



**BYLAWS**

**DIAMOND HEAD ON LAKE CONROE ASSOCIATION, INC.**

**PREAMBLE**

We, the Record Property Owners of Diamond Head, in order to create a mutually beneficial Recreational and Social Association, do hereby establish these Articles under which the Members and their Board of Directors conduct all activities consistent with the Articles of Incorporation, Deed Restrictions and Covenants, as well as all appropriate Federal, State, County and City laws, do hereby pledge our united efforts to establish and maintain a harmonious non-profit corporation.

**DEFINITIONS**

"Association" shall mean and refer to Diamond Head on Lake Conroe Association, Inc., a Texas non-profit corporation, hereinafter referred to as the Association or the corporation.

"Deed Restrictions" shall mean those covenants and regulations as agreed to by a majority of the Property Owners and on file in the office of the County Clerk of Montgomery County, Texas #9758398 that have been established to insure harmonious, pleasant and satisfactory living conditions in Diamond Head Subdivision and value of the investment of each Property Owner owning property therein.

"Property" or "Lot" shall mean and refer to any of the numbered plots of land shown on the recorded subdivision map or plat.

"Common Area" shall mean all real property owned or to be accepted by the Association exclusively for the common use and enjoyment of the Members, their tenants and guests.

"Members" shall mean and refer to those persons who are Record Property Owners as shown on the records of the Association. The immediate family of a Member shall be Members also.

"Record Property Owner" shall mean and refer to the owner, spouse or co-owner as determined by the Board of Directors, based on the records of the County Courthouse, fee simple titles or contracts for sale.

"Diamond Head Subdivision" shall mean Diamond Head Subdivision and any future additions approved by the Association.

## **ARTICLE I ASSOCIATION**

### **I - 1. Name and Address**

The name of the corporation is Diamond Head on Lake Conroe Association, Inc. The registered office of the Association shall be located at the Clubhouse, 14647 Diamondhead S., Montgomery, Texas 77356, and the registered agent at such address shall be the current President of the DHOLCAI Board of Directors.

Meetings of Members and Directors may be held at such places within the State of Texas, County of Montgomery, or as may be designated by the Board of Directors.

### **I - 2. Membership**

Any person or any representative of a legal entity that is, or becomes a Diamond Head Property Owner shall automatically be a Member of this Association and be subject to the current Bylaws and current Deed Restrictions. Such membership shall be surrendered whenever ownership of the lot shall be relinquished. The Board of Directors shall define and maintain the official record showing the members of the Association.

### **I - 3. Purpose**

The specific and primary purpose of this non-profit corporation is to accept, own, operate, maintain, improve and/or administer the Common Areas or other properties of Diamond Head Subdivision on Lake Conroe, Texas exclusively for the pleasure, recreation and/or other similar non-profitable purpose of its Members. Diamond Head Subdivision was recorded on September 6, 1972 in Volume 10, Page 50 of the maps of Montgomery County. Any future additions from any source may also be included in the Common Areas.

### **I - 4. Coverage**

All present or future owners, present or future tenants or their guests, or any other persons that might use the Common Areas or other properties of Diamond Head Subdivision are subject to the regulations set forth in these Bylaws or as amended by the Declarations of the Association. Appropriate signs are to be posted to notify trespassers. Owners, tenants and guests and any other persons will be subject to the regulations of the Association by their very presence within the perimeter of Diamond Head Subdivision in accordance with the Bylaws.

### **I - 5. Savings Clause**

Invalidation of any one or more of these Bylaws by judgment, court order or otherwise, shall not invalidate any other Bylaw and all other Bylaws shall remain in effect.

## I - 6. Precedence

Whenever a provision of the Articles of Incorporation is inconsistent with the Bylaws, the provisions of the Articles of Incorporation shall be controlling except for a change in the number of directors by the amendment to the Bylaws.

## **ARTICLE II MEETINGS OF MEMBERS**

### II - 1. Annual Meetings

The Annual Meeting of the Members shall be held on the first Sunday of March of each year at 2:00 p.m., if not a legal, federal or state holiday. If a holiday, then on the first preceding Sunday that is not a holiday. All Annual Meetings of the Members shall be held at the Clubhouse, 14647 Diamondhead S., Montgomery, Texas, 77356 or as may be designated by the Board of Directors.

### II - 2. Notice of Annual Meeting

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 postage prepaid, or personally delivering a copy of such notice, at least ten (10) days but not more than sixty (60) days before such meeting, to each Record Property Owner, addressed to the Member's address last appearing on the official records of the Association. Such notice shall specify the date, time and place of the meeting and any topics requested for discussion and/or vote. Such topics may be specified by an officer on the Board of Directors.

### II - 3. Special Meetings

Special meetings of the Members may be called by the President or any two (2) of the Directors in office, or upon written request signed by twenty (20) percent of the owners.

Written notice will be given, stating the date, time and place and indicating briefly the purpose, by mail, personal delivery, email or facsimile, to each of the Record Property Owners at their respective address, at least ten (10) days but not more than sixty (60) days before the meeting.

### II - 4. Quorum

The presence at the start of the meeting in person or by proxy of Record Property Owners holding twenty (20) percent of the current eligible vote 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, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

II - 5. Voting Method

Each Member may vote by mail, in person or by proxy; each proxy shall be in writing and filed with the Secretary before the appointed time of the meeting. Tenants may vote for the Record Property Owner if the Record Property Owner has furnished the tenant with written authorization. A proxy shall be revocable and shall automatically cease upon conveyance by the Member of his lot.

II - 6. Voting Entitlement

Each Record Property Owner shall be entitled to vote, not to exceed one vote for each record lot. The Board of Directors will determine the list of Record Property Owners prior to the Annual Meeting.

II - 7. Rules of Order

Meetings shall be governed by Robert's Rules of Order.

**ARTICLE III  
BOARD OF DIRECTORS**

III - 1. Number and Compensation

The Association shall be managed by the seven (7) officers elected to the Board of Directors to serve in the following capacities:

- President
- Vice President
- Treasurer
- Secretary
- Three Directors

All of the above shall be assigned by and from the Board of Directors at the first meeting of the Board following each annual meeting.

The Directors shall serve without compensation, but may be reimbursed for actual expenses incurred in the performance of their duties. Family members or relatives of Board Members will be paid for services only in emergencies that do not occur on a regular basis or when the Board determines that no other qualified individual is available who is capable of performing the job.

### III - 2. Duties

**President** - The President shall preside at all meetings of the Association and the Board of Directors; shall appoint or remove Committee Members with the advice and consent of the Board of Directors; shall be an advisory Member of all committees except the nominating committee; shall see that orders and resolutions of the Board are carried out; shall co-sign all leases, mortgages, deeds, other written instruments, and promissory notes approved by the Board of Directors and shall discharge such other duties as may be approved by the Board of Directors. The President shall be authorized to sign checks in the absence of the Treasurer.

**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 exercise and discharge such other duties as may be assigned by the Board or the President.

**Secretary** - 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 the official record showing the Members of the Association together with their addresses and telephone numbers and shall perform such other duties as assigned by the Board or the President.

**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 of Directors; shall sign checks and co-sign promissory notes, all leases, mortgages, deeds and other written instruments of the Association; maintain petty cash; keep proper books of account; cause an annual audit of the Association books to be made at the completion of each year; is responsible for the filing of federal tax papers; inform the Board prior to the annual meeting of the names of Members with maintenance fees not paid up to the last sixty (60) day period prior to the meeting; shall prepare an annual budget and a statement of income and expenditures to be represented to the membership at its regular annual meeting, and make available a copy when requested by a Member; and shall perform other duties as assigned by the Board.

**Directors** - The remaining directors shall perform all duties as assigned by the Board.

As noted in Section III - 4(r) below, the Board may employ a manager, an independent contractor, and other such independent contracts and/or employees to assist the Board of Directors with their duties and/or to assist the Association as the Board deems necessary, and to prescribe their duties.

### III - 3. Term of Office

The Board of Directors of this Association shall be elected by the Members to hold office for two (2) years starting at the first Board Meeting after the election except for relinquishment of Association membership, resignation, removal or other disqualification. Four (4) officers shall be elected in each odd year and three (3) in each even year.

### III - 4. Powers of Board

The Board of Directors shall have power to:

- (a) Adopt, publish and enforce rules, regulations, and Deed Restrictions governing the use of Diamond Head Subdivision, the Common Area, facilities, and any additions, and the personal conduct of the Members, tenants and their guests thereon, to establish penalties for the infraction thereof to define fees and assessments, to assure equitable and legal collection thereof and to maintain financial records thereof.
- (b) 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, Deed Restrictions, the Article of Incorporation, or the Declarations approved by the majority vote of the Association Members voting.
- (c) 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.
- (d) Appoint committees and supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.
- (e) Fix and collect the amount of the monthly Maintenance Fee against each lot and other fees and/or assessments approved by the Members.
- (f) File and/or foreclose a priority constitutional lien against any property for which assessments or fees exceed \$300.00 or bring an action at law against the owner personally obligated to pay the same by these Bylaws.
- (g) Procure and maintain adequate liability and hazard insurance on property owned by the Association.
- (h) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.
- (i) Cause the subdivision, the Common Area, and any additions to be maintained, operated and improved for the benefit of the Members of the Association.
- (j) Lease and/or mortgage property and sign deeds, promissory notes, checks or other written instruments.

- (k) Enforce the Diamond Head Subdivision Deed Restrictions as originally recorded on September 12, 1972 under file number 298741 in Vol. 787, Page 913 through 920 of the records of Montgomery County and amended on September 12, 1997, September 12, 2007 and March 18, 2017 and any other amendments thereafter effecting the subdivision now or in the future.
- (l) Appoint three (3) qualified Members to the Architectural Control Committee to serve for terms of three (3) years each and/or appoint a qualified Member to the committee in the event of a vacancy.
- (m) Delegate the above powers as appropriate to individual officers or committee Members consistent with the duties listed under Article III-2.
- (n) Contract and pay for monthly charges on all street lights in Diamond Head Subdivision.
- (o) Initiate any action provided for in the Bylaws. The Board or the Association has the power to perform all actions provided for in the Bylaws. A failure or delay in the action of the Board or the Association shall not invalidate or prevent any future action of the Board or the Association.
- (p) Provide upon demand by a Member, affirmation setting forth whether or not any fee or assessment has been paid.
- (q) Have and exercise the rights and powers conferred on non-profit corporations under the Texas Non-Profit Corporation Act, as such law is now in effect or may at any time hereafter be amended.
- (r) Employ a manager, an independent contractor, and other such independent contracts and/or employees to assist the Board of Directors with their duties and/or to assist the Association as the Board deems necessary, and to prescribe their duties.

### III - 5. Removal and Resignation From Office

Any Director may be removed from the Board by a majority vote of the Members voting at an annual meeting or at a special meeting called for removal. In the event of death, relinquishment, resignation or removal of a Director, his successor shall be determined by a majority vote of the Directors in office and shall serve for the unexpired term of his predecessor.

### III - 6. Nominations

Nominations for election to the Board of Directors shall be made by a Nominating Committee. The purpose of the Nominating Committee is to insure that at least one qualified candidate is nominated for each position open for election. Incumbent Board Members shall

be nominated by the Nominating Committee for their position or for any other position up for election that they prefer unless they request not to run for re-election. If the Nominating Committee or a Member of the Board of Directors is notified in writing by the candidate at least 80 days prior to the election, any member will also be approved by the Nominating Committee for a specific position up for election. The Members will be notified by the Board of Directors at least 45 days prior to the election as to the positions on the Board up for election and nominees currently nominated by the Nominating Committee. All Members nominated will have their names placed on the ballot mailed to Members with the annual meeting notice.

### III - 7. Election

Nominees for the Board of Directors must receive a majority of the votes cast to be elected. Vote may be by proxy ballot by mail, or at the meeting, and by ballot at the annual meeting.

### III - 8. Regular Meeting

Regular meeting of the Board of Directors shall be held at such time and place as shall be designated, from time to time; the date, time and place of the next regularly scheduled Board meeting will be stated in the minutes of the last Board meeting. Members shall be provided notice at least 72 hours before the start of the meeting. Posting the notice in a conspicuous manner reasonably designed to provide notice to Property Owners' association members. Such meetings shall be open to Members.

### III - 9. Special Meeting

Special meetings of the Board of Directors shall be held whenever called by the President or any two (2) of the Directors in office. Notice of each special meeting indicating the time, place and purpose shall be given by any officer of the Association by facsimile, mail, email, telephone or personal delivery to each Director at his residence or usual place of business, if a business day.

### III - 10. Quorum and Voting

Presence in person of at least four (4) of the Directors then in office shall constitute a quorum for the transaction of business. A minimum of four (4) and a majority of the votes cast must concur as a minimum to sustain any vote. Business may not be continued after withdrawal of any Director leaving less than a quorum. Directors voting by proxy may not be counted for a quorum.

### III - 11. Action Without a Meeting

The Directors shall have the right to take any action in the absence of a meeting by obtaining the written approval of the action by all the Directors. Any action so approved shall have the same effect as though taken at a meeting of Directors.



### III - 12. Indemnification of Directors

The Association shall indemnify every Director, his heirs, executors and administrators, against all loss, costs and expense, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director of the Association except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Director in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director may be entitled.

All liability, loss, damage, costs and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as Common Expenses provided, however, that nothing in this Article shall be deemed to obligate the Association to indemnify any Property Owner, who is or has been a Director of the Association with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of being a Record Property Owner of the Association.

## **ARTICLE IV SPECIAL PROVISIONS**

### IV - 1. Fund Reserves

The Association or its designee, should collect monthly maintenance fees, should build up an adequate emergency reserve and should disburse funds to pay for maintenance, operation, administration, legal services, bonding, insurance and taxes, approved by the Board of Directors, consistent with fees collected by the Association. The Association will be responsible for such payments plus improvements to individual properties after acceptance by a vote of the Members.

### IV - 2. Property Additions

The Association's acceptance of additions to the Diamond Head Subdivision or to the Common Areas will require ratification by a majority vote of the Association Members voting. Upon ratification, such additions will be subject to all provisions of the official copy of the current Bylaws except for specific provisions approved by the Members with ratification.

### IV - 3. Facilities Approval

Architectural control of all buildings or structures located within Diamond Head Subdivision is provided by the recorded restrictions referred to in Article III - 4 (1).

## **ARTICLE V FEES AND ASSESSMENTS**

### V - 1. Maintenance Fee

Effective with the acceptance of these Bylaws, each of the 117 Diamond Head Subdivision lots, except Clubhouse lot (Block 1, Lot 30) and any other lot used as a Common Area, shall be assessed a monthly fee payable quarterly to the Diamond Head Maintenance Fund of the Association for the operation and management of Diamond Head Subdivision and for the maintenance, operation, improvement and management of the Clubhouse, Marina, Swimming Pool, reserves and any additions from any source. Payments for police protection, fire protection and/or emergency ambulance service may be made from the maintenance funds if approved by the Association membership.

If the foundation of a house or its garage shall cover two (2) lots so that no additional residence can be built on the two (2) lots, both lots containing the contiguous foundation will be considered as one (1) lot for the collection of the monthly maintenance fee and for voting.

### V - 2. Facilities

Fees may be set by the Board of Directors for the reserved use of facilities provided that the Board determines that adequate availability is preserved for the transient use of Property Owners, tenants and their guests. A fee of \$75 for residents, plus a \$125 cleaning deposit, and a fee of \$250 for non-residents, plus a \$250 cleaning deposit, will be required at the time the reservations are made. The cleaning deposit will be refunded if the Clubhouse is left in a condition satisfactory to the Director that has been assigned by the Board to oversee the Clubhouse rentals.

### V - 3. Obligation to Pay

Each Property Owner is obligated to pay to the Association all fees and assessments on each lot owned in accordance with the acceptance of these Bylaws by majority vote of the Members voting. No Property Owner may waive or otherwise escape liability for the fees and assessments provided for herein by non-use of the Common Area or abandonment of the lot.

### V - 4. Delinquent Fees

All fees and assessments including the monthly maintenance fee, (except facilities use fees which are due and payable in advance) are delinquent if not paid by the due date.

#### V - 5. Increases

The Board of Directors will determine the amount of the monthly maintenance fee annually to cover estimated expenses. The Board may set an annual increase effective on January 1 of any new year not to exceed twenty-five (25) percent without a vote of the Members. An annual increase in excess of this may be approved only by a majority vote of the Members voting at the annual meeting or at a special meeting called for this purpose.

All other fees and assessments may be set or increased by the approval of the Board of Directors.

#### V - 6. Enforcement

All fees and assessments imposed by the Association in accord with its Bylaws and Deed Restrictions may be secured by a priority constitutional lien upon each lot in Diamond Head Subdivision. The Board may file this lien against any lot with delinquent fees or assessments. Once filed, partial payments may be accepted by the Association but the lien will remain in effect until all charges are paid in full. The delinquent Property Owner(s) will be responsible for all legal fees and court costs due to filing and collection of the lien plus interest on all delinquent charges. The Board shall subordinate this lien to any first mortgage or improvement loan for Members and Record Property Owners.

Collection of the lien may be deducted from the proceeds realized from the sale of the property, or it may be paid prior to installation or connection of utilities provided by the Association or prior to the subordination of the lien for any mortgage or loan. Failure of the Board to file a lien on a delinquent Property Owner shall not negate the obligation of the Property Owner to pay delinquent charges. Sale or transfer of any lot shall not affect the lien.

### **ARTICLE VI USE OF FACILITIES**

#### VI - 1. Clubhouse

Reservations must be made ten (10) days in advance of the date requested, provided that the day is available. The Director assigned by the Board to coordinate the use of the Clubhouse will insure that a master calendar is maintained. The Property Owner or tenant may make no more than one (1) reservation in advance for a maximum of two (2) days and one (1) reservation per month.

For a party no more than 150 persons, at one time, may occupy the Clubhouse. Restroom facilities must remain available to all Members during a private party or whenever the Clubhouse is reserved.

### VI - 2. Marina

Boat trailers that are day use only, must be parked in the designated area near the Clubhouse and Marina and kept out of the flow of traffic.

The Marina facilities are for the use of all Property Owners, tenants and their family; all guests must be accompanied by a Property Owner, a tenant or one of their family.

The boat docks at the Diamond Head Marina are for daily use only by Property Owners, guests accompanied by a Property Owner, and tenants due to the limited number of docks available.

### VI - 3. Swimming Pool

The Association assumes no responsibility for swimmer(s), due to the fact that there is no lifeguard on duty.

## **ARTICLE VII MISCELLANEOUS**

### VII - 1. Fiscal Year

The fiscal year of the Association shall begin the first of January and end on the 31st of December, except that the first fiscal year shall begin on the date of incorporation, January 6, 1977.

### VII - 2. Animal Control

Animals must not be allowed to roam throughout the Diamond Head Subdivision without control by their owners. A strict leash law shall be observed at all times. Animals of any kind will not be allowed in the pool area. No horses, cows, hogs, poultry or livestock of any kind (other than house pets of a reasonable kind and number not to exceed any combination of three (3) cats or dogs) may be kept in this subdivision section.

It is the duty of each owner in control of a dog or cat to promptly remove and dispose of, in a sanitary manner, feces left by such dog or cat.

**ARTICLE VIII  
AMENDMENTS TO THE BYLAWS**

These Bylaws may be amended only by a Declaration approved by a majority vote of Members voting at a regular meeting or a special meeting called for that purpose. Such amendments may be made without updating the incorporation papers on file with the Secretary of State, unless there is a conflict not defined by Article I-6. An official copy of the current Bylaws will be maintained by the Association and a copy will be made and given to Members upon request.

Approved unanimously by a majority of Members voting at an Annual Meeting of Members on March 4, 2018.

3/5/18  
Date

APPROVED Becky Radcliffe  
Becky Radcliffe, President  
Diamond Head on Lake Conroe  
Association, Inc.

**THE STATE OF TEXAS, COUNTY OF MONTGOMERY**

Before me, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Becky Radcliffe, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL, this 5<sup>th</sup> day of March, 2018,  
Lynne Ellen Adams, Notary Public.

After recording, please return to:

DHOLCAI  
14647 Diamondhead S.  
Montgomery, TX 77356

