurer, or President and Secretary may not be held by the same person. The Officers of the Corporation shall be chosen from among the elected Directors, unless there be some reason acceptable to the Board that this provision is not practical in a given year. Any Officer who has not been elected as a member of the Board of Directors shall be an ex-officio member of the Board with full voting rights. The Officers other than President shall be nominated to the Board by the President upon his being elected. His selections shall be tantamount to election absent some valid reason which is endorsed by the other members of the Board. |
| **Section** | **2.** | The Officers shall serve for one-year terms. Election of the Officers shall be by vote the Directors, as indicated in Section 1. |
| **Section** | **3.** | No person shall serve as an Officer unless he shall be a full-voting member of the Corporation for the current year, as defined in Article H, Section 1. Should any Officer become disqualified or unable to serve during his term, the appointment of such Officer shall immediately terminate and the Board of Directors shall elect another to fill the unexpired term. |
| **Section** | **4.** | No Officer of the Corporation shall be compensated for his service as such. Actual expenses incurred by any officer or agent of the Corporation, at the direction of the Board of Directors, may be reimbursed. |
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**ARTICLE VII: The President**

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| **Section** | **1.** | The office of President shall be co-incident with the office of Chairman of the Board. He shall preside over all meetings of the membership and of the Officers. |
| **Section** | **2.** | He shall execute, on behalf of the Corporation, all contracts and other instruments of which have first been approved or authorized by the Board of Directors. |
| **Section** | **3.** | He shall serve as general manager of the Corporation and be responsible for the proper operation thereof, subject to the limitations and restrictions of budget, policy, and criteria established by the Board of Directors. |
| **Section** | **4.** | The President shall be an advisory, non-voting member of all committees and shall be notified of all meetings in advance so as to be available and shall be advised of the action of all committees. |

**ARTICLE VIII: The Vice-President**

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| **Section** | **1.** | The Vice-president, in the absence or inability of the President to serve, shall preside at all meetings of the membership and the Officers. |
| **Section** | **2.** | In the absence or inability of the President to serve, the Vice President shall have the power and authority, and shall perform all duties conferred by these By-Laws upon the President. |
| **Section** | **3.** | He shall perform all such other duties and have all such other authority as may be prescribed by the Board of Directors or as provided in these By-Laws. |

**ARTICLE IX: The Secretary**

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| **Section** | **1.** | The Secretary shall keep a record of all meetings and proceedings of the Board of Directors and the membership. |
| **Section** | **2.** | He shall prepare and deliver or mail notices of the meetings of the Board of Directors and of the membership. |
| **Section** | **3.** | He shall keep appropriate records showing the membership of the Corporation, together with their addresses as furnished him by such members. |
| **Section** | **4.** | He shall perform all such other duties and have all such other authority as may be prescribed by the Board of Directors or as prescribed in these By-Laws. |

**ARTICLE X: The Treasurer**

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| **Section** | **1.** | The Treasurer shall keep and maintain, and provide for, full and complete records of all matters with respect to the financial affairs of the Corporation. Such records shall at all times show the ownership of each and every lot within the addition and the address of the owner. The records shall also show all payments of maintenance charges, the date, by whom made, the lot involved, and such other and further information as may be directed from time to time by the Board of Directors. Such records shall also disclose all disbursements, which shall be supported and substantiated by proper vouchers and other appropriate evidence. |
| **Section** | **2.** | He shall prepare for the Board of Directors, as requested by the Directors, a full and complete analysis and report in proper form of the financial condition of the Corporation, and present such reports to the Directors and the membership at the regular meetings. |
| **Section** | **3.** | He shall deposit, or cause to be deposited, all money and other valuable effects received by the Corporation in the name and to the credit of the Corporation as directed by the Board of Directors. The Treasurer shall make regular business deposits and disbursements he may be directed to do by the President or by the Board of Directors and upon proper voucher or other evidence of disbursements authority. |
| **Section** | **4.** | He shall perform such other duties and have such other authority as may be prescribed by the Board of Directors or as provided in these By-Laws. |

**ARTICLE XI: The By-Laws**

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| **Section** | **1.** | These By-Laws, as amended, are duly and legally adopted by the membership on the date herein set forth, as evidenced by the signature of each Director hereto. |
| **Section** | **2.** | These By-laws may be amended, changed, or repealed by a majority of the votes cast by the membership at any regular or special meeting, or by mail ballot. The revisions shall be within the scope and prerogatives authorized by the Articles of Incorporation and the law. |

**ARTICLE XII: Restrictive Covenants**

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| **Section** | **1.** | One of the primary purposes of the Corporation being to enforce the Building Restrictions and Protective Covenants, the existence of such covenants and the amendment provisions is recognized. |
| **Section** | **2.** | The amendment of the Building Restrictions and Protective Covenants shall be performed in accordance with the procedure set out in the record of such covenants. A change in that procedure may only be consummated through a resolution handled pursuant to the specified procedure. |

**ARTICLE XIII: Miscellany**

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| **Section** | **1.** | The masculine term is used in the By-Laws for convenience only and shall be construed to include the feminine thereto. |
| **Section** | **2.** | Meetings of the Board of Directors or of the membership shall be held at Blue Lake Estates when possible, and the time for such meeting shall in such cases be stated at Central Standard Time or Central Daylight Time. |
| **Section** | **3.** | Given that one of the primary purposes of the Corporation and of these By Laws is to enforce the Building Restrictions and Protective Covenants, and that one of the motivation forces for the foundation of the Corporation was the desire for security of property and peace of mind, it is anticipated that much of the work of the Corporation will be done through appointed committees with duties and responsibilities for certain portions of the work of the Corporation, e.g., architectural controls, security, and parks, Blue Lake Golf Course, fire protection etc. Ordinarily, these committees will be appointed by the President from among the membership of the Corporation and will serve at his will and for the term of his election as President. |

These By Laws are duly adopted as the By Laws of Blue Lake Estates Property Owners Association, In this 5th day of July, 1997.