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BY LAWS

OF

**LAKE CREEK RANCHETTES HOMEOWNERS ASSOCIATION
Formerly BEVERLY HILLS COMMUNITY IMPROVEMENT ASSOCIATION, INC.**

ARTICLE I

NAME AND LOCATION

The name of the Corporation is Lake Creek Ranchettes Homeowners Association (formerly Beverly Hills Community Improvement Association, Inc.), hereinafter referred to as the "Association". The principle address of the corporation shall be 40710 Country Forest, Magnolia, Texas 77355, but meetings of members and directors may be held at such places within the State of Texas, County of Montgomery, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Lake Creek Ranchettes Homeowners Association (formerly Beverly Hills Community Improvement Association, Inc.), a Texas non-profit corporation, its Successors and assigns.

Section 2. "Subdivision" shall mean and refer to Lake Creek Ranchettes, Section VII (Beverly Hills).

Section 3. "Properties" shall mean and refer to that certain property or properties described in the Dedication of Restrictions, Exhibit A, Lake Creek Ranchettes, Section VII (Beverly Hills), a subdivision in Montgomery County, Texas, and any additional properties which may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded map of the properties with the exception of common area.

Section 6. "Owner" shall mean and refer to the owner of record, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties subject to a maintenance charge assessment by the Association, including contract sellers, but excluding those having such interest merely as security for the performance of any obligation.

Section 7. "Declaration" shall mean and refer to the Dedication of Restrictions for Lake Creek Ranchettes, Section VII (Beverly Hills), Thomas J. Nichols, A 397, Survey, a subdivision in Montgomery County, Texas, recorded in Volume 1029, Page 570, and any additions, amendments, and/or supplements thereto.

Section 8. "Members" shall mean and refer to those property owners who are not in default of any dues/fees charged by the Association.

ARTICLE III

PURPOSE

This Association shall be a non-profit organization for the purpose of promoting civic and community welfare and pride among the residents of Lake Creek Ranchettes, Section VII (Beverly Hills); encouraging the enforcing the restrictive regulations and covenants of said Subdivision conducive to good planning and the sustaining of property values therein; securing desirable improvements and benefits for that Subdivision; and to foster and assist in the general civic and social enterprises and activities which may be beneficial to the community.

ARTICLE IV

MEMBERSHIP

Section 1. Membership in the Association shall be comprised exclusively of all property owners within Lake Creek Ranchettes, Section VII (Beverly Hills), and such membership shall be mandatory. All members shall be required to pay an annual maintenance fee plus any additional fees as deemed necessary by the Board of Directors.

Section 2. Property owners shall be allowed one (1) vote for each Lot owned, regardless of the actual number of owners. Any property owners not current with payment of required dues/fees/assessments, etc., shall be denied the right to vote. Proxy votes shall be allowed only by signature of the property owner.

Section 3. No one shall be entitled to hold office or be placed on any committee except members in good standing as to payment of their dues/fees.

Section 4. Only members in good standing shall have the right to make motions from the floor and/or voice any statement or opinion during any meetings of the Association.

ARTICLE V

MEETINGS OF MEMBERS

Section 1. Regular Meetings. Regular meetings of the members shall be held on the second Saturday of January, July, and October at 4:00 PM. at 40710 Country Forest, Magnolia, TX 77355.

Section 2. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent annual meeting of the members shall be held on the second Saturday of April at 4:00 P.M. at 40710 Country Forest, Magnolia, TX 77355

Section 3. Special Meetings. Special meetings of the members may be called at any time with due notice by the Board of Directors or in any other manner provided within the Texas Non-Profit Corporation Act.

Section 4. Notice of Meeting.

(a) Regular Meetings. No notice shall be given unless otherwise designated by the Board of Directors.

(1.) Annual Meetings. Written notice shall be given by or at the direction of the Secretary or person

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authorized to call the meeting, by distributing a copy of such notice to each household and/or by mailing a copy of such notice, postage prepaid, to the recorded property owner, not less than ten (10) nor more than thirty (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. Such notice shall specify the place, day, hour and the purpose of the meeting.

(c) Special Meetings. Written notice shall be given by or at the direction of the Secretary or person authorized to call the meeting, by distributing a copy of such notice to each household and/or by mailing a copy of such notice, postage prepaid, to the recorded property owner, not less than ten (10) nor more than thirty (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. Such notice shall specify the place, day, hour and the purpose of the meeting.

Section 5. Quorum. The presence at the meeting of members, consisting of at least ten percent (10%) of the members of the Association entitled to vote, represented in person or by proxy, shall constitute a quorum for any action. 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.

Section 6. Voting.

(a) Only property owners who are not in default as to the payment of their dues/fees are entitled to vote.

(b) Property owners shall be entitled to one (1) vote per Lot and the owners of such Lot shall cast such vote as a single unit. The full vote of any Lot standing in the name of a husband and wife may be cast by either of them in person or by proxy.

(c) All proxies shall be in writing and filed with the Secretary. Only members in good standing may be designated to vote on behalf of another member. Each proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

(d) The full vote of any Lot standing in the name of another corporation may be voted by such officer, agent, or proxy as the Bylaws of such other corporation may prescribe.

(e) The vote of any Lot standing in the name of an administrator, executor, or guardian may be voted by such so long as such lot is in his possession and forms a part of the estate being served by him, either in person or by proxy.

(f) There shall be no cumulative voting.

ARTICLE VI

BOARD OF DIRECTORS

Section 1. Directors. The affairs of this Association shall be managed by a Board of five (5) Directors who must be members in good standing as to the payment of their dues/fees.

Section 2. Offices. The offices of the Association shall be President, Vice-President, Secretary,

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Treasurer, and Parliamentarian. The Board shall elect from among themselves whereby each office shall be held by a Director.

Section 3. Nomination. Nominations for election to the Board of Directors shall be submitted by the Nominating Committee, which shall be comprised of five (5) members appointed by the President thirty (30) days prior to the election. Nominations may also be made from the floor at any meeting called for such election. Nominations may be made only from members in good standing.

Section 4. 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 of each vacancy, as many votes as they are entitled to cast under the provisions of these Bylaws. The persons receiving the largest number of votes shall be elected. Elections take effect immediately.

Section 5. Term of Office. Initial installment of Directors shall be at the first regular meeting where members shall elect five (5) Directors and thereafter at every annual meeting. Two (2) Directors shall serve for three (3) years and three (3) Directors shall serve for two (2) years; and at each annual meeting thereafter, the members shall elect Directors as vacancies occur as a result of the foregoing, for a term of two (2) years. Their term of office shall begin upon adjournment of the annual meeting.

Section 6. Attendance. Directors must attend at least one-half (1/2) of meetings of the Board in a calendar year.

Section 7. Removal. Any Director may be removed from office, with or without cause, by a majority vote of the Board. Any Director may be removed from the Board, with or without cause, by a majority vote of the Association at a special meeting properly called for such purpose. In the event of death, resignation, or removal of a Director, his successor shall be appointed by the remaining Directors and shall serve for the unexpired term of his predecessor.

Section 8. Compensation. No Director shall receive compensation for any services rendered to the Association; however, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 9. Duties. The duties of the officers are as follows:

(a) **President.** the President shall preside at all meetings of the Association and of the Board; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, and other written instruments; and shall, if so determined by the Board of Directors, co-sign all checks and promissory notes.

(b) **Vice-President.** The Vice-President shall act in the place and stead of the President in the event of his absence, inability, or refusal to act; shall be the Chairman of the Architectural Control Committee; and shall exercise and discharged such other duties as may be required of him by the Board.

(c) **Secretary.** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Association; shall present the successive minutes of the previous Association meeting at each Association meeting; 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 Association; 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.

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(d) **Treasurer.** 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; 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; shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting; shall present a financial report at each regular meeting of the members for approval; and shall perform such other duties as required by the Board.

(e) **Parliamentarian.** The Parliamentarian shall act as Chairman pro-tem in the absence of both the President and Vice-President; shall be knowledgeable in parliamentary law; advise the presiding officer in meetings; and shall perform such other duties as required by the Board.

ARTICLE VII

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at such place and hour as designated by the Board, and may, at the sole discretion of the Board, be open to the public.

Section 2. Special Meeting. Special meetings of the Board of Directors shall be held when called by the President, at a time and place so designated by the President.

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 the majority of the Directors shall be regarded as the act of the Board.

Section 4. Action Without a Meeting. Any action which may be required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the members of the Board of Directors. Such consent shall be placed in the minute book of the Association with the minutes of the Board of Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE VIII

POWERS AND DUTIES OF THE ASSOCIATION

Section 1. Powers. The Association, by and through its Board of Directors shall have the following rights and powers:

(a) The Board of Directors shall be the governing body of the Association with full rights and authority to determine policy, outline, plan, and carry into execution all business, activities, and policies; to enter into and execute all necessary agreements and instruments incident thereto, in the name of the Association and shall constitute the representatives of the Association. Any liability of the subdivision's developer, its successors and assigns, or any other entity will not be accepted or assumed by the Association, other than as mandated by the Declaration.

(b) The Board of Directors shall also be authorized to institute, as well as settle or compromise, in the name of the Association or otherwise any necessary legal proceedings to carry into effect the purpose and

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policies of the Association, or to enforce, or prevent violations of the Declaration; and to employ legal counsel in connection with any of the foregoing.

(c) The Board of Directors shall suspend the voting rights and right to the use of any facilities or services provided by the Association 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 infraction of published rules and regulations.

Section 2. Duties. It shall be the duty of the Association, by and through its Board of Directors, to:

- (a) cause to be kept a complete record of all its acts and corporate affairs;
- (b) supervise all officers, agents, and employees of this Association, and to see that their duties are properly performed;
- (c) fix the amount of the annual assessment against properties subject to the jurisdiction of the Association at least thirty (30) days in advance of each annual assessment and take such actions as it deems appropriate to collect such assessments and to enforce any existing liens securing payment thereof;
- (d) send written notice of each assessment to the last known address of every owner subject thereto at least thirty (30) days in advance of each annual assessment period;
- (e) issue, or cause an appropriate officer to issue, upon written request by any owner or lienholder, 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. Any such certificate, when duly issued, shall be conclusive evidence of such payment;
- (f) procure and maintain such liability and hazard insurance as it may deem appropriate on any property or facilities owned by the Association;
- (g) cause any officers or employees having fiscal responsibilities to be bonded and/or insured, as it may deem appropriate;
- (h) pay for any expense, legal or otherwise, incurred through any action of Board members or representatives of the Association.

ARTICLE IX

PARLIAMENTARY PROCEDURES

The rules contained in the *Modern Edition of Robert 'S Rules of Order* shall govern the Association in all cases where they are not inconsistent with these Bylaws and any special rules of order the Association may adopt.

ARTICLE X

COMMITTEES

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The Board of Directors shall appoint standing committees of Architectural Control, Membership, Social, and Program in addition to other committees as deemed appropriate in carrying out its purpose.

ARTICLE XI

BOOKS AND RECORDS

The books, records, and papers of the Association shall during reasonable hours be subject to inspection by any member upon receipt by the Board of a proper request for such review, pursuant to the Texas Non-Profit Corporation Act. Copies may be purchased at reasonable cost.

ARTICLE XII

ASSESSMENTS

As more fully described in the Declaration, each member is obligated to pay to the Association annual and special 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. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the facilities or services provided by the Association or by abandonment of his Lot.

ARTICLE XIII

AMENDMENTS

Section 1. Amendment. These Bylaws may be amended, at a regular or special meeting of the Association, by a vote of a majority of members present in person or by proxy, provided that notice of any amendment(s) was presented and read at the previous regular meeting of the Association.

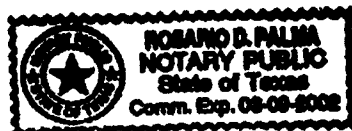
Section 2. Conflict. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

THE STATE OF TEXAS
COUNTY OF MONTGOMERY

Charles Ward

BEFORE ME, a Notary Public, on this day, Charles Ward, personally appeared before me, known to me to be the person whose name is subscribed to the foregoing document and being by me first duly sworn, declared that the statements therein contained are true and correct.

GIVEN UNDER BY HAND AND SEAL OF OFFICE on this the 29th day of December, 1999.



Rosario D. Palma
Notary Public

When filed return to: Lake Creek Ranchettes Homeowners Association
P O Box 1098
Magnolia TX 77353

639-00-1968

FILE FOR RECORD

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MARK TURNBULL, CO. CLERK
MONTGOMERY COUNTY, TEXAS


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STATE OF TEXAS
COUNTY OF MONTGOMERY
I hereby certify that this instrument was filed in
File Number Sequence on the date and at the time
stamped herein by me and WAS duly RECORDED in
the official Public Records of Real Property of
Montgomery County, Texas.

JAN 03 2000



Mark Turnbull
COUNTY CLERK
MONTGOMERY COUNTY, TEXAS