

BYLAWS  
OF  
SHADY HILL VILLA ASSOCIATION, INC.

ARTICLE ONE  
NAME AND LOCATION

Section 1.01. The name of the corporation is SHADY HILL VILLA ASSOCIATION, INC., hereinafter referred to as the "Association".

Section 1.02. The initial registered office of the corporation shall be located at 3211½ Briar Court, Baytown, Harris County, Texas, but meetings of members and directors may be held at such places within the State of Texas, County of Harris, City of Baytown, as may be designated from time to time by the Board of Directors.

ARTICLE TWO  
DEFINITIONS

Section 2.01. "Association" shall mean and refer to SHADY HILL VILLA ASSOCIATION, INC., its successors and assigns.)

Section 2.02. "Properties" shall mean and refer to that certain real property described in the General Restrictions, Covenants and Conditions, Deeds, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 2.03. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 2.04. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 2.05. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 2.06. "Declarant" shall mean and refer to FIRST INTERNATIONAL BANK IN HOUSTON NA, its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 2.07. "Declaration" shall mean and refer to the General Restrictions, Covenants and Conditions applicable to the Properties recorded in the Deed Records of Harris County, Texas.

Section 2.08. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

### ARTICLE THREE

#### MEETING OF MEMBERS

Section 3.01. Annual Meetings. Annual meetings of the members shall be held on the third (3rd) Monday in April, 1983, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter. If the day for the annual meeting of the members is a legal holiday, the meeting will be held on the first day following which is not a legal holiday.

Section 3.02. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 3.03. Notice of Meetings. Either written or personal notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by either the personal delivery to the member, or by the mailing of a copy of such notice, postage prepaid, at least 15 days but not more than 30 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice; provided, however, that in the event a special meeting is called pursuant to Section 3.02 hereof, notice need only be given at least five (5) days but not more than twenty (20) days before such meeting. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. Such notice shall be deemed to be delivered either when the member takes personal delivery of the notice or when the notice is deposited in the United States mail addressed to the member at his address as set out above.

Section 3.04. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, a majority of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented. In the alternative, should the required quorum not be forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth above, and the required quorum at such subsequent meeting shall be one-half ( $\frac{1}{2}$ ) of the required quorum of the preceding meeting; provided, however, that the subsequent meeting shall be held within ten (10) days of the preceding meeting.

Section 3.05. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

#### ARTICLE FOUR

##### BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 4.01. Number. The affairs of this Association shall be managed by a Board of three (3) directors, who must be members of the Association.

Section 4.02. Term of Office. At the first annual meeting the members shall elect one director for a term of one year, one director for a term of two years and one director for a term of three years; and at each annual meeting thereafter the members shall elect one director for a term of three years.

Section 4.03. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association who may be present at a meeting satisfying all notice and quorum requirements herein, or their proxies. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the

Board and shall serve for the unexpired term of his predecessor.

Section 4.04. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 4.04. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

#### ARTICLE FIVE

##### NOMINATION AND ELECTION OF DIRECTORS

Section 5.01. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations must be made from among members.

Section 5.02. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE SIX

MEETINGS OF DIRECTORS

Section 6.01. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly, at such place and hour as may be fixed from time to time by resolution of the Board.

Section 6.02. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 6.03. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE SEVEN

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.01. Powers. The Board of Directors shall have power to:

(A) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members, their lessees, heirs, assigns, and their guests thereon, and to establish penalties for the infraction thereof;

(B) suspend the voting rights and right to use of the recreational facilities of a member, his lessees, heirs, assigns and his guests, during any period in which such member, his lessees, heirs and assigns shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;

(C) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration.

(D) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(E) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties; and

(F) take any and all actions, both legal and equitable, necessary to enforce the Restrictions on the Lots and Common Areas under the jurisdiction of the Association and to collect the assessments levied upon the owners of said Lots as provided herein and in the Declaration.

Section 7.02. Duties. It shall be the duty of the Board of Directors to:

(A) cause to be kept a complete record of all its acts and corporate affairs and to present a report thereof to the members at the annual meeting of the members, or at any special meeting when such report is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;

(B) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(C) as more fully provided in the Declaration, to:

(1) fix the amount of the monthly assessment against each Lot at least thirty (30) days in advance of each January 1st, subject only to the restrictions on changes in the assessment noted in the Declaration;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each January 1st, by United States Mail, with said notice being deemed delivered when deposited in an official United States Mail receptacle and addressed to the most recent address shown for the Owner on the books of the Association;

(3) collect interest of ten (10%) per cent per annum for all assessments past due more than thirty (30) days; and

(4) foreclose the lien against any property for which assessments are not paid within ninety (90) days after due, or to bring an action at law against the owner personally obligated to pay the same, or both.

(D) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment

has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(E) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(F) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(G) cause the Common Area to be maintained; and

(H) cause the exterior of the dwellings to be maintained in accordance with the Restrictions thereon.

#### ARTICLE EIGHT

##### OFFICERS AND THEIR DUTIES

Section 8.01. Enumeration of Officers. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 8.02. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 8.03. Term. Each officer of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 8.04. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 8.05. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein,

the acceptance of such resignation shall not be necessary to make it effective.

Section 8.06. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 8.07. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 8.01 of this Article.

Section 8.08. Duties. The duties of the officers are as follows:

President

(A) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

(B) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(C) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(D) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual



audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE NINE

COMMITTEES

*what declaration means all restrictions, covenants*

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out the purposes of the Association.

ARTICLE TEN

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE ELEVEN

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association yearly assessments which are secured to the full extent provided by law, by a continuing lien upon the property against which the assessment is made. Said assessments shall be due and payable on January 1 of the year for which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of ten (10%) per cent per annum, and the Association may either (1) bring an action at law against the Owner personally obligated to pay the same or (2) foreclose the lien against the property, or (3) both, and interest, costs, and reasonable attorney's fees of any such

action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

ARTICLE TWELVE  
AMENDMENTS

Section 12.01. These Bylaws may be amended, at a regular or special meeting of the members, by a vote of two-thirds (2/3) of the votes which members present in person or by proxy are entitled to cast.

2/3's

Section 12.02. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE THIRTEEN  
MISCELLANEOUS

The fiscal year of the Association shall be the calendar year.

IN WITNESS WHEREOF, we, being all of the directors of the SHADY HILL VILLA ASSOCIATION, INC., have hereunto set our hands, this the 1<sup>st</sup> day of July, A. D. 1982.

George Anne Blakey  
Billy L. Debussey  
[Signature]