

# First Amended Bylaws

of

Sterling Green Community Improvement Association

## Article I

The name of the Corporation shall be Sterling Green Community Improvement Association, hereinafter referred to as the “Association.”

The principal office of the Corporation shall be located at:

14807 S. Silver Green Drive, Houston, Texas 77015.

## Article II

### Definitions

Section 1. “Association” shall mean and refer to Sterling Green Community Improvement Association a Texas Non-Profit Corporation that:

- (a) is designated as the representative of the owners of property in the Sterling Green subdivision;
- (b) has a membership that consist of the owners of the property covered by the dedicatory instruments for the Sterling Green subdivision; and
- (c) manages or regulates the Sterling Green subdivision for the benefit of the owners of property in the Sterling Green subdivision.

Section 2. “Assessment” shall mean a regular assessment, special assessment, or other amount a property owner is required to pay this Association under the dedicatory instruments.

Section 3. “Board” shall mean the governing body of this Association.

Section 4. “Declaration” shall mean an instrument filed in the real property records of a county that includes restrictive covenants governing the Sterling Green subdivision that refers to the Sterling Green Community Improvement Association, which is a subdivision in Harris County, Texas.

Section 5. “Dedictory instrument” shall mean each governing instrument covering the establishment, maintenance and operation of the Sterling Green subdivision. The term includes restrictions or similar instruments governing the administration or operation of this Association, to properly adopted rules and regulations, and to all lawful amendments to the covenants, Bylaws, policies, rules, or regulations.

Section 6. “Ethics” shall mean that the Associations’ Board and the memberships’ conduct exemplify what is right, fair, and responsible.

Section 7. “Lot” shall mean and refer to any plot of land shown upon any recorded map/plat of the properties in the Sterling Green subdivision.

Section 8. “Members” means and refers to those persons who are owners.

Section 9. “Owners” shall mean a person/persons who hold recorded title to property in the Sterling Green subdivision, and includes the personal representative of a person who holds record title to property in the Sterling Green subdivision. The designation of a personal representative must be in writing, and notarized and signed by the person who holds record title to the property.

Section 10. “Properties” shall mean and refer to that certain property or properties described in the Declaration of Covenants, Conditions and Restrictions for Sterling Green, a subdivision of Harris County, Texas and any additional properties which may hereafter be brought within the jurisdiction of the Association.

Section 11. “Quorum” shall mean the minimum number of voting members who must be present in order that business can be legally transacted. The quorum refers to the number of such members present, in person or by proxy, not to the number voting on a particular question. For election purposes, the quorum for the association is at

least 112 votes and or proxies – (5% of the total membership) to proceed with the election. Any action taken in the absence of a quorum is invalid. There is only one vote per Lot no matter how many owners there are, they never get more than one vote per Lot.

### Article III

#### Meeting of Members

Section 1. (Annual Meeting). Regular annual meetings of the members shall be held on the first Monday of March of each year, at the hour of 7:00 pm at the principal office of the Association. If the day of the annual meeting of the members is a legal holiday, the meeting will be held the following Monday which is not a legal holiday.

Section 2. (Regular Meeting). Regular meetings of the members shall be comprised of the Membership along with the Board members. The meetings shall be held on the first Monday of each month at 7:00 pm at the principal office of the Association. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the following Monday.

Section 3. (Special Meeting). Special meetings of the members may be called at any time by the President, Board Officers, or upon written request of one percent (1%) of the members. Members must follow the proper procedures as defined herein.

Section 4. (Notice of Meeting). Notice of every meeting of the members shall be given no less than seven (7) days before such meeting to each member of the association, at the direction of the secretary or person authorized to call the meeting. Such notice shall specify the place, day, hour and subject matter of the meeting.

Section 5. (Regular Meeting Quorum). The presence at the regular meeting of members shall require a quorum of the Board of Directors (See Article V, Sec. 3). When no board quorum is present, the meeting can only be used to set the time and place for another meeting. Any action taken in the absence of a quorum is invalid.

At all meetings of the members wherein an election is going to take place, the quorum is 122 (5%) or more members must be present in person or by proxy to proceed with the election. If such quorum is not present, then they cannot proceed with the election.

Section 6. (Proxies). At all meetings of the members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Association. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of said Lot. The only proxy form that can be used is the form that is prepared by the Association. The Association must make the proxy available to the members at least sixty (60) days before an election is held.

Section 7. All meetings of the Association may open with a prayer.

#### Article IV

#### Association Board

Section 1. The affairs of this Association shall be managed by a Board of five members of which 4 must be Property Owners or their personal representative. The designation of a personal representative must be in writing, and notarized and signed by the person who holds record title to the property. The Board shall always exemplify ethics in the performance of its duties, actions and decision making.

Section 2. (Term of Office). Each Board member can serve two (2) consecutive terms in the same position as an officer of the Association. If they are re-elected again to the board after the two (2) consecutive terms, they cannot serve in the same position of the association for this term. If at least one (1) term has elapsed since the individual served in a particular position as an officer, then the individual can serve as an officer in that position again.

Section 3. (Candidacy Nominations). The Association must provide notice to the Association 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 10<sup>th</sup> day after the date the Association provides the notice.

Candidacy nominations may be made from the floor at the Annual Meeting of Members. No member can be a candidate who has been convicted of a felony or crime of moral turpitude within the last twenty (20) years from the date that the Board became aware of the conviction.

**Section 4. (Election).** Election to the Association Board shall be by secret ballot. All ballots and proxies must be submitted in compliance with the Association's guidelines regarding ballots and proxies. After establishing a quorum, the person(s) receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted. One vote per lot no matter how many individuals own a Lot.

**Section 5. (Removal/Replacement).** Any Board member may be removed from the Board, with cause, after notice of a special meeting to remove the Board member has been provided to the members, and a quorum of fifty-six (56) members is present, either in person or by proxy. A majority vote of five percent (5%) of the members who are present at the meeting can vote to remove the board member. A Board member may be appointed by the board to fill a vacancy on the board. A Board member appointed to fill a vacant position shall serve for the remainder of the unexpired term of the position.

**Section 6.** Any Board member 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, acceptance of such resignation shall not be necessary to make it effective. A Board member may be appointed by the board to fill a vacancy on the board. A Board member appointed to fill a vacant position shall serve for the remainder of the unexpired term of the position.

**Section 7. (Compensation).** Any person actively holding a position on the Association Board shall be allowed to hold a position among the Association staff in a voluntary capacity. Board members may be reimbursed for the actual expenses incurred in the performance of

their duties after original receipts have been submitted for the expenses and approved by the other Board members.

## Article V

### Meetings of the Association Board

**Section 1. (Regular Meetings).** Regular meetings of the Board of Directors shall be comprised of the members of the Board of Directors along with any Members that are present. The meetings shall be held on the first Monday of each month with notice of the time and location being 7:00 pm at; 14807 S. Silver Green Drive, Houston, Texas 77015 (the principal office). Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the following Monday.

**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 member of the Board of Directors after not less than a three (3) day notice to each Board member, which such notice may be waived in writing by each Board member at or prior to such meeting. Notices to each Board member shall be in writing. Meeting minutes must be recorded in a format for the purpose of sharing with the members, except any information in the minutes of the executive meetings of the Board of Directors that is privileged, will not be shared with the members.

**Section 3. (Quorum).** A majority of the members of the Board of Directors shall constitute a quorum for the transaction of business. Every act or decision made by a majority of the Board members present at a duly held meeting, at which a quorum is present, shall be regarded as the act of the Board of Directors. When no quorum is present, the meeting can only be used to set the time and place for another meeting. Any substantive action taken in the absence of a quorum is invalid.

**Section 4. (Action Without a Meeting).** Any action which may be required or permitted to be taken at a meeting of the Association Board may be taken without a meeting if a consent in writing, setting

forth the action so taken, is signed by all the members of the Board and it is not in violation of Section 209.0051 (h) of the Texas Property Code. Such consent shall be kept by the Association with the minutes of the Board meetings. Meeting minutes must be recorded for the purpose of sharing with the members, except any information in the minutes of an executive meeting of the Board of Directors that is privileged, will not be shared with the members.

## Article VI

### Powers and Duties of the Association

Section I. (Powers). The Association, by and through its Board, shall have the following rights and powers:

- a. Suspend the right, after notice and hearing, to the use of any facilities or services provided by the Association of a Member during any period in which such Member shall be in default on 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.
- 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, the Articles of Incorporation, or the Declaration.
- c. Declare the office of a member of the Board of Directors to be vacant in the event such Board member may be absent from three (3) consecutive regular meetings of the Board. This neglect of duty may conclude with immediate removal from the Board without a vote. If a Board member has notified the other Board members that he/she is ill or has a family emergency or work-related excuse, then their absence from a Board meeting is excused and cannot be counted against them.

d. Employ a manager, who shall prescribe the job duties and the terms of employment of services of the Association staff and independent contractors.

e. To exercise such other rights and powers granted to it under the Declaration, the Articles of Incorporation of the Association, or these Bylaws, and state statutes.

Section 2. (Duties). It shall be the duty of the Association, by and through its Board 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 any Special Meeting when such statement is requested in writing by any Members attending the Special Meeting.

b. Fix the amount of the annual assessment against properties subject to the jurisdiction of the Association and take such actions as it deems appropriate to collect such assessments and to enforce the liens given to secure payment thereof.

c. Send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period.

d. No Board member shall spend Association monies without a majority of the Board's consent after proper notification has been given to the Board members.

e. Issue, or cause an appropriate office to issue, upon demand by any person, an invoice setting forth whether or not any assessment has been paid. If a receipt states that an assessment has been paid, such receipt shall be conclusive evidence of such payment.

f. Procure and maintain such liability and hazard insurance that it may deem appropriate on any property or facilities owned by the Association; and



g. Cause any Board member, Officers and employees having fiscal responsibilities to be bonded as it may deem appropriate.

## Article VII Officers and their Duties

Section 1. (Special Appointments). The Board of Directors may appoint such other officers as the affairs of the Association may require, each of whom shall hold office for such period and have such authority and perform such duties as the Board of Directors may from time to time determine.

Section 2. (Authority to sign checks). Two (2) members of the Board of Directors, (specifically the Treasurer and one other Board member), who are bonded, shall have authority to sign the Association's checks.

Section 3. (Resignation). 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, acceptance of such resignation shall not be necessary to make it effective.

Section 4. (Vacancies). A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the office he/she replaces.

Section 5. (Multiple offices). No Board member can hold multiple offices. No Board member can hold more than one of any of the offices identified below, and the Officers must be Board members, with the exception of special offices created pursuant to Section I of this Article.

Section 6. (Duties). The duties of the Association are as follows:

**President** – The President shall preside over all meetings of the Association Board; shall see that orders and resolutions are carried out; shall sign all leases, mortgages, contracts, deeds, and other written instruments; and shall co-sign all promissory notes.

**Vice President** – The Vice President shall act in the place and stead of the President in the event of his/her absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of him/her by the Board. The Vice President's responsibilities include ensuring order is maintained during the meetings.

**Treasurer** – The Treasurer of the Association is the Officer entrusted with the custody of its funds. The Treasurer and any other Officer who handle the funds of the Association shall be bonded for a sum sufficient to protect the Association from loss. Two (2) officers of the association, (the Treasurer and one other Officer), who are bonded, shall have authority to sign the association's checks. The duties of the treasurer are as follows:

- (1) Receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board or as the Bylaws prescribe.
- (2) Shall sign all checks and co-sign promissory notes of the Association.
- (3) Shall keep proper books of accounts and keep accurate books and records of the fiscal affairs of the Association; and shall make the same available for inspection by members of the Association during normal business hours as per Section 209.005 of the Texas Property Code.
- (4) Required to make a full financial report twice annually being – (March and December of each year), as prescribed by these Bylaws and to make interim reports as the Board of Directors may direct.

Secretary – The Secretary is the recording officer of the Association and the custodian of its records, except those specifically assigned to others, such as the Treasurer’s books. As per this Association, the position of Secretary shall be performing dual roles as being recording and correspondence. The duties of the Secretary are as follows:

- (1) To keep records of the minutes and votes of all meetings and proceedings of the Board of Directors and the members.
- (2) To keep on file all committee reports.
- (3) To keep the Association’s official membership roll updated.
- (4) To make the minutes and records available to members upon request as per Section 209.005 of the Texas Property Code.
- (5) To notify Officers and committee members of their election or appointment.
- (6) To furnish committees with whatever documents are required for the performance of their duties and to have on hand at each meeting a list of all existing committees and their members.
- (7) To sign all certified copies of acts of the Association, (Unless otherwise specified in the Association’s Bylaws).
- (8) Serve notice of meetings of the Board of Director and Members meetings.
- (9) To prepare, prior to each meeting, an order of business for the use of the Presiding Officer, showing in their exact order, under the correct headings, all matters known in

advance that are due to come up, and if applicable, the times for which they are set.

(10) Keep the corporate seal of the Association and affix a seal on all papers requiring said seal.

(11) In the absence of the President and Vice President, to call the meeting to order and preside until the immediate election of a chairman pro tem.

(12) Shall perform such other duties as required by the Board. In the absence of the Secretary, a Secretary pro tem should be elected.

### Article VIII Committees

The Association may appoint the following committees: Bylaws, Deed Restriction and Architectural Review Authority, as provided in these Bylaws. In addition, the Association Board shall appoint other committees as deemed necessary in carrying out its purpose.

Deed Restriction and Architectural Review Authority are classified as “Standing Committees”, (which have a continuing existence). The Standing Committees shall be appointed by the Board at the Annual Meeting of Members.

The Standing Committees’ term of office shall be in a continuous sequence for a term of two (2) years. The members of the Standing Committees are appointed by the Board of Directors and can be removed by the Board of Directors.

The Bylaws Committee is classified as a “Special Committee”, (which terminates as soon as it has completed a specified task). Special Committees are appointed by the Board of Directors as the need arises, to carry out a specific task, at the completion of which it

automatically ceases to exist and has no term limits. The members of the Special Committees are appointed by the Board of Directors and can be removed by the Board of Directors prior to the completion of the task.

- (1) **Bylaws Committee** – The Bylaws Committee is responsible for gathering all the information necessary to draft and/or amend the Bylaws. Upon completion of drafting and /or amending the Bylaws, the committee reviews the draft along with the Association’s attorney. Upon the attorney’s approval, the committee submits the final draft to the Board of Directors for their review. The Board in reviewing the amended Bylaws, may make any changes that it deems are necessary.

After the Bylaws are approved by the Board of Directors, the Bylaw Amendment shall then be circulated to and voted on by the membership at a Special Meeting of the members in the following manner: A quorum must be present in person or by proxy, and a "majority" (5%) of the members must vote to approve the Bylaw Amendment.

If the Board disapproves any portion of the Bylaw Amendment, then a meeting must be called between the Board of Directors and the Bylaws Committee to discuss the changes that the Board does not approve of and try to resolve their differences before being voted on by the membership. If they are unable to reach an agreement on any part of the Amendment, then that part will be stricken from the Amendment before it is sent to the membership to be voted on. The Committee can review the Bylaws every two (2) years for updating and/or amending.

- (2) **Deed Restrictions Committee** - The Deed Restrictions Committee is classified as a “Standing Committee”, (see the introductory paragraph of this Article). Its sole objective is to maintain compliance of the subdivisions’ deed restrictions.

The Committees’ duties are to investigate valid deed restriction violations and inform the Board of Directors.

(3) Architectural Review Authority - The board shall appoint an Architectural Review Authority which is classified as a “Standing Committee”, (see the introductory paragraph of this Article). This Committee is responsible for reviewing homeowner requests for changes to the exterior of structures, buildings, and a Lot, including landscaping. A written request along with drawings and/or sample brochures, should accompany a request in order for the Committee to properly evaluate the request. The Committee shall inform the requester of the basic requirements that are mandatory in order to maintain the integrity of the Sterling Green subdivision. The Committee will have available for the Owners a listing of all improvements, changes and repairs that require prior approval of the Association. The decision of the Committee shall be communicated to the requesting owner by written documentation, formal letter or written on the architectural form issued by the committee and being used by the requester, with a copy of all actions forwarded to the Board Secretary after each meeting to go into a permanent file for the affected property.

Should the Committee deny a request, the letter of denial shall state the basis for the rejection and what is acceptable. The requesting owner shall be advised that they have thirty (30) days after the date that the notice is mailed to the Owner to request a hearing before the Board of Directors. If the decision of the Committee is not appealed in thirty (30) days, the Committees’ decision is final. Denials cannot be resubmitted once they have gone through this process.

## Article IX Books and Records

The books, records, and papers of the Association shall be provided to members as per Section 209.005 of the Texas Property Code. The Declarations, Articles of Incorporation, Bylaws and the Deed Restrictions shall be available for inspection by any association

member (after verification of home ownership) on the Website and at the principal office of the Association where copies may be purchased at a reasonable cost.

### Article X Assessments

As more fully described in the Declaration of Covenant Conditions and Restrictions, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid within thirty (30) days after due date, the assessment shall bear interest from the date of delinquency at a rate provided in the Declaration of Covenant Conditions and Restrictions, and the Association may bring action at law against the owner personally, obligated to pay the same and foreclose the lien against the property and interests, costs, and reasonable attorney's fee of any action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liabilities for the assessment provided for herein by non-use of the facilities or services provided by the Association or by abandonment of their lot(s).

### Article XI Corporate Seal

The Association shall have a seal in circular form having within its circumference the word "Sterling Green Community Improvement Association" and within the center, the word "Texas."

### Article XII Amendment

**Section 1. Amendments.** An Amendment to the Bylaws can only be prepared by the Bylaw Committee. The amended Bylaws will be submitted to the Board of Directors for review before being presented to the Members at a special meeting and approved by a vote of a

majority of a quorum (5%) of Members present in person or by proxy.  
(See Article VIII, Number 1).

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

### Article XIII Miscellaneous

The fiscal year of the Association shall begin on the first day of January and end on the 31<sup>st</sup> day of December of every year.

Capital expenses require that the Board get three (3) bids or quotes. The Board does not have to choose the lowest bid or quote, instead it may choose one of the other quotes based on experience, quality, and timing. In situations where the Association has used a particular supplier or contractor on a regular basis and has determined from experience that their prices are competitive, and their quality of work is good, this requirement of having to get three (3) bids or quotes may be waived at the discretion of the Board.

The manager will from time to time check the prices to make sure that they are still competitive. No person can initiate or approve any capital expense or purchase if they have a conflict of interest regarding the expenses or purchase.