

BYLAWS OF CASSIE PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE 1

1.01. The principal office of the corporation in the State of Texas shall be located within the subdivisions known as Cassie Subdivision ,presently Blocks One (1) through Sixteen (16), and may be increased to additional blocks in the future, Burnet County, Texas. The corporation may have such other offices as the Board of Directors may determine or as the affairs of the corporation may require from time to time.

1.02. The corporation shall have and continuously maintain in the State of Texas a registered office, and a registered agent whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be, identical with the principal office of the corporation in the State of Texas, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE 2

2.01. Membership in the corporation shall be composed of all persons now, or hereafter, owning property in Cassie Subdivision, presently Blocks One (1) through Sixteen (16), and may be increased to additional blocks in the future, which such property of said subdivision is that shown and designated in accordance with the plat, or plats, of Cassie Subdivision, Blocks One (1) through Sixteen (16) in the Plat Records of Burnet County, Texas, and which such person makes application for membership in the

corporation and pays all fees, dues, or assessments assessed or established by the corporation. For the purpose of these Articles, a "member" is defined as follows:

(a) Every lot owner (whether one or more, a natural person or otherwise) owning fee simple title to a lot, or lots, within said subdivision and paying all fees or dues, as set, established and requested by the corporation;

(b) If more than one owner has a fee simple interest in any one lot, it is specifically provided that such multiple owners are considered as a unit to be one member;

(c) If any lot owner owns more than one lot, it is specifically provided herein that such owner shall have only one membership.

2.02. Each member as aforesaid shall have the right to cast one vote per Director for the election of Directors and cumulative voting is herein expressly denied in the election of Directors. Furthermore, each member as aforesaid shall have the right to cast one vote in the determination of any matters properly presented to the membership of the corporation.

2.03. The Board of Directors, by affirmative vote of two-thirds (2/3) of all the members of the Board, may suspend or expel a member for cause after an appropriate hearing and may, by a majority vote of those present at any regularly constituted meeting, terminate the membership of any member who becomes ineligible for membership, or suspend or expel any member who

shall be in default in the payment of dues for the period fixed in Article 11 of these Bylaws, or who shall be in default of any additional assessments that may be made by the Board of Directors.

2.04. Any member may resign by filing a written resignation with the Secretary, but such resignation shall not relieve the member so resigning of the obligation to pay any dues, assessments, or other charges theretofore accrued and unpaid.

2.05. Upon written request signed by a former member and filed with the Secretary, the Board of Directors may, by the affirmative vote of two-thirds (2/3) of the members of the Board, reinstate such former member to membership on such terms as the Board of Directors may deem appropriate.

2.06. Membership in this corporation is not transferable or assignable.

ARTICLE 3

3.01. An annual meeting of the members shall be held on the third Thursday of June, in each year, beginning with the year 1985, at the hour of 7:00 o'clock P. M., for the purpose of electing Directors and for the transaction of other business as may come before the meeting. If the day fixed for the annual meeting shall be on a legal holiday in the State of Texas, such meeting may be held on the next succeeding business day. If the election of Directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as possible.

3.02. Special meetings of the members may be called by the President, the Board of Directors, or not less than one-tenth (1/10) of the members having voting rights.

3.03. The Board of Directors may designate any place, either within or without the Subdivision, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be the registered office of the corporation in the State of Texas; but if all of the members shall meet at any time and place, either within or without the Subdivision, and consent to the holding of a meeting, such meeting shall be valid without call or notice, and at such meeting, any corporate action may be taken.

3.04. Written or printed notice stating the place, day, and hour of any meeting of members shall be delivered, either personally or by mail, to each member entitled to vote at such meeting, not less than ten (10) nor more than fifty (50) days before the date of such meeting, by or at the direction of the President, or the Secretary, or the Officers or persons calling the meeting. In case of a special meeting or when required by statute or these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States Mail addressed to the member at his address as it appears on the records of the corporation, with postage thereon prepaid.

3.05. Any action required by law to be taken at a meeting of the members or any action which may be taken at a meeting of the

members may be taken without a meeting, if a consent in writing, setting forth the actions so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof.

3.06. The members holding twenty percent (20%) of the votes which may be cast at any meeting shall constitute a quorum at such meeting. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting from time to time without further notice.

3.07. At any meeting of members, a member entitled to vote may vote by proxy executed in writing by the member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

3.08. Where Directors or Officers are to be elected by members such election may be conducted by mail in such manner as the Board of Directors shall determine.

ARTICLE 4

4.01. The affairs of the corporation shall be managed by its Board of Directors.

4.02. The number of Directors shall be nine (9) permanent residents of Cassie Subdivision and must be members of the corporation. Six (6) directors shall be lake front property owners and three (3) directors shall be off water property owners. The number of Directors may be changed by amendment to these Bylaws as provided in Article 14 hereof. The Directors shall hold office as follows:

(a) All nine (9) Directors shall be elected by a meeting of the members called for that purpose as soon after the adoption of these Bylaws as may be practical. At the first Board of Directors meeting, the six (6) lake front Directors shall assign among themselves by lot, initial term of office of one, two and three years. This same procedure shall be followed for the three (3) off water Directors. All subsequent terms of office shall be three (3) years. Therefore, at each subsequent annual meeting, two (2) lake front Directors and one (1) off water Director shall be elected. Each Director shall hold office until the end of his term and until his successor shall have been elected and qualified.

4.03. A regular annual meeting of the Board of Directors shall be held without other notice than this Bylaw, immediately after, and at the same place as, the annual meeting of members. The Board of Directors may provide by resolution the time and place, either within or without the Corporation, for the holding of additional regular meeting of the Board without other notice than such resolution.

4.04. Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) Directors. The person or persons authorized to call special meetings of the Board may fix the place for holding any special

meetings of the Board called by them.

4.05. Notice of any special meeting of the Board of Directors shall be given at least four (4) days previously thereto by written notice delivered personally or sent by mail or telegram to each Director at his address as shown by the records of the corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail so addressed with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Bylaws.

4.06. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

4.07. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws.

4.08. Any vacancy occurring in the Board of Directors and any directorship to be filled by reason of an increase in the number of Directors, shall be filled by the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

4.09. Directors, as such, shall not receive any stated salaries for their services. Authorized expenses incurred by a Director on behalf of the corporation shall be reimbursed by the Board of Directors. Nothing herein contained shall be construed to preclude any Director from serving the corporation in any other capacity and receiving compensation therefor for services rendered.

4.10. Any action required by law to be taken at a meeting of the Directors or any action which may be taken at a meeting of Directors, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Directors.

ARTICLE 5

5.01. The Officers of the corporation shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, a Treasurer, and such other Officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect or appoint such other Officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such Officers to have the authority and perform the duties prescribed, from time to time, by the Board of

Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary.

5.02. The Officers of the corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of Officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. New offices may be created and filled at any meeting of the Board of Directors. Each Officer shall hold office until his successor shall have been duly elected and shall have qualified.

5.03. Any Officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the Officer so removed.

5.04. Any vacancy in any office because of death, resignation, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

5.05. The President shall be the principal executive Officer of the corporation and shall in general supervise and control all of the business and affairs of the corporation. He shall preside at all meetings of the members and of the Board of Directors. He may sign, with the Secretary or any other proper Officer of the corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by

statute to some other Officer or agent of the corporation; and in general he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

5.06. In the absence of the President or in the event of his inability or refusal to act, the Vice-President (or in the event there be more than one Vice-President, the Vice-President in order of their election) shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. Any Vice-President shall perform such other duties as from time to time may be assigned to him by the President or Board of Directors.

5.07. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. He shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies, or other depositaries as shall be selected in accordance with the provisions of Article 7 of these Bylaws; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

5.08. The Secretary shall keep the Minutes of the meetings of the members and of the Board of Directors in one or more books

provided for that purpose; give all notices in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records and of the seal of the corporation, and affix the seal of the corporation to all documents, the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these Bylaws; keep a register of the post office address of each member which shall be furnished to the Secretary by each member; and, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

5.09. If required by the Board of Directors, the Assistant Treasurers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Treasurers and Assistant Secretaries in general shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the President or the Board of Directors. Premiums for performance bonds that may be required of any Officer shall be paid by the corporation.

ARTICLE 6

6.01. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint one or more committees, each of which shall consist of two (2) or more Directors, which committees, to the extent provided in said resolution shall have and exercise the authority of the Board of

Directors in the management of the corporation. However, no such committee shall have the authority of the Board of Directors in reference to amending, altering, or repealing the Bylaws; electing, appointing, or removing any member of any such committee or any Director or Officer of the corporation; amending the Articles of Incorporation; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the corporation; authorizing the voluntary dissolution of the corporation or revoking proceedings therefor; adopting a plan for the distribution of the assets of the corporation; or amending, altering, or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered, or repealed by such committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed on it or him by law.

6.02. Other committees not having and exercising the authority of the Board of Directors in the management of the corporation may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be members of the corporation, and the President of the corporation shall appoint the members thereof. Any members thereof may be removed by the person or persons authorized to appoint such member whenever in

their judgment the best interests of the corporation shall be served by such removal.

6.03. Each member of a committee shall continue as such until the next annual meeting of the members of the corporation and until his successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

6.04. One member of each committee shall be appointed Chairman by the person or persons authorized to appoint the members thereof.

6.05. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

6.06. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of the majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

6.07. Each committee may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the Board of Directors.

ARTICLE 7

7.01. The Board of Directors may authorize any Officer or Officers, agent or agents of the corporation, in addition to the Officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and

on behalf of the corporation. Such authority may be general or confined to specific instances.

7.02. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation shall be signed by such Officer or Officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President or a Vice-President of the corporation.

7.03. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

7.04. The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the corporation.

ARTICLE 8

8.01. The Board of Directors may provide for the issuance of certificates evidencing membership in the corporation, which shall be in such form as may be determined by the Board. Such certificates shall be signed by the President or a Vice-President and by the Secretary or an Assistant Secretary and shall be sealed with the seal of the corporation. All certificates evidencing membership of any class shall be consecutively numbered. The name and address of each member and the date of

issuance of the certificate shall be entered on the records of the corporation. If any certificate shall become lost, mutilated, or destroyed, a new certificate may be issued therefor on such terms and conditions as the Board of Directors may determine.

8.02. When a member has been elected to membership and has paid any initiation fee and dues that may then be required, a certificate of membership shall be issued in his name and delivered to him by the Secretary, if the Board of Directors shall have provided for the issuance of certificates of membership under the provisions of Paragraph 8.01 of this Article 8.

ARTICLE 9

9.01. The corporation shall keep correct and complete books and records of account and shall also keep Minutes of the proceedings of its members, Board of Directors, and committees having any of the authority of the Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the corporation may be inspected by any member or his agent or attorney for any proper purpose at any reasonable time.

ARTICLE 10

10.01. The fiscal year of the corporation shall begin on the first day of July and end on the last day of June in each year.

ARTICLE 11

11.01. The Board of Directors may determine from time to time the amount of fees and annual dues payable to the corporation by members. The initial fee for membership shall be \$25.00 per member. The Board of Directors shall not set the annual amount of dues more than \$25.00 without approval of the membership at an annual or special meeting.

11.02. Fees, assessments and dues shall be payable to the corporation upon the member receiving a notice or statement therefor.

11.03. When any member shall be in default in the payment of any fees, assessments or dues for a period of six (6) months from the time such member received a statement or notice of same, his membership may thereupon be terminated by the Board of Directors in the manner provided in Article 3 of these Bylaws.

ARTICLE 12

12.01. Whenever any notice is required to be given under the provisions of the Texas Non-Profit Corporation Act or under the provisions of the Articles of Incorporation or the Bylaws of the corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE 13

13.01. The corporation shall indemnify any Director or Officer or former Director or Officer of the corporation for

expenses and costs (including attorney's fees) actually and necessarily incurred by him in connection with any claim asserted against him, by action in court or otherwise, by reason of his being or having been such a Director or Officer, except in relation to matters as to which he shall have been adjudged guilty of negligence or misconduct in respect to the matter in which indemnity is sought.

ARTICLE 14

14.01. These Bylaws may be altered, amended or repealed and new Bylaws may be proposed by two-thirds (2/3) of all Directors on the Board at any regular meeting or any special meeting of the Board of Directors. The proposed changes must have been introduced and read in their final form at the previous Board meeting in order for the Board to act on them. Any such change must then be ratified by two-thirds (2/3) of the ^{Property Owner} members present (and constituting a quorum) at the next regular meeting or at a special meeting to become effective. Notice of the Board action and the proposed changes to these Bylaws must be given to the general membership with notice of the meeting. Written notice of at least ten (10) days shall be given of any proposal to alter, amend, or repeal these Bylaws or to adopt new Bylaws at such meeting.

ADOPTED the 29th day of June, 1984, by majority vote of the members of the Corporation.

James O. Robertson
CHAIRMAN

Dorothy M. Bransford
SECRETARY

**AMENDMENTS TO BY- LAWS OF CASSIE PROPERTY OWNERS
ASSOCIATION, INC.
ADOPTED JUNE 17, 2004**

ARTICLE 4

4.02 The number of Directors shall be nine (9) permanent residents of Cassie Subdivision and must be members of the corporation. Four (4) directors shall be lake front owners and four (4) directors shall be off-water property owners and one (1) director shall be at-large. In the event enough on-water or off-water members cannot be found to stand as candidates for the places for which directors are to be elected, the Board may authorize additional at-large owners to run for the on-water or off-water places for which the appropriate on-water or off-water candidates cannot be found. *(Six (6) directors shall be lake front property owners and three (3) directors shall be off water property owners.)* The number of directors may be changed by amendment to these Bylaws as provided in Article 14 hereof. The Directors shall hold office as follows:

(a) Beginning at the annual meeting in June, 2005, two off-water directors and an at-large director shall be elected. Continuing each year thereafter, the places (on-water, off-water or at-large) of those Directors whose terms are expiring shall determine which Directors' places shall be up for election. Notwithstanding anything in this section 4.02 to the contrary, if on-water or off-water candidates cannot be found to stand as candidates for the places for which directors are to be elected, the Board of Directors may vote to allow those on-water or off-water places to be designated as an at-large place for the next election of Directors. However, each place designated as an at-large place for one election shall retain its character as an on-water or off-water place at the end of the Director's term of three years. *(All nine (9) Directors shall be elected by a meeting of the members called for that purpose as soon after the adoption of these Bylaws as may be practical. At the first Board of Directors meeting, the six (6) lake front Directors shall assign among themselves by lot, initial term of office of one, two, and three years. This same procedure shall be followed for the three*

(3) off water Directors. All subsequent terms of office shall be three (3) years. Therefore, at each subsequent annual meeting, two(2) lake front Directors and one (1) off water Director shall be elected. Each Director shall hold office until the end of his term and until his successor shall have been elected and qualified.)

4.05 Notice of any special meeting of the Board of Directors shall be given at least four (4) days previously thereto by written notice delivered personally or sent by mail, telegram or email to each director at his/her address or email address as shown by the records of the corporation or by telephone. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. If the notice is sent by email, the notice shall be deemed to be delivered when sent. If the notice is by telephone, notice is given when the Director is contacted or a message left at the phone number as shown in the records of the corporation. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Bylaws.

4.10 Any action required by law to be taken at a meeting of the Directors or any action which may be taken at a meeting of the Directors, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by (all) at least two-thirds (2/3) of the Directors or at least two-thirds (2/3) of the Directors have either voted and/or signed the consent herein provided for.

**Amendments to By-Laws of Cassie Property Owners
Association, Inc
Adopted June 17, 2005**

Article 11

11.01. The Board of Directors may determine from time to time the amount of fees and annual dues payable to the corporation by members. The initial fee for membership shall be \$50.00 per member. The Board of Directors shall not set the annual amount of dues more than \$25.00 without approval of the membership at annual or special meeting.