

11-5-81

AMENDED BY-LAWS

OF

MEMORIAL CHASE

~~GLENLOCH~~ COMMUNITY IMPROVEMENT ASSOCIATION

ARTICLE I

NAME AND LOCATION. The name of the corporation is GLENLOCH COMMUNITY IMPROVEMENT ASSOCIATION, hereinafter referred to as the "Association". The principal office of the corporation shall be located at 9411 Landry Blvd., Spring, Texas, 77379, but meetings of members and directors may be held at such places within the State of Texas, County of Harris, as may be designated by the Board of Directors.

ARTICLE II-A

DEFINITIONS

Section 1. "Association" shall mean and refer to GLENLOCH COMMUNITY IMPROVEMENT ASSOCIATION, doing business as MEMORIAL CHASE HOMEOWNERS' ASSOCIATION, its successors and assigns.

Section 2. "Properties" shall mean and refer to those certain real properties described in the Deed Restrictions for Glenloch, Section 1; Glenloch, Section 2; and those sections of Memorial Chase brought under, and accepted within, the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 4. "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 5. "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 6. "Developer" shall mean and refer to the then owner of all the lots of a subdivided addition brought within, and accepted within, the jurisdiction of the Association and the successors and assigns of such owner, if such successors or assigns should acquire more than one undeveloped Lot from the Developer for the purpose of development.

Section 7. "Deed Restrictions" shall mean and refer to the declarations of covenants, conditions and restrictions applicable to the Properties recorded in the Office of the County Clerk of Harris County, Texas.

Section 8. "Member" shall mean and refer to every owner of a lot which is subject to assessment. Membership shall be appurtenant to, and shall not be separated from, ownership of any lot which is subject to assessment.

Section 9. "Board" shall mean and refer to the elected Board of Directors of the Association.

ARTICLE II-B

Section 1. Purposes. The purposes for which the GLENLOCH COMMUNITY IMPROVEMENT ASSOCIATION is formed are civic and social, for the benefit and betterment of the residents and property owners of Glenloch and Memorial Chase, residential developments in Harris County, Texas, which have been brought under, and accepted within, the jurisdiction of the Association. To carry out such purposes

properly, the Association may at the discretion of its Board of Directors perform the following functions and the exercise of such functions shall be deemed to be within the scope of activities contemplated by the corporate charter:

(a) The Association may care for vacant, unimproved and unkempt lots in said development, remove and destroy grass, weeds and rodents therefrom, and any unsightly and obnoxious thing therefrom and do any other things and perform any labor necessary or desirable in the judgment of this Association to keep the property, and the land contiguous and adjacent thereto, neat and in good order.

(b) The Association may enforce charges, restrictions, conditions and covenants existing upon and created for the benefit of said property over which this Association has jurisdiction; the Association may pay all expenses incidental thereto; the Association may enforce the decisions and rulings of the Association having the jurisdiction over any of said property; and the Association may pay all of the expenses in connection therewith.

(c) The Association may perform any and all lawful things and acts which this Association at any time and from time to time, shall, in its discretion, deem to be to the best interests of said property and the owners of the building sites thereon, and shall pay all costs and expenses in connection therewith.

(d) Any powers and duties exercised by said Association relating to maintenance, operation, construction or reconstruction of any facilities provided for herein may be contracted for with any qualified contractor as agent.

(e) The Association may provide for garbage and rubbish collection and disposal.

(f) The Association may expend the funds collected by it from assessments, maintenance charges and all other monies received by the Association for the payment and discharge of all proper costs, expenses and obligations incurred by this Association in carrying out any or all of the purposes for which the Association is formed.

Section 2. Area. The activities of the Association shall be limited to the areas known as Glenloch and certain sections of Memorial Chase, developments in Harris County, Texas which have been brought under, and accepted within, the jurisdiction of the Association, and to such other areas which may hereinafter through the operation of Deed Restrictions pertaining to the same be placed under or submitted to the jurisdiction of this Association and be accepted as within the jurisdiction of this Association by resolution of the Board of Directors of this Association.

Section 3. Annexation. Annexation agreements accepting Memorial Chase, Sections 2 and 3 within the jurisdiction of the Association provide for a certain \$150.00 fee per home payable to the Association imposed on all builders in those developments by the developer thereof to be placed in a special account by the Association, to be applied to the construction cost of new recreational development. It shall be a requirement for annexation of

Memorial Chase, Section 4 and subsequent sections annexed by the Association that such fee shall be at least \$250.00 and such fees shall be placed in a special account, to be applied to the construction cost and/or retirement of the permanent financing of such construction of the new recreational facilities to serve the residents of the Glenloch and Memorial Chase subdivisions annexed and accepted within the jurisdiction of the Association.

ARTICLE III

VOTING RIGHTS OF MEMBERS

The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Developer and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members but the vote for such Lot shall be exercised as they among themselves determine, and in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member or members shall be the Developer and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(b) The date set out in the Deed Restrictions for a subdivided addition subjected to and accepted within the jurisdiction of the Association.

ARTICLE IV

MEETINGS OF MEMBERS

Section 1. Annual Meetings. Annual meeting of the Members shall be held on the first Tuesday in February of each year, at the hour of 7:30 o'clock P.M. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. 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. ($1/20$)

Section 3. Notice of Meetings. Written 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 mailing a copy of such notice, postage prepaid, at least 15 days prior to 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. 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.

Section 4. Quorum. The presence at the meeting of members ⁴⁶ entitled to cast, or of proxies entitled to cast, one-twentieth ($1/20$) of the votes of ^{class A} each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Deed Restrictions, or these By-Laws. 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.

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Section 5. 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 such Member's Lot.

ARTICLE V

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number and Term of Office. The business and property of the Association shall be managed and controlled by the Board of Directors, and subject to the restrictions imposed by law, by the Articles of Incorporation, or by these By-Laws; the Board of Directors may exercise all the powers of the Association.

The number of Directors shall be seven (7), but the number of Directors may be increased or decreased from time to time by the affirmative vote of a majority of the Members at any annual or special meeting of Members, provided that the number of Directors shall never be less than three (3). The Directors shall be elected each year at the annual meeting of the Members of the Association or at the adjourned annual meeting of the Members of the Association and each Director shall be elected to hold office and to serve staggered two-year terms and until such Director's successor shall be elected and shall qualify. Three (3) Directors shall be elected at the annual meeting of the members of

the Association occurring in even-numbered years, and four (4) Directors shall be elected at such annual meeting occurring in odd-numbered years. Directors shall be Members of the Association.

Section 2. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a Director, such Director's successor shall be selected by the remaining Members of the Board and shall serve for the unexpired term of such Director's predecessor.

Section 3. Compensation. No Director shall receive compensation for any service such Director may render to the Association. However, any Director may be reimbursed for actual expenses incurred in the performance of such Director's duties.

Section 4. 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 VI

NOMINATION AND ELECTION OF DIRECTORS

Section 1. 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 at the first regular meeting of the Board after each annual meeting of the Members, to serve until the close of the next 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 shall be made from among members of the Association.

Section 2. 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 Article III hereof. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VII

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. 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 3. 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 VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. 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 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 during any period in which such Member 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 By-Laws, the Articles of Incorporation, or the Deed Restrictions;

(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; and

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

Section 2. 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 statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement 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 Deed Restrictions, to:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same.

(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.

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president, vice-president, secretary, and treasurer, all of whom shall at all times be members of the Board of Directors, and such other officers as the Board may create from time to time by resolution.

Section 2. 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 3. Term. The officers of this Association shall be elected annually by the Board and each officer shall hold office for one (1) year, unless such officer shall sooner resign, be removed, or otherwise be disqualified to serve.

Section 4. 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 5. 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 6. 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 thereby replaced.

Section 7. 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 4 of this Article.

Section 8. 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.

Vice-President

(b) The vice-president shall act in the place and stead of the president in the event of the president's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of the vice-president 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; keep the corporate seal of the Association and affix it on all papers requiring said seal; 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; keep proper books of account; cause periodic audits of the Association books to be made by a public accountant at the completion of such fiscal years as may be required by the Board of Directors, the FHA/VA during periods when Class B membership exists, or as a condition by a lender of funds to the Association, and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting.

Section 9. Signatory Authority. The Board of Directors shall from time to time by resolution determine which officers, and in what manner, shall be required to sign checks and exercise authority over Association funds and fiscal matters.

ARTICLE X

COMMITTEES

The Board of Directors shall appoint an Architectural Control Committee, when and as provided in the Deed Restrictions, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE XI

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 Deed Restrictions, the Articles of Incorporation and the By-Laws 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 XII

ASSESSMENTS

As more fully provided in the Deed Restrictions, each Member is obligated to pay to the Association annual assessments which are secured by a continuing lien upon the property against 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 percent (10%) per annum, and the Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property, 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 XIII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Glenloch Comm. Impvt. Assn.

ARTICLE XIV

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B membership.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles of Incorporation shall control; and in the case of any conflict between the Deed Restrictions and these By-Laws, the Deed Restrictions shall control.

ARTICLE XV

MISCELLANEOUS

The fiscal year of the Association shall end on the 31st day of December of each year.