

**BY LAWS OF
LAKE CONROE HEIGHTS PROPERTY OWNERS
ASSOCIATION**

**ARTICLE I.
DEFINITIONS**

1. **DEFINITIONS.** Words and phrases defined in the Declaration have the same meanings when used in these Bylaws.
 - a. **PROPERTY.** These Bylaws provide for the governance of LAKE CONROE HEIGHTS PROPERTY OWNERS ASSOCIATION, the planned community located in Montgomery County, Texas, a plat describing the property subject to the Declarations and Bylaws filed in the Montgomery County Real Property Records File # 185792 (Section One), 185551 (Section Two), 147678 (Section Three), 185793 (Section Four) (the "Property").
 - b. **OWNER.** 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 part of the Subdivision. In the event of an executory contract for installment sale or contract for deed covering any lot, the Owner shall be the seller named in the contract.
 - c. **LOT.** Lot shall mean and refer to the numbered lots used for residential purposes only as shown on the recorded plat referenced above in Section 1(a).
 - d. **DECLARATION.** The Property is subject to a number of publicly recorded documents, including the Declaration of Covenants, Conditions, and Restrictions for LAKE CONROE HEIGHTS PROPERTY OWNERS ASSOCIATION ("LCHPOA"), recorded in the Real Property Records of Montgomery County, Texas File # 2004059160 and any amendments thereafter (the "Declaration"). In the event any provision in these Bylaws is inconsistent with any provision in the Declaration, the provision in the Declaration and any amendments to the Declarations shall control. If a term is not defined in the Declarations or in these Bylaws the plain meaning of the word shall be used.

**ARTICLE II.
INTRODUCTION**

1. **APPLICABLE LAW.** The Association is a legal entity governed by the Texas Business Organizations Code and the Texas Property Code (the "Code"). It is a domestic nonprofit corporation subject to Chapter 22 of Title 2 of the Code, the Texas Nonprofit Corporation Law.
2. **GENERAL POWERS AND DUTIES.** The Association, acting through the board, has

the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Property as may be required or permitted by the Governing Documents and applicable law. The Association may do any and all things that are lawful and which are necessary, proper, or desirable in operating for the best interests of its members, subject only to limitations upon the exercise of such powers as may be contained in applicable law or the Governing Documents.

ARTICLE III. MEMBERSHIP

1. **MEMBERSHIP.** The membership of the Association shall consist of owners of the lots. In accordance with the Declarations, no owner, whether one or more Persons, shall have more than one membership per Lot owned. The rights and privileges of membership may be exercised by a Member or the Member's spouse, subject to the Association's Bylaws and Declarations. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation and/or persons or entities who own only an easement.

ARTICLE IV. MEMBERSHIP MEETINGS

1. **ANNUAL MEETING.** An annual meeting of the Association shall be held once each year. At annual meetings the members will elect directors in accordance with these Bylaws and may also transact such other business of the Association as appropriate.
2. **SPECIAL MEETINGS.** It is the duty of the president to call a special meeting of the Association if directed to do so by a majority of the board or by one or more petitions signed by owners of at least 20 percent of the lots in the Property. If the petition process is used, petitions may be in any form that is customary for the time. The board may not require a specific form of petition, nor require that the petition be offered to every member of the Association. Owner's printed names, signatures, date, and owner addresses must be included on any petition, though signatures need not be notarized. An electronic or faxed petition is acceptable if the "signer's" identity is reasonably discernable.
 - a. **Special Meeting Notice.** Within 30 days after the board resolution or receipt of petition, the board must give all members notice of the special meeting. If the board fails or refuses to call the special meeting in a timely manner, an ad hoc committee of owners may do so provided that the document giving notice of meeting names the ad hoc committee and its individual members, and further provided that the notice is delivered to an owner of every lot. The notice of any special meeting must state the time, place, and purpose of the meeting. No business, except the purpose stated in the notice of the meeting, may be transacted at a special meeting.

3. **PLACE OF MEETINGS.** Meetings of the Association may be held at the Property or at a suitable place convenient to the members, as determined by the board.
4. **QUORUM.** At any such meeting of the members, the presence of members in person and/or by proxy holding twenty-five percent (25%) of all members of the Association, shall constitute a quorum. By proxy ballots, electronic ballots, and absentee ballots may be used to establish a quorum. In any case, if a quorum shall not be present or represented at any meeting of the members, the members entitled to vote thereof, whether present in person or represented by proxy, or absentee ballot or electronic ballot, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting and shall reconvene the meeting whereby the quorum shall be half (1/2) the required quorum. Any reconvened meeting must be called within 60 days of the adjourned meeting. At any reconvened meeting of the members, any business may be transacted which might have been transacted at the meeting as originally notified.
5. **MEETINGS BY REMOTE COMMUNICATIONS.** Members of the Association may participate in and hold meetings of the Association by means of electronic town halls, conference telephone or similar communications equipment by means of which all persons participating in the meeting can communicate concurrently. Participation in the meeting constitutes presence in person at the meeting.
6. **NOTICE.** Notice of date time and place of Meetings shall be provided to owners either by:
 - a. Mailing notice no later than the 10th day or earlier than the 60th day before the date of the meeting; or
 - b. 144 hours before the start of a regular board meeting by posting the notice in a conspicuous manner reasonably designed to provide notice to members.
 - i. A conspicuous place may be on association common property; or
 - ii. on any internet website available to association members; or
 - iii. by sending notice to the member's email address, but only by owner's consent; or
 - iv. Any combination of the above notice options.

ARTICLE V. VOTING

1. **VOTING.** Voting shall be on a one vote per lot basis. The Owner or Owners of each lot are entitled to one vote for each lot owned in the Subdivision. If record title to a particular lot is in the name of two or more persons, all co-owners shall be Members and may attend any meetings of the Association. Voting rights are not permitted to be divided into fractional votes. Each co-owner may exercise the right to submit the vote appurtenant to each lot and such vote shall be binding and conclusive on all of the other co-owners. Co-owners are encouraged to meet before the meeting requiring a vote to discuss how the vote will be cast and who will cast the vote. If more than one vote is cast for one lot, all votes

for that lot are void.

2. **METHOD.** Voting shall be governed by the Texas Property Code and the Texas Business and Commerce Code. Each ballot submitted to members will describe and list each proposed action to be voted on and an option for the voter to either vote yes or no for each proposed action. Instructions for each type of delivery must be included on each ballot for members. Any member that attends the meeting in person cannot then submit a ballot electronically, by proxy, or by absentee ballot. At all meetings of Members, votes may be cast by attending in person, by proxy (all by proxy ballots may be valid for 11 months only), and electronic mail or facsimile. Electronic ballots, absentee ballots and by proxy ballots may be used for the purpose of establishing a quorum in accordance with Texas Property Code §209.00592. All ballots will contain an option so that the members may allow their ballot to count towards a quorum regardless of any amendments. Absentee ballots must include the following language:

“By casting your vote via absentee ballot, you will forgo the opportunity to consider and vote on any action from the floor on these proposals, if a meeting is held. This means that if there are amendments to these proposals your votes will not be counted on the final vote on these measures. If you desire to retain this ability, please attend any meeting in person. You may submit an absentee ballot and later choose to attend any meeting in person, in which case any in person vote will prevail.”

3. **CUMULATIVE VOTING.** Cumulative voting is not permitted.

ARTICLE VI. DIRECTORS

1. **NUMBER AND TERM OF OFFICE.** The board will consist of five directors consisting of three officers (President, Secretary and Treasurer) and two directors at large. The number of directors may be changed by Resolution of the Board of Directors but may not be less than three. Upon election, each director will serve a term of 2 years (all terms must be staggered). A director takes office upon the adjournment of the meeting or balloting at which s/he is elected or appointed and, absent death, ineligibility, resignation, or removal, will hold office until his/her successor is elected or appointed.
2. **STAGGERED TERMS.** To maintain staggered terms, at the first election after adoption of these Bylaws, the two candidates receiving the most votes will serve 2-year terms, and the next three candidate receiving the next-highest votes will serve initial terms of one year. Thereafter, their successors will serve 2-year terms.
3. **QUALIFICATION.** All directors must be members of the Association. If a lot is owned by a legal entity, such as a partnership or corporation, any officer, partner, agent, or employee of that entity member is eligible to serve as a director and is deemed to be a member for the purposes of this section. If the relationship between the entity member and the director representing it terminates, that directorship will be deemed vacant.

4. **ELECTION.** Directors will be elected by the members of the Association. The election of directors will be conducted at the annual meeting of the Association.
5. **VACANCIES.** Vacancies on the board caused by any reason are filled by a vote of the majority of the remaining directors, even though less than a quorum, at any meeting of the board. Each director so appointed by the board serves until the vacant board position's term expires.
6. **REMOVAL OF DIRECTORS.**
 - a. **Removal by Members.** At any annual meeting of the Association or at any special meeting of the Association called for the purpose of removing a director, directors may be removed with or without cause by members representing at least two-thirds of the association, and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the members must be given an opportunity to be heard at the meeting.
 - b. **Removal by Directors.** A director may not be removed by the officers or by the remaining directors, except for the following limited reasons for which a director may be removed by at least a majority of the other directors at a meeting of the board called for that purpose:
 - i. The director is a party adverse to the Association, the board, or a committee of the Association in pending litigation to which the Association, board, or committee is a party, provided the Association did not file suit to effect removal of the director.
 - ii. The director has refused or failed to attend 3 or more meetings of the board during the preceding 12 months, provided s/he was given proper notice of the meetings.
7. **POWERS AND DUTIES.** Generally, the board has all the powers and duties necessary for the administration of the Association and for the operation and maintenance of the Property. The board may do all acts and things except those which, by applicable law or the Governing Documents, are reserved to the members and may not be delegated to the board. Without prejudice to the general and specific powers and duties set forth in applicable law or the Governing Documents, or powers and duties as may hereafter be imposed on the board by resolution of the Association, the powers and duties of the board include, but are not limited to, the following:
 - a. **Appointment of Committees.** The board, by resolution, may from time to time designate committees to advise or assist the board with its responsibilities. The resolution may establish the purposes and powers of the committee created, provide for the appointment of a chair and committee members, and may provide for reports, termination, and other administrative matters deemed appropriate by the board. Members of committees will be appointed from among the owners and

residents. The board may not appoint a committee to act in its place in managing the affairs of the Association.

- b. **Manager.** The board may employ a manager or managing agent for the Association, at a compensation established by the board, to perform duties and services authorized by the board.
 - c. The Board of Directors have authority to expend funds for the benefit of the Association in accordance with Texas Property Code 204.010.
 - i. The Board of Directors is generally limited to spending \$1,800.00 a year. The total yearly budgeted amount stated as \$1,800.00 may increase over time but only by approval of the membership as stated below in subsection iii. If at any point in the fiscal year (January 1 – December 31) the expenses will exceed \$1,800.00 (or over the amount approved by the membership), and the Association's account has reserve funds that will cover the expense, the Board of Directors has the authority, in accordance with Texas Property Code 204.010, to spend reserve funds on Association expenses.
 - ii. If at any point of the fiscal year (January 1 – December 31) the Board of Directors determine that the assessment rate is insufficient and that the funds in the reserve account are insufficient to cover expenses of the Association, the Board of Directors must, in accordance with the Declarations, request that the assessment rate be changed or amended for that fiscal year. A Special Meeting may be called by the Board of Directors or the membership in accordance with these Bylaws to vote on a change in assessment rates.
 - iii. At a properly called Meeting with a quorum present regarding spending limits, the Board of Directors will present a proposal packet to the members regarding all additional funds needed for the remaining fiscal year. Two-thirds (2/3) of the Association members must vote yes to approve any change to the assessment rate. Any change to the assessment rate must be filed in the Real Property Records of Montgomery County, Texas to be effective.
8. **COMPENSATION.** A director, officer, member, or resident is not entitled to receive financial or monetary profit from the operation of the Association, and no funds or assets of the Association may be paid as salary or compensation to, or be distributed to, or inure to the benefit of a director, officer, member, or resident. Nevertheless, reasonable reimbursement of expenses paid in connection with the administration of the affairs of the Association by a director may be paid with proper documentation.
9. **ASSOCIATION CONTRACTS.** The Association may enter into an enforceable contract with a current Association Board Member and/or a person related to a current Association Board Member within the third degree by consanguinity or affinity pursuant to Texas Property Code §209.0052. The following conditions must be followed:
- a. The board member, relative, or company bids on the proposed contract and the

association has received two other bids from individuals or companies not related or serving on the board

- b. The board member
 - i. Does not have access to other bids;
 - ii. Does not participate in the discussion regarding the contract;
 - iii. Does not vote on the award of the contract.

ARTICLE VII. ELECTIONS

1. **RULES AND PROCEDURES.** The laws listed in the Texas Property Code shall govern conducting Elections for the Association. Directors may adopt rules and procedures for the conduct of annual elections of Directors, provided that such rules and procedures are not inconsistent with Texas law or these Bylaws.

ARTICLE VIII. BOARD MEETINGS

1. **OFFICER ELECTIONS.** The next meeting after the annual meeting, the directors will convene for the purpose of electing officers. The time and place of the meeting will be fixed by the board and announced to the directors.
2. **PLACE OF BOARD MEETINGS.** The board will conduct its meetings at a location that is reasonably convenient for the greatest number of directors, and at a place or facility that is sufficiently large to accommodate the number of owners who typically attend board meetings as observers. The decision of where to meet may be made on a meeting-by-meeting basis by the officer or director who calls the meeting, by board resolution, or by any other practice that is customary for property owners associations. The board is not required (1) to conduct its meetings at the Property, (2) to maintain a fixed place for its meetings.
3. **TYPES OF BOARD MEETINGS.** Regular meetings of the board may be held at a time and place that the board determines, from time to time. The Board of Directors are encouraged to hold at least two Board meetings (in addition to the Annual Meeting) to discuss regular Association business, though these meetings are not required. In case of emergency, the board may convene an emergency meeting for the purpose of dealing with the emergency without notice to members, but any action must be ratified at the next meeting after an emergency meeting is called. Emergency meetings may be held electronically.
4. **CONDUCT OF MEETINGS.** The president presides over meetings of the board (unless s/he cannot preside and in that case the Secretary presides over meetings) and the secretary keeps, or causes to be kept, a record of resolutions adopted by the board and a record of transactions and proceedings occurring at meetings. When not in conflict with law or the Governing Documents, the then current edition of Robert's Rules of Order governs the

conduct of the meetings of the board.

5. **QUORUM.** At meetings of the board, a majority of directors constitutes a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present are the acts of the board. If less than a quorum is present at a meeting of the board, the majority of those present may adjourn the meeting from time to time. At any reconvened meeting at which a quorum is present, any business that may have been transacted at the meeting as originally called may be transacted without further notice.
6. **MINUTES.** The written report of a board meeting is not the minutes of the meeting until approved by the directors at a future meeting. The minutes must report actions taken by the board, but need not report the substance of discussion.
7. **AUDIO RECORDING.** No audio or video recording of the meeting may be made, except by the board or with the board's prior express consent.
8. **EXECUTIVE SESSION.** The board may adjourn any regular or special meeting of the board and reconvene in executive session. At the end of the executive session, the board must return to the open meeting and announce the general nature of the business that was considered in executive session.
9. **ELECTRONIC MEETINGS.** Members of the board or any committee of the Association may participate in and hold meetings of the board or committee by means of conference telephone or similar communications or electronically by means of which all persons participating in the meeting can hear each other. Participation in such meeting constitutes presence in person at the meeting.
10. **NOTICE.** Notice is governed by the Texas Property Code. Notice of date time and place of Meetings shall be provided to owners either by:
 - a. Mailing notice no later than the 10th day or earlier than the 60th day before the date of the meeting; or
 - b. 144 hours before the start of a regular board meeting by posting the notice in a conspicuous manner reasonably designed to provide notice to members. A conspicuous place may be considered:
 - i. On association common property; or
 - ii. On any internet website available to association members; or
 - iii. By sending notice to the member's email address, but only by owner's consent, or
 - iv. Any combination of the above notice options.

ARTICLE IX. OFFICERS

1. **DESIGNATION.** The principal officers of the Association are the president, the secretary, and the treasurer.
2. **ELECTION OF OFFICERS.** The officers are elected by the directors at the next meeting immediately after the Annual Meeting of members. Except for resignation or removal, officers hold office until their respective successors have been designated by the board.
3. **REMOVAL AND RESIGNATION OF OFFICERS.** A majority of directors may remove any officer, with or without cause, at any regular meeting of the board or at any special meeting of the board called for that purpose. A successor may be appointed at any regular or special meeting of the board called for that purpose. An officer may resign at any time by giving written notice to the board. Unless the notice of resignation states otherwise, it is effective when received by the board and does not require acceptance by the board. The resignation or removal of an officer who is also a director does not constitute resignation or removal from the board.
4. **DESCRIPTION OF PRINCIPAL OFFICES.**
 - a. **President.** As the chief executive Officer of the Association, the president: (1) presides at all meetings of the Association and of the board; (2) has all the general powers and duties which are usually vested in the office of president of an organization; (3) has general supervision, direction, and control of the business of the Association, subject to the control of the board; and (4) sees that all orders and resolutions of the board are carried into effect.
 - b. **Secretary.** The secretary: (1) keeps the minutes of all meetings of the board and of the association; (2) has charge of such books, papers, and records as the board may direct; maintains a record of the names and addresses of the members for the mailing of notices; and in general, performs all duties incident to the office of secretary. (3) Presides over any meetings if the President is not available to complete his/her duties for any reason.
 - c. **Treasurer.** The treasurer: (1) is responsible for Association funds; (2) keeps full and accurate financial records and books of account showing all receipts and disbursements; (3) prepares all required financial data and tax returns (unless prepared by the management company); (4) deposits all monies or other valuable effects in the name of the Association in depositories as may from time to time be designated by the board; (5) prepares the annual and supplemental budgets of the Association; (6) reviews the accounts of the managing agent on a monthly basis in the event a managing agent is responsible for collecting and disbursing Association funds; and (7) performs all the duties incident to the office of treasurer.

**ARTICLE X.
AMENDMENTS**

the right of inspection. The board has the right to retain possession of the original books and records, to make copies requested by the member, and to charge the member a reasonable fee for copying. The Board of Directors may adopt a resolution detailing specifically the rules and procedures for retention of books and records and production of such records.

- 5. **MEMBERSHIP LIST.** The board must maintain a comprehensive list of Association members. The Association must make the membership list available to any owner on written request and may charge a reasonable fee for cost of copying and delivering the owners list.

CERTIFICATION & ACKNOWLEDGMENT

As the Board President of Lake Conroe Heights Property Owners Association, I certify that the foregoing Bylaws of Association were adopted for the benefit of the Association by two thirds (2/3) of the Association's membership as required by the 1988 Bylaws Article X filed under file #8844446 in the Montgomery County Real Property Records, at a regular meeting called by a majority of the Directors for the purpose of adopting these Bylaws.

SIGNED this ____ day of _____ 2023.

LAKE CONROE HEIGHTS PROPERTY OWNERS ASSOCIATION

_____, President

STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on this _____ day of _____, 2023 by _____, President of LAKE CONROE HEIGHTS PROPERTY OWNERS ASSOCIATION, a Texas non-profit corporation.

NOTARY PUBLIC, STATE OF TEXAS