

**FIRST RESTATED BY-LAWS
OF
CHARTERWOOD COMMUNITY IMPROVEMENT ASSOCIATION
(EFFECTIVE DATE: _____, 2019)**

These First Restated By-Laws were approved by a two-thirds vote of the Association's Members present at a Special Meeting of the Members duly called and held on the ___ day of _____, 2019, at which Meeting a quorum of Members was present.

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is CHARTERWOOD COMMUNITY IMPROVEMENT ASSOCIATION, hereinafter sometimes referred to as the "Association." The mailing address of the Association shall be 9818 Rodgers Road, Houston, Texas 77070 or the office of its Managing Agent. The principal office of the Association shall be located at such address as may be designated by the Association's Board of Directors, but meetings of Members and Directors may be held at 9818 Rodgers Road, Houston, Texas 77070 or at such places within the State of Texas, County of Harris, as may be designated by the Board of Directors.

**ARTICLE II
DEFINITIONS**

Section 1. "Association" shall mean and refer to CHARTERWOOD COMMUNITY IMPROVEMENT ASSOCIATION, a Texas non-profit corporation, its successors and assigns. The Association is a "property owners association" as defined in *Chapter 209, Title 11, Texas Property Code*. The Association was incorporated on July 19, 1974 under Texas Secretary of State File Number 0034612501.

Section 2. "By-Laws" shall mean and refer to these First Restated By-Laws of charterwood community improvement association, as they may hereafter be amended.

Section 3. "Properties" shall mean and refer to those certain properties described below, as well as any additional properties which may hereafter be brought within the jurisdiction of the Association:

- (i) Charterwood, Section One (1) : Volume 213, Page 71 of the Map Records of Harris County, Texas;
- (ii) Charterwood, Section Two (2) : Volume 258, Page 96 of the Map Records of Harris County, Texas;
- (iii) Charterwood, Section Three (3): Volume 258, Page 103 of the Map Records of Harris County, Texas;
- (iv) Charterwood, Section Four (4): Volume 236, Page 44 of the Map Records of Harris County, Texas; and
- (v) Charterwood, Section Five (5): Volume 296, Page 78 of the Map Records of Harris County, Texas.

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 that portion of any of the plots of land shown upon any recorded subdivision map of the Properties on which there is or will be built a single family dwelling, with the exception of the Common Area(s) and designated reserves.

Section 6. “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 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 an obligation and those having an interest in the mineral estate.

Section 7. “Declarations” shall mean and refer to the Declarations of Covenants, Conditions and Restrictions having heretofore been recorded in the Official Records of Real Property of Harris County, Texas as described below, and any additions, amendments and/or supplements thereto, as well as the Declarations for any additional Sections which may hereafter be brought within (annexed into) the jurisdiction of the Association:

- (i) Charterwood, Section One (1) : County Clerk’s File No. E123669; and Amendment County Clerk’s File No. E379130;
- (ii) Charterwood, Section Two (2) : County Clerk’s File No. F481480; and Amendment County Clerk’s File No. F605221;
- (iii) Charterwood, Section Three (3): County Clerk’s File No. F481481; and Amendment County Clerk’s File No. F605222;
- (iv) Charterwood, Section Four (4): County Clerk’s File No. G217242; and
- (v) Charterwood, Section Five (5): County Clerk’s File No. G594407; Amendment County Clerk’s File No. M935359; and Amendment County Clerk’s File No. M935360.

Section 8. “Members” shall mean and refer to those persons entitled to membership as provided in the Declarations and these By-Laws. Every person or entity who is a recorded Owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Each Owner shall, upon and by virtue of becoming an Owner, automatically become a Member of the Association and shall remain a Member thereof until his ownership ceases for any reason, at which time his membership in the Association shall be appurtenant to and shall automatically follow the legal ownership of each Lot and may not be separated from such ownership. Whenever the legal ownership of any Lot passes from one person to another, by whatever means, it shall not be necessary that any instrument provide

for the transfer of membership in the Association. Membership in the Association is expressly limited to the Owners of Lots, such ownership being the sole qualification for membership.

Section 9. "Suspended Members" shall mean and refer to those persons who are Members of the Association whose membership has been suspended as set forth hereinafter. During any period in which a Member shall be in default in the payment of any annual or special assessment levied by the Association, or should a Member for any reason be a judgment debtor of the Association, the right to use the common facilities and common areas of such Member may be suspended by the Board of Directors until such assessment or judgment has been paid in full. Such rights of a Member may also be suspended after notice and hearing, for a period or periods not to exceed sixty (60) days each, for violation(s) of any rule or regulation established by the Board of Directors governing the use of the Common Area and common facilities.

ARTICLE III MEMBERSHIP

Every owner of a Lot shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Any lienholder who acquires title to any Lot shall thereupon become a Member of the Association. The Association shall have one (1) class of voting membership:

CLASS A: Class A Members shall be all owners of Lots, and shall be entitled to one (1) vote for each Lot owned. The vote of any Lot owned by more than one (1) person shall be exercised as they among themselves determine, or, in the absence of such determination, by a majority of such persons or entities, but in no event shall more than one (1) vote be cast with respect to any Lot.

ARTICLE IV MEETINGS OF MEMBERS

Section 1. Annual Meetings. The Annual Meeting of the membership, for purposes of electing Directors, receiving all committee and financial reports and transacting such other business as may properly come before the Board, shall be held some time during the month of September at a time and place within Harris County, Texas as designated by the Board. Additional regular meetings of the membership may be scheduled by the Board of Directors at its discretion, if such meetings are deemed necessary.

Section 2. Special Meetings. Special Meetings of the Members may be called at any time by the President, by at least two (2) members of the Board of Directors, or upon written request of the Members who are entitled to vote at least twenty percent (20%) of the membership. Notice of the Special Meeting shall conform to Section 3 hereinafter and shall state the time, place and purpose of the meeting. The business transacted at such Special Meeting shall be restricted to the purpose for which it was called.

Section 3. Notice of Meetings. Except as otherwise provided in the Association's Articles of Incorporation (as amended), the Declarations, or these By-Laws, 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 ten (10) days (but no more than sixty (60) 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 and hour of the meeting, and in the case of a Special Meeting, the purpose of the meeting.

Section 4. Quorum. Except as otherwise provided in the Articles of Incorporation (as amended), in the Declarations (as they may each be amended from time to time) and/or as otherwise provided in these By-Laws, Members holding five percent (5%) of the aggregate votes entitled to be cast by all Members represented at a meeting of the Members will constitute a quorum for voting on matters brought before the Members ("Quorum"). Members may be represented at any meeting in person or by a legitimate proxy in form approved by the Board of Directors, by absentee ballot, or by electronic ballot; however, an absentee or electronic ballot may be counted as a Member present and voting for the purpose of establishing a Quorum only for items appearing on the ballot. Except as otherwise provided by the Texas Business Organizations Code ("TBOC"), Texas Nonprofit Corporation Law (the "Act," being *Chapter 22 of the TBOC*), the Declarations, the Articles of Incorporation (as amended), or these By-Laws, the vote of Members holding, in the aggregate, a majority of the votes entitled to be cast by those Members present or voting by a legitimate proxy in form approved by the Board of Directors, by absentee ballot, or by electronic ballot, at a called meeting at which a Quorum is present, will be the act of the Members; however, an absentee or electronic ballot may not be counted, even if properly delivered, if the Member actually attends the meeting to vote in person and does so cast a vote at the meeting, and may not be counted on the final vote of a proposal if the motion was amended at the meeting to be different from the exact language on the absentee or electronic ballot.

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. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and at the subsequently called meeting the quorum requirement shall be one-half of the initial required five-percent (5%) quorum. No subsequent (or adjourned) meeting shall be held more than sixty (60) days following the preceding meeting. Except for action(s) to be taken under Article XV, Article XVI and/or Article XVII of these By-Laws, any voting desired or required at any meeting shall be determined by a simple majority vote of those votes represented at such meeting, .

Section 5. Vote. One (1) Vote Per Lot/Proxy Voting. When more than one person owns an interest in any Lot, all such persons shall be Members. The Vote of such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) Vote or ballot be cast with respect to a Lot. A Member may Vote at any meeting of the membership either: (i) in person; (ii) by proxy executed in writing by the Member, or by a duly authorized attorney-in-fact; and/or (iii) any available method authorized pursuant to the applicable provisions of *Chapter 209, Title 11, Texas Property Code*. Proxies shall be filed with the Secretary of the Association before or at the time of the meeting and shall automatically cease upon conveyance by the Member of their Lot.

Every proxy shall be revocable and shall specify the meeting or action to which it applies. General proxies shall not be permitted.

Section 6. Cumulative voting shall not be allowed.

ARTICLE V BOARD OF DIRECTORS

Section 1. Board of Directors. The affairs of the Association shall be managed by a Board of five (5) Directors, all of whom must be Members of the Association. Each Director elected shall serve until a successor shall have been duly elected and qualified. The person receiving the largest number of votes for that position shall be elected. The number of Directors may be enlarged to seven (7) by Board vote without the necessity of a By-Law Amendment; provided, however, that, if the Board thereafter votes to reduce the number of Directors back to five (5), the term of any then current elected Director may not be involuntarily shortened by Board vote in order to accomplish any such decrease in Director positions.

Section 2. Staggered Terms of Office. Each Director shall be elected for a term of two (2) years, with three (3) Board positions to be filled in odd years and two (2) Board positions to be filled in even years.

In the event that the number of Directors is increased from five (5) to seven (7) without amending the By-Laws, commencing at the next annual meeting, each Director shall be elected for a term of two (2) years, with four (4) Board positions to be filled in odd years and three (3) Board positions to be filled in even years.

Section 3. Solicitation of Director Candidates Prior to Annual Election. At least ten (10) days before the Association disseminates absentee ballots or other ballots to its Members for purposes of voting in a Board member election, the Association must provide notice to the Members soliciting candidates interested in running for a position on the Board. The notice must contain instructions for an eligible candidate to notify the Association of the candidate's request to be placed on the ballot and the deadline to submit the candidate's request. The deadline may not be earlier than the 10th day after the date the Association provides the required notice. The notice must be:

- (1) mailed to each owner; or
- (2) provided by: (A) posting the notice in a conspicuous manner reasonably designed to provide notice to Association Members:
 - (i) in a place located on the Association's common property or, with the property owner's consent, on other conspicuously located privately owned property within the Subdivision; or
 - (ii) on any Internet website maintained by the Association or other internet media; and(B) sending the notice by e-mail to each Owner who has registered an e-mail address with the Association.

Each candidate may, but shall not be required to, provide biographical information to the Association to be included with the other information forwarded to the Members of the Association.

Section 4. Election. The election may be conducted, in whole or in part, by mail; provided, however, that members attending the Annual Meeting in person may vote (their individual vote, as well any proxies they hold). The Board of Directors may approve and distribute proxy and/or ballot forms it deems appropriate. The election results shall be announced at the Annual Meeting, including the number of ballots cast for each candidate. The candidates receiving the largest number of votes cast are elected. The Vote shall be conducted in accordance with, and subject to, the applicable provisions of Chapter 209, Title 11, Texas Property Code. The candidates receiving the largest number of votes cast for the Board positions are elected. Write-in candidates or nominations from the floor at the annual meeting shall not be allowed, unless the notice of the annual meeting, approved by a majority of the Board of Directors, provides for such.

Section 5. Removal. Any elected Director may be removed from the Board, with or without cause, by a majority vote of those Members of the Association present, in person or by proxy (or ballot), at a special meeting called for that purpose, at which meeting a quorum is present. Any appointed Director may be removed from the Board, with or without cause, by a majority vote of those Directors of the Association present, in person or by proxy (or ballot), at a regular or special meeting of the Board of Directors, at which meeting a quorum is present.

Section 6. Vacancies. In the event of death, resignation or removal of a Director, the successor shall be appointed by an affirmative vote of a majority of the remaining Directors, even though such majority may constitute less than a quorum of the Board of Directors, and shall serve for the unexpired term of the predecessor should such term expire at the next Annual Meeting of the membership. Should such term not expire at the next Annual Meeting, the designated successor shall serve until the next annual election, at which time the position shall come before the Members for a confirmation vote on the balance of the term of that position.

Section 7. Compensation. No Director shall receive compensation for any services rendered to the Association; provided, however, that any Director may be reimbursed for any documented expenses incurred in the performance of his or her duties.

Section 8. Resignation. Any Director may resign at any time. Such resignation should be made in writing and shall take effect at the time specified therein or, if no time is specified, at the time of its receipt by the Board. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 9. Disqualification. If the Board is presented with written, documented evidence from a database or other record maintained by a governmental law enforcement authority that a Board member was convicted of a felony or crime involving moral turpitude not more than twenty (20) years before the date the Board is presented with the evidence, the Board member is immediately ineligible to serve on the Board, automatically considered removed from the Board, and prohibited from future service on the Board.

Section 10. Conflict of Interest. Should a Director, a business affiliated with a Director, or a family member of a Director submit a bid to the Association to provide services for compensation, the affected Director will abstain from the vote in regard to any such bid. Further, the Board shall comply with any applicable Texas statutory law.

ARTICLE VI MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least four (4) times per annum, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting date fall upon a legal holiday, the meeting will be re-scheduled for another date and time as determined by a majority of the Board of Directors.

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 (2) Directors after three (3) days notice to each Director.

Section 3. Meetings Open to Members Attending. Notwithstanding any other provision contained in these By-Laws, regular and special meetings of the Board of Directors are open to Members attending, and there must be at least 72 hours advance notice to owners regarding the date, time and location of Board meetings (except for certain matters allowed for executive sessions and other forums, subject to statutory compliance). Such notice must be posted in a conspicuous manner on common area property or on private property with the owner's permission and on the Association's website (i.e., if the Association has a website). Matters for executive session (not open to Membership attendance) include, but may not be limited to, the following: actions involving personnel; pending or threatened litigation; contract negotiations; enforcement actions; confidential communications with the Association's attorney; matters involving invasion of privacy of Owners; and other matters that are confidential by request of an affected party and agreement of the Board. Executive session minutes must be kept (in general terms) and include an explanation of approved expenditures, if any.

The Board may not, unless done in an open meeting for which prior notice was given to owners, consider or vote on any of the following: (1) fines; (2) damage assessments; (3) initiation of foreclosure actions; (4) initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety; (5) increases in assessments; (6) levying of special assessments; (7) appeals from a denial of architectural control approval; (8) a suspension of a right of a particular owner before the owner has an opportunity to attend a board meeting to present the owner's position, including any defense, on the issue; (9) lending or borrowing money; (10) the adoption or amendment of a dedicatory instrument; (11) the approval of an annual budget or the approval of an amendment of an annual budget that increases the budget by more than 10 percent; (12) the sale or purchase of real property; (13) the filling of a vacancy on the board; (14) the construction of capital improvements other than the repair, replacement, or enhancement of existing capital improvements; or (15) the election of an officer.

Section 4. 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 a quorum of the Directors present at a duly held meeting shall be regarded as the act of the Board.

Section 5. Action Without a Meeting (Majority Consent). In the event that the Board determines that an action is necessary prior to the next Board meeting and that there is insufficient time to call a special meeting of the Directors (or a majority of the Directors is unavailable to attend), 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 a majority of the Directors. Such consent shall be placed in the minute book of the Association with the minutes of the Board of Directors, and announced as an agenda item at the next Board meeting. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 6. Attendance. Any Director who has failed to attend three (3) consecutive regular meetings may be removed from the Board of Directors by unanimous vote of the remaining Directors of the Association.

Section 7. Proxy/Telephone. No Director may attend or vote by proxy; however, a Director may attend a Board meeting by speaker phone so long as all Directors may participate/communicate as if that Director was present in person.

ARTICLE VII **POWERS AND DUTIES OF THE ASSOCIATION**

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

- (a) adopt and publish rules and regulations governing the use of the Common Area and facilities, the personal conduct of the Members and their guests thereon and to establish penalties for the infraction thereof;
- (b) suspend the 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 sixty (60) days for infraction of published rules and regulations;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation (as amended), or the Declarations;
- (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 or executive meetings of the Board of Directors;
- (e) employ a manager, an independent contractor, or such other employees as they deem necessary and to prescribe their duties and the terms of employment of services;

- (f) 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; and
- (g) to exercise such other rights and powers granted to it under Texas law, the Declarations, the Articles of Incorporation or these By-Laws.

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 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 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 Declarations, to:
 - (1) fix the amount of the annual assessment against each Lot as 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 assessment 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 assessed 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. The Board may delegate, assign or transfer this function to its managing agent and authorize the managing agent to provide such information and to charge transfer fees and fees for Resale Certificates;
- (e) procure and maintain adequate liability and hazard insurance as it may deem appropriate on any property or facilities owned by the Association;
- (f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (g) to approve, promulgate and have filed of record all instruments described in paragraph VIII(e)(i), (ii), (iii), (iv) and (v) below.
- (h) cause the Common Area to be maintained.

**ARTICLE VIII
POWERS OF THE BOARD OF DIRECTORS**

Section 1. Powers. The Board of Directors shall have the following rights and powers:

(a) to adopt and publish rules and regulations governing the use of the Common Areas and common facilities, if any, and the personal conduct of the Members, their Delegates and their Guests, thereon, and to establish penalties for the infraction thereof;

(b) subject to the applicable provisions of *Chapter 209, Title 11, Texas Property Code*, to suspend certain rights of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association . Certain rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for each infraction of published rules or regulations regarding use of a Common Area or common facility;

(c) to exercise for the Association all powers, duties and authority vested in or designated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation (as amended) or the Declarations;

(d) to employ an independent contractor(s), or such other employees as it deems necessary, and to prescribe their duties and the terms of employment; provided, however, that the Board of Directors may not retain the services of a third-party management company or delegate authority to a third-party management company as prohibited by the Restrictions;

(e) to approve, promulgate and have filed of record: (i) a Management Certificate(s); (ii) a Payment Plan Policy; (iii) a Collection Policy; (iv) a Records Retention Policy; (v) a Records Production Policy; (vi) other Policies or Guidelines; and (vii) Rules and Regulations. Any such instruments may be amended, modified or supplemented by resolution of the Board of Directors, which amended, modified or supplemented instruments shall also be recorded of record in the Official Public Records of Real Property of Harris County, Texas.

(f) to exercise such other rights and powers granted under Texas law, the Declarations, the Articles of Incorporation (as amended) or these By-Laws.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record (i.e., minutes) of all its acts and corporate affairs and to present a financial statement to the Members at the Annual Meeting of the Members, or at any Special Meeting when such statement is requested in writing by twenty percent (20%) of the 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 Declarations, to:

(1) 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 period, and take such actions as it deems appropriate to collect such assessments and to enforce the liens given to secure payment thereof; and

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

(d) issue, or cause an appropriate officer to issue, upon demand by any person, a statement setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board of Directors for issuance of these statements. If such statement indicates that an assessment has been paid, such statement shall be conclusive evidence of such payment;

(e) procure and maintain such liability and hazard insurance as deemed appropriate on any property or facilities owned or maintained by the Association;

(f) cause any officers or employees having fiscal responsibilities to be bonded, as deemed appropriate; and

(g) Cause the Common Area(s), if any, to be maintained.

ARTICLE IX OFFICERS AND THEIR DUTIES

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

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors held after the Annual Membership Meeting each year.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless said officer shall sooner resign, or shall be removed, or is otherwise 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 a majority vote of the Board. Any officer may resign at any time by 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 a majority vote of the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer being replaced.

Section 7. Multiple Offices. No person shall simultaneously hold both the offices of president and secretary. 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. Delegation of Duties. Regarding the duties of the Secretary and/or Treasurer only, the Board of Directors may approve the delegation of certain duties to the Association's managing agent. However, if certain duties are so delegated, it shall remain the duty of the Secretary or Treasurer, as applicable, to oversee all such matters and to keep the Board of Directors informed relative thereto.

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

President

- a. The president shall preside over all meetings of the Board of Directors and membership, deciding all questions of procedure and order.
- b. The president shall sign all approved written instruments of the Association, including, but not limited to contracts, leases, deeds, and mortgages.
- c. The president shall formulate goals and plans for the year and present them to the Board of Directors or the membership, as appropriate, for approval.
- d. The president shall execute all orders, resolutions and motions of the Board of Directors and/or the membership.
- e. The president shall serve as Ex-Officio member of all committees.

Vice-President

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 by the Board of Directors.

Secretary

- a. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members and submit all minutes at subsequent meetings for approval.
- b. The secretary shall serve or cause to be served notice of meetings of the Board of Directors and of the membership.
- c. The secretary shall keep or cause to be kept appropriate current records showing the Members of the Association together with their addresses.
- d. The secretary shall perform such other duties as required by the Board of Directors.

Treasurer

- a. The treasurer shall be responsible for maintaining the records of financial accounts of the Association.
- b. The treasurer shall be responsible for depositing receipts into a Federally insured account and disbursing expenses of the Association as directed by the Board of Directors.
- c. The treasurer shall be responsible for maintaining a record of physical assets of the Association that are currently in use and shall notify the Secretary of any change in status.
- d. The treasurer shall be responsible for maintaining a depository for physical assets when not in use.
- e. The treasurer shall be responsible for preparation of legal returns required by taxing authorities.
- f. The treasurer shall be responsible for preparing the budget for approval by the Board of Directors, including tentative drafts to be presented to the Board of Directors.
- g. The treasurer shall be responsible for preparation of an annual budget and a statement of income and expenditures to be presented to the membership at its regular Annual Meeting, and shall make same available to each Member of the Association.

ARTICLE X COMMITTEES

Section 1. Committee Appointments. At its discretion, the Board of Directors may appoint committees, as provided in the Declarations and these By-Laws, as deemed appropriate for carrying out its purposes. These committees may include, but are not limited to:

- a) Architectural Control Committee - as provided in the Declarations.
- b) Recreation Committee - to advise the Board of Directors on all matters pertaining to the recreational program and activities of the Association and to perform such functions as the Board in its discretion determines.
- c) Maintenance Committee - to advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Properties, and to perform such other functions as the Board in its discretion determines.
- d) Publicity Committee - to inform the Members of all activities and functions of the Association and, after consulting with the Board of Directors, to make such public releases and announcements as are in the best interest of the Association.

Section 2. Function of Committees. It shall be a function of each committee to respond to inquiries from Members on any matter involving Association duties and activities within its field of responsibility. The committee shall handle such inquiries or refer them to the appropriate committee, Director or officer of the Association.

Section 3. Reports. All committees appointed by the Board are required to keep written records of their proceedings and make regular reports as required by the Board.

Section 4. Tenure. Any committee shall serve until its purpose has been accomplished or until dissolved by the Board, whichever occurs first.

ARTICLE XI INDEMNIFICATION OF DIRECTORS AND OFFICERS

Pursuant to *Section 8.101 of the TBOC*, and subject to the provisions thereof, the Association may indemnify any Director or Officer (or former ones) for expenses and costs, including attorney's fees, which are actually and necessarily incurred in connection with any claim asserted by reason of being or having been a Director or officer only if it is determined that the person's actions were conducted in good faith and were reasonably believed to be in the Association's best interest relative to conduct in any official capacity and that, in all other cases, the conduct was at least not opposed to the Association's best interest. In regard to criminal proceedings, the Association must find that there was no reasonable cause to believe the conduct was unlawful. The intent of this By-Law provision is to allow the Association, by majority vote of its Board of Directors, to indemnify its Directors and officers to the maximum extent allowed by law without the necessity of a vote of the membership.

Further, the Board of Directors may purchase and maintain insurance against any liability whether or not the Association has the power to indemnify against that liability, to the extent that the majority of the Board feels that such insurance is reasonable and necessary.

**ARTICLE XII
BOOKS AND RECORDS**

Subject to any and all applicable provisions of *Chapter 209, Title 11, Texas Property Code*, and subject to the Association's Records Retention Policy and its Records Production Policy, upon reasonable written notice stating the specific purpose of the demand to the Secretary of the Association, and subject to the demand being deemed proper, the specific books, records and papers of the Association (as outlined in the written demand) shall, during reasonable business hours, be subject to inspection and copying (at a reasonable cost to the Member) by any Member or Member's agent, accountant, or attorney. In this regard, the Board of Directors shall provide for review and copying the Association's books, records and papers, within the scope of the request, reasonably calculated to satisfy the purpose of the request; provided, however, that unless authorized in writing by the affected Owner(s) or authorized by Court Order, the Association will not provide copies of or allow inspection of any records that contain: (i) the personal information of an Owner, including restriction violations, delinquent assessments, financial information, and contact information (other than the Owner's address); or (ii) information related to an employee of the Association, including personnel files. Information may be released in an aggregate or summary manner that does not identify an individual property Owner. The Declarations, the Articles of Incorporation (as amended) and the By-Laws of the Association shall be available for inspection by any Member at a convenient location to be designated by the Board of Directors, where copies thereof may be purchased by any Member at a reasonable cost to the Member. In accordance with the applicable provision(s) of *Chapter 209, Title 11, Texas Property Code*, the Association has recorded a Records Retention Policy and a Records Production Policy in the Official Public Records of Real Property of Harris County, Texas. Such recorded Policies are subject to change, and any modified, amended and/or updated Policy or Policies will be recorded in the Official Public Records of Real Property of Harris County, Texas.

**ARTICLE XIII
CHECKS AND DISBURSEMENTS**

Each check issued upon the account of the Association must be signed by a Director of the Association or its Managing Agent (if so authorized). No check shall ever be pre-signed in blank by any agent, Officer, or Director authorized to sign checks. The Board of Directors is authorized, by resolution, to designate the authorized signatures for withdrawal of funds. No funds belonging to the Association may ever be disbursed without the specific approval of a duly authorized Director.

**ARTICLE XIV
ASSESSMENTS**

As more fully described in the Declarations, each Member is obligated to pay to the Association annual assessments 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. 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 six percent(6%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same and/or foreclose the Association's lien against the Lot (as more fully described in the Declarations), and interest, costs, and reasonable attorney's fees for any such action shall be added to the amount of such assessment. The Association may also charge a late fee or late fees, administrative fees and returned check fees, and such fees, along with costs of collection, attorney's fees and court costs shall be a part of the Association's assessment lien. The Association may also record a Lien Affidavit and Notice of Delinquent Assessment evidencing any such delinquency. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area(s), if any, or services provided by the Association or by abandonment of his Lot.

**ARTICLE XV
PROPERTY RIGHTS: RIGHTS OF ENJOYMENT**

Subject to the Association's Rules and Regulations, and subject to the provisions of the Restrictions, the Articles of Incorporation (as amended) and these By-Laws, each Member shall be entitled to the use and enjoyment of the Common Area(s) and common facilities, if any, owned by the Association. Any Member may delegate in writing his rights of enjoyment of the Common Area(s) and common facilities to the Members of their family who reside on the property. Such Member shall notify the Secretary in writing of the name of any such delegate(s). The rights and privileges of such delegates are subject to the rules and regulations, By-Laws, Articles of Incorporation (as amended) and Declarations of the Association to the same extent as the Member.

**ARTICLE XVI
MERGERS AND ANNEXATIONS**

To the extent permitted by law, the Association may participate in a merger or mergers (a "merger" being defined in the *TBOC*) with other non-profit corporations organized for the same purposes, or annex additional residential property or common area, provided that any such merger or annexation shall have the assent of two-thirds (2/3) of those members present at a special meeting of the Membership called for the purpose of considering such proposed merger or annexation, at which meeting a quorum is present; all subject, however, to the provisions relating to a merger or annexation as set forth in the Declarations, if any.

**ARTICLE XVII
DISSOLUTION, AND DISTRIBUTION OF ASSETS**

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of those Members present in person or by proxy (or ballot) at a special meeting of the Membership called for the purpose of considering such proposed dissolution, at which meeting a quorum is present. On dissolution, other than incident to a merger, after payment, satisfaction, and discharge of the Association's liabilities and obligations, the remaining assets of the Association will be distributed or dedicated pursuant to membership vote, by either: (i) distribution to the then

Members of the Association in proportion to their respective interests; (ii) dedication to an appropriate public agency to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association; or (iii) granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to purposes and uses that would most nearly reflect the purposes and uses to which they were required to be devoted by the Association. The signed ballot or proxy, as the case may be, must specifically set forth that the purpose thereof is to dissolve the corporation and specify the manner of asset distribution or dedication.

ARTICLE XVIII AMENDMENTS TO THE ARTICLES OF INCORPORATION

The Association's Board of Directors shall adopt a resolution setting forth the proposed amendment or amendments to the Articles of Incorporation (as amended) and directing that it be submitted to a vote at a meeting of Members having voting rights, which may be at an annual or special meeting of Members. Written or printed notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each Member entitled to vote at such meeting not less than ten (10) days nor more than sixty (60) days in advance of the meeting. The proposed amendment shall be adopted by receiving at least two-thirds (2/3) of the votes of those Members present in person or by proxy (or ballot), at which annual or special meeting a quorum is present. Notwithstanding the foregoing, the Association's Board of Directors may, by majority vote, amend the Articles of Incorporation (as amended) for the limited purposes provided for in *Section 22.107(b)* of the *Act* (as it may each be amended from time to time).

XIX INCREASED QUORUM REQUIREMENT FOR CERTAIN ACTIONS

Except as otherwise provided by the *Act*, the *TBOC, Chapter 209* and/or the Declarations (as they may each be amended from time to time), the presence in person or by a legitimate proxy in form approved by the Board of Directors, by absentee ballot, or by electronic ballot of the Members holding at least ten percent (10%) of the aggregate votes entitled to be cast by all Members shall constitute a quorum relative to any action to be taken under Article XVI, Article XVII and/or Article XVIII of 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. If the required quorum is not present, another meeting (i.e., adjourned meeting) may be called subject to the same notice requirement, and at the subsequently called meeting the quorum requirement shall be reduced to Members holding five (5%) of the aggregate votes entitled to be cast by all Members. No subsequent (or adjourned) meeting shall be held more than sixty (60) days following the preceding meeting.

ARTICLE XX AMENDMENTS TO THESE BY-LAWS

Section 1. Amendment. These By-Laws may be amended or supplemented by the affirmative vote of a majority of those Members present, in person or by proxy (or ballot), at an

Annual or Special Meeting of the Members, with notice of the proposed amendment(s), at which meeting a quorum is present. Notwithstanding the foregoing, the Association's Board of Directors may, by majority vote, amend these By-Laws for the limited purposes of bringing them into compliance with provisions of Federal statutory law or Texas statutory law (e.g., Chapter 209, Title 11 of the Texas Property Code). These By-Laws, as amended, are intended to comply with any and all Texas statutory requirements applicable to property owners' associations such as this Association, and shall be construed and interpreted so as to be in compliance with any such statutory requirements.

Section 2. Conflict. In the case of any conflict between the Articles of Incorporation (as amended) and these By-Laws, the Articles of Incorporation (as amended) shall control. In the case of any conflict between the Declarations and these By-Laws, the Declarations shall control.

**ARTICLE XXI
GENDER AND GRAMMAR**

The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

**ARTICLE XXII
MISCELLANEOUS**

The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of every year.

WITNESS WHEREOF, we, being all the directors of the CHARTERWOOD COMMUNITY IMPROVEMENT ASSOCIATION, have hereunto set our hands this __ day of _____, 2019.

, President and Director

, Vice-President and Director

, Secretary and Director

, Treasurer and Director

, Director

CERTIFICATION

I, the undersigned, do hereby certify: **THAT** I am the duly elected and acting Secretary of the CHARTERWOOD COMMUNITY IMPROVEMENT ASSOCIATION, a Texas Non-Profit Corporation (the “Association”), and, **THAT** the foregoing First Restated By-Laws constitute the By-Laws of said Association, as fully adopted at the meeting of its Members, held on the ____ day of _____, 2019.

IN WITNESS WHEREOF, I have hereunto subscribed my name this ____ day of _____, 2019.

SECRETARY
Printed Name: