

ARTICLE I, ORGANIZATION AND MEMBERSHIP

- 1.1 Name.** The name of the Association shall be THE MOUNTAIN NEIGHBORHOOD ASSOCIATION, INC. (hereinafter called the "Association").
- 1.2 Purpose.** The purpose of the Association is to provide a formal organization through which resident lot owners shall seek to preserve so far as possible, the natural beauty of the property and in general, to enhance the environmental quality and economic value of the property; to maintain current information on zoning laws; to promote the overall safety and security of all residents and to maintain contact with local political groups and individuals whose decision might affect property owners; and, to seek enforcement of the covenants, conditions and other restrictions as filed in Travis County for the subdivision.
- 1.3 Membership Eligibility.** Members shall be resident property owners located in The Park at Spicewood Springs, Phase One. Sections 1, 2, 3, and 4, a subdivision in Travis County, Texas according to the map or plat of record in Book 81, pages 355-357; Book 84, Pages 62C-63B; and Book 84, Pages 190B-191A of the Plat Records of Travis County, Texas. There shall be only one class of Membership. Members shall be entitled to one vote per residential lot.
- 1.4 Annual Dues.** Annual membership dues, established by the Executive Board, are due each September 1, payable by September 30. Dues shall be on a per lot basis and will be used exclusively for the benefit of the Association and its members. Membership in the Association automatically terminates on September 30 unless dues have been paid for the coming year. The amount of the dues each year will be reviewed annually by the Executive Board and adjusted as necessary.

ARTICLE II, ADMINISTRATION

- 2.1 Association Responsibilities.** The Members will constitute the Association. The responsibilities and affairs of the Association will be administered through an Executive Board.
- 2.2 Place of Meetings.** All annual and special meetings of the Members shall be held at the pavilion at Mountain View Park or at such other suitable and convenient

place from time to time fixed by the Executive Board and designated in the notices of such meetings.

2.3 Annual Meetings. Annual Meetings shall be scheduled each year at the discretion of the Executive Board from time to time as designated in the notice of meeting. The Executive Board will make every reasonable effort to hold such meetings in September of each year.

2.4 Special Meetings. The President of the Association shall call a special meeting of the Members if so directed by resolution of the Executive Board or a petition signed by Members having not less than 1/10 of the votes entitled to be cast at such meeting and presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof.

2.5 Notice of Meetings. The Secretary shall send notices of annual and special meetings to each Member of the Association, either by electronic mail, personally by hand delivery, or by U.S. Mail (postage prepaid), directed to the last known post office address or electronic mail address of the Member, as shown on the records of the Association. The notice of any meeting of Members shall be transmitted by electronic mail, personally or by U.S. Mail, as the case may be, not less than 30 days nor more than 60 days before the date of such meeting and shall state the date, time and place of the meeting and the purpose or purposes thereof. If delivered personally, such notice may be left at the Member's residence in his absence.

2.6 Vote. "Vote" shall mean one vote per residential lot.

2.7 Quorum. "Quorum" shall mean fifteen percent (15%) of the membership represented by presence or proxy at a meeting; the acts of the majority of Members present at a meeting at which a quorum is present shall be the acts of the Association.

2.8 Adjourned Meeting. If any meeting of Members cannot be organized because a quorum has not attended, the Members who are present, either in person or by proxy, may adjourn the meeting until the required quorum is attained.

2.9 Order of Business. The order of business at all meetings of the Members shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reports of officers.
- (d) Reports of committees.
- (e) Unfinished business.
- (f) New business.

2.10 Motions. All motions or matters proposed for consideration by any Member at any annual meeting, special meeting, or other meeting of the Association shall be considered and voted upon by the Members, following the Member's motion or other matter proposed for consideration having been seconded by any other Member of the Association.

ARTICLE III, THE EXECUTIVE BOARD

3.1 Number and Qualification. The Executive Board shall be comprised of the Executive Officers, Chairpersons of the Architectural Control Committees for Sections 1, 2, 3, and 4, and the Chairpersons of all Standing Committees. The Executive Board shall be authorized to act when a quorum of the Executive Board is present. A Quorum of the Executive Board shall mean the presence of thirty-eight percent (38%) or more of the Executive Board, and the acts of the majority of the Executive Board Members present at a meeting at which a quorum is present shall be the acts of the Association's Executive Board.

3.2 Powers and Duties. The Executive Board shall have the powers and duties necessary for the operation and maintenance of the Common Area (entrance to the Neighborhood at Spicewood Springs and Scotland Well, as well as any other common areas) and the administration of the other responsibilities and affairs of the Association, as defined in the approved budget.

3.3 Other Powers and Duties. The Executive Board shall have the following additional duties:

- (a) To administer and enforce the covenants, conditions, restrictions, uses, limitations, obligations and other provisions of the Declaration.
- (b) To establish and enforce rules, conditions, restrictions, limitations and other provisions necessary for the orderly operation, use and maintenance of the Common Area. (A copy of such rules shall be delivered or mailed to each Member promptly upon the adoption thereof).
- (c) To keep in good order, condition and repair the Common Area and all items of personal property used in the enjoyment of the Common Area, except for the Mountain View Park and related facilities which are maintained by the City of Austin.
- (d) To fix, levy and collect any fees and fines to be paid by any Member in violation of a covenant of the Association, in accordance with the terms of the Covenants as amended from time to time. All fines or other assessments shall be in itemized statement form and shall set forth in detail the various expenses for which the Assessments are being made.
- (e) To collect delinquent fines or assessments by suit, lien foreclosure (as provided in the Declaration) or otherwise and to enjoin or seek damages from an Owner for violation of the Covenants.
- (f) To protect and defend the Common Area from loss and damage by suit or otherwise.
- (g) To establish a bank account for the common treasury for all separate funds which are required or may be deemed advisable by the Executive Board.
- (h) To maintain complete and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by each of the Members. The Association shall cause to be prepared and delivered annually to each Member a statement showing all

receipts, expenses or disbursements since the last such statement. Such financial statements shall be available to any Member, on request, within 90 days following the fiscal year end of the Association. Any Member may require that the Association cause to be prepared and delivered, at such Member's expense, an audited financial statement of the Association. In addition, each member shall have the right to inspect the books and records of the Association upon five (5) calendar days request.

3.4 Vacancies. Vacancies on the Executive Board shall be filled by vote of the majority of the remaining Executive Board Members, even though they may constitute less than a quorum. Each Executive Board Member so elected shall serve out the remaining term of his/her predecessor.

3.5 Regular Meetings. Regular meetings of the Executive Board may be held at such time and place as shall be determined, from time to time, by a majority of the Executive Board Members, but at least three such meetings shall be held during each fiscal year. Meetings of the Executive Board shall be open to the Members. The Executive Board shall provide Members with an agenda and written guidelines for the manner in which the meeting shall be conducted. The Executive Board will designate a forum during the meeting in which Members may be allowed to make comments concerning topics before the Executive Board. Notice of regular meetings of the Executive Board shall be given to the Members by electronic mail at least seven (7) days prior to the day named for such meeting.

3.6 Special Meetings. Special meetings of the Executive Board may be called by the President or Secretary, or upon the written request of at least two Executive Board Members. The President or Secretary will give notice to each Executive Board Member of the time, place (as hereinabove provided) and purpose of the meeting, by electronic mail at least seven (7) days prior to the day named for such meeting. Special Meetings of the Executive Board shall also be open to the Members. Notice of special meetings of the Executive Board shall be given to the Members by electronic mail at least seven (7) days prior to the day named for such meeting.

3.7 Order of Business. The order of business at all meetings of the Executive Board shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Approval of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Reports of committees.
- (f) Unfinished business.
- (g) New business.

ARTICLE IV, EXECUTIVE OFFICERS

4.1 Executive Officers. The Officers of the Association shall consist of the President, Vice-President, Secretary, and Treasurer. The Officers must be from separate lots and may not be of the same household. All officers must be members of the Association at all times during their terms of office.

4.2 Duties. The duties of the officers shall be as follows:

- a. President.** The President shall be the principal executive officer of the Association and shall, in general, supervise and control all of the business and affairs of the Association. He/she shall preside at all meetings of the Members and Executive Board. He/she shall schedule the Association Meetings and the Executive Committee Meetings, communicate with and facilitate the decisions of the Committees, both Standing and Ad Hoc, and co-sign checks with the Treasurer for amounts over \$300.
- b. Vice-President.** In the absence of the President, the Vice-President shall perform the duties and functions of the President. In addition, he/she shall coordinate the functions of the Architectural Control Committees, shall be responsible for organizing the initial meeting of each new committee after the general election, and may be asked to perform other duties by the President or by the Executive Board.
- c. Secretary.** The Secretary shall send out notices, keep minutes of all general meetings and Executive Board meetings, and distribute the minutes to each member of the Executive Board. The Secretary shall maintain the documents

of the Association and make them readily available to the Executive Board and members of the Association for reference

d. Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds of the Association; receive and give receipts for monies due and payable to the Association from any source whatsoever, and deposit all such monies in the name of the Association. He/she shall be responsible for collecting annual dues and disbursing funds when necessary subject to the President's co-signature for expenditures over \$300. Expenditures over \$500 will require Board approval, and any expenditure over \$5,000 will require a vote of the Membership. The Treasurer shall maintain a permanent file of financial and legal records and other official documents pertaining to the Association.

4.3 Architectural Control Committees. The Declaration of Covenants and Restrictions for Section One, Two, Three and Four of the subdivision establish Architectural Control Committees to administer and enforce the covenants, conditions, restrictions and other provisions of the Declarations. The members of each committee are elected by lot owners of the respective sections. The elected committee members are not limited to administration or enforcement of the Declarations in their respective sections. If committee members are not available, or are otherwise unable to perform these duties, the Executive Board may request committee members of another section to perform them, in their behalf, until such time that the elected committee member(s) for that section is available. The Chairperson for each committee is selected by the members of the committee. The four Architectural Control Committees shall be special committees of the Association and the Chairperson of each committee shall be a member of the Executive Board of the Association. Chairpersons and members of the Architectural Control Committees are required to be Members of the Association.

4.4. Procedure for Annual Election of Officers and Members of the Architectural Control Committee.

- a. Nominating Committee.** The Executive Board shall appoint an ad hoc Nominating Committee in March of each year to recruit candidates for Executive Officers for the following year. The Nominating Committee shall be made up of three Association members, two of which shall not be Executive Officers. Chairperson of the Nominating Committee will solicit nominations from the membership, will announce a slate of Officers and at least two Architectural Control Committee members per section prior to the Annual Meeting and will supervise the election process. The Nominating Committee will solicit volunteers for all Standing Committees.
- b. Nominations from Members.** Additional nominations from the Members may be made no later than two weeks prior to the Annual Election, with prior consent of the nominee. Such Nominations shall be delivered, either personally or by electronic mail to the Chairperson of the Nominating Committee.
- c. Election and Voting.** The Election of the Executive Officers and Architectural Control Committee Members shall be concluded no later than June 30 of each year. Notice of such election shall be given to the membership at least ten (10) calendar days prior to the commencement of voting. Voting shall be by ballot, either in writing or via electronic mail. Voting will last for at least fourteen (14) days. All votes made by ballot at the Annual Election shall be counted by the President and the Nominating Committee. Results of the vote will be announced to the Members no later than July 1st.
- d. Terms of Office.** The terms of office for all Executive Officers, the Architectural Control Committee and Standing Committee chairs shall be for approximately one year from July 1 to June 30 of the following year, provided that the Annual Election takes place no later than June 30 of the following year. In the event that, for any reason, the Annual Election is not held prior to June 30 of any given year, the Executive Officers shall continue to serve until the Annual Election is held or until such Officers are otherwise removed from

office. The Executive Officers will make every reasonable attempt to hold the Annual Election in June of each year.

4.5 Resignation or Removal. Upon a vote of two-thirds (2/3) of the Executive Board Members, any Officer or Committee Chairperson may be removed, with or without cause and his/her successor elected by the Executive Board. Any Officer or Committee Chairperson may resign at any time by giving written notice to the Executive Board. Such resignation shall take effect on the date of receipt of such notice or any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.6 Vacancies. Any vacancy occurring in any office or committee chair for any reason may be filled by appointment by the President, with the approval of at least fifty-one percent (51%) of the Executive Board for the unexpired term.

ARTICLE V, COMMITTEES

5.1 Standing Committees. Shall be composed of volunteers from the Association who, among themselves, shall elect a Chairperson. Each Committee will serve for a period of one year, hold meetings as needed and report promptly to the Executive Board the outcome of those meetings. Committee recommendations are subject to Executive Board approval. Each Committee chairperson is responsible for submitting articles to the newsletter committee for the Association newsletters. The following are the Standing Committees:

a. Maintenance and Capital Improvements. Addresses issues affecting physical appearance of the neighborhood, excluding regulations covered by the Covenants. Areas of concern are: maintaining the entrance to the Mountain subdivision, vacant lots, street lights (if installed), holiday decorations, etc.

b. Government Liaison and Sector Representation. Represents the Association at Planning Commission and City Council meetings and at meetings of other governmental agencies affecting The Mountain. Ensures that the current and appropriate MNA representatives are registered with all proper governmental Entities. Also represents the Association at appropriate meetings of neighborhood coalitions or alliances.

- c. Traffic and Security.** Serves as the liaison between the Association and the Austin Police Department and Fire Departments and other governmental agencies involved with traffic and security issues. Coordinates the Neighborhood Watch program; organizes safety programs for children and residents; and works with government agencies on issues of traffic flow, speeding or parking violations, installation of traffic signs and traffic safety devices as needed. Provides data of recent criminal activity in the area to Association members.
- d. Social.** Organizes at least two social events a year for all Members and their families which will be open to all residents of the Mountain; prepares an annual budget for approval by the Executive Board.
- e. Membership.** Maintains a list of all Association members. Organizes block Captains for each area in The Mountain and coordinates their activities. Conducts a Membership drive during the months of April and May to obtain membership renewals and recruit new members. Greets new residents with Welcome Packets and maintains a file of the Membership Applications. Provides up-to-date membership list to the Directory Committee for publication in the annual Mountain Neighborhood Directory.
- f. Directory.** Responsible for compiling, publishing, updating and distributing the annual Mountain Neighborhood Directory to all members.
- g. Newsletter.** Responsible for writing, editing, publishing and distributing the Mountain Newsletter on a quarterly basis. Articles from each committee chair shall be submitted to the Editor by the appropriate deadline for each issue.
- h. Advertising and Publicity.** Responsible for obtaining advertising for the Directory and the Newsletter, and if requested, sponsors for Association events and activities. Responsible for publicizing and promoting the Association.
- i. Holiday Trees.** Responsible for ordering trees for the annual Holiday Trees event, distributing order forms to the residents of the Mountain Neighborhood, collecting fees and distribution of the Trees.

- j. **Web Site.** Responsible for maintaining the Mountain Neighborhood Association web site.

5.2. Elections of Standing Committee Chairpersons

a. **Formation of Committees.** During the Annual Election, Association members will volunteer to serve on the Standing Committees. Members may also volunteer to serve at any time during the year on any Standing Committee.

b. **Chairpersons.** Each Standing Committee will elect a chairperson to serve on the Executive Board. This election will take place with four (4) weeks after the annual election.

5.3 **Ad Hoc Committees.** Ad Hoc Committees may be formed by the Executive Board as needed, and will function on a temporary basis or until the end of the fiscal year. Ad Hoc Committee chairpersons shall be non-voting members of the Executive Board.

ARTICLE VI, AMENDMENTS TO THE BY-LAWS

The By-laws of the Association may be amended at any time by the simple majority of a quorum of Association members, provided notice of such amendment is given to all members at least 14 days in advance.

ARTICLE VII, CONFLICTING OR INVALID PROVISIONS

Notwithstanding anything contained herein to the contrary, should any part of these by-laws be invalid or inoperative for any reason, the remaining parts, so far as is possible and is reasonable, shall be valid and operative.

ARTICLE VIII, INDEMNIFICATION OF OFFICERS AND MEMBERS

The Association shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative by reason of the fact that he is or

was an Officer, Chairperson, or Member of the Association, acting on behalf of the Association, against expenses (including attorney's fees, judgments, fines and amounts paid in settlement) actually and reasonably incurred by him/her in connection with such action, suit or proceeding if it is found and determined by the Board or a Court that he/she (1) acted in good faith and in a manner he/she reasonably believed to be in, or not opposed to, the best interests of the Association, or (2) with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by settlement, or upon a plea of Nolo Contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith or in a manner which he reasonably believed to be in, or not opposed to, the best interests of the Association, or, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

All liability, loss, damage costs and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses.

The rights of indemnification herein provided may be insured against by policies maintained by the Association; shall be severable; shall not affect any other rights to which any Officer, Chairperson or Committee Member, or agent may now or hereafter be entitled; shall continue as to a person who has ceased to be such Officer, Committee Chairperson, committee member or agent; and shall inure to the benefit of the heirs, executors and administrators of such a person. Nothing contained herein shall affect any rights to indemnification to which Association personnel other than members of the Executive Board, Officers, Committee Members or agent may be entitled by contract or otherwise under law.

Expenses in connection with the preparation and presentation of a defense to any claim action, suit or proceeding of the character described in this Article VIII may be advanced by the Association prior to final disposition thereof upon receipt of an undertaking by or on behalf of the person who may be entitled to indemnification, secured by a surety bond or other suitable insurance issued by a company authorized to conduct such business in the State of Texas, to repay such amount if it is ultimately determined that he is not entitled to indemnification under this Article.