

Bylaws of
Bay Colony Community Improvement Association, Inc.

A Non-profit Corporation

Article I
Offices

1.01. Name and Location. The name of the Association is Bay Colony Community Improvement Association, Inc. (the Association). The principal office of the Association in the State of Texas shall be located in Houston, Harris County. The Association may have such other offices, either within or without the State of Texas, as the Board of Directors may determine or as the affairs of the Association may require from time to time.

1.02. Registered Office and Registered Agent. The Association shall have and continuously maintain in the State of Texas a registered office, and a registered agent whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be, identical with the principal office of the Association in the State of Texas, and the address of the registered office may be changed from time to time by the Board of Directors.

Article II
Definitions

2.01. "Association" shall mean and refer to Bay Colony Community Improvement Association, Inc., a Texas non-profit corporation, its successors and assigns.

2.02. "Board of Directors" or "Board" shall mean and refer to the duly elected Board of Directors of the Association.

2.03. "Declaration" shall mean and refer collectively to the covenants, conditions, restrictions, reservations, easements, liens and charges imposed by or expressed in the Declaration of Covenants, Conditions and Restrictions for Bay Colony, filed for record under Galveston County Clerk's File No.8548877 and any and all amendments thereto.

2.04. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any real property which is subject to the Declaration, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

2.06 "Subdivision" shall mean and refer to that certain tract of land located in Harris County, Texas, known as Bay Colony and which is more particularly described in the Declaration.

**Article III
Owners**

3.01 Voting Rights. All property Owners in Bay Colony are entitled to one vote per 1,000 square feet of land owned. Joint Owners of properties shall be entitled collectively to one vote per property. The Board of Directors may suspend voting rights of any Owner who shall be in default in the payment of dues and assessments or other charges until such time as said default is cured.

3.02 Transfer of Voting Rights. Voting rights are not transferable or assignable independently of the ownership of property in Bay Colony.

**Article IV
Meetings of Owners**

4.01. Annual Meetings. A regular annual meeting of the Owners shall be held each year at a time provided by the resolution of the Board of Directors. The Board of Directors may provide by resolution the time and place within Galveston County, Texas, for the holding of additional regular meetings of the Owners.

4.02. Special Meetings. Special meetings of the Owners may be called at any time by or at the request of the President or any two Directors, or upon the written request of the Owners who are entitled to vote ten per cent (10%) of all of the votes of the Owners. The person or persons authorized to call special meetings of the Owners shall, within thirty (30) days of receipt of a valid request for a special meeting, fix the date for holding any special meetings of the Owners, and any such special meeting shall be held within ninety (90) days of receipt of a valid request.

4.03. Notice. Written notice of all meeting of the Owners 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, not less than fifteen (15) or more than sixty (60) days before such meeting, to each of the Owners entitled to vote thereat, addressed to the Owner's address as shown by the records of the Association. Such notice shall be deemed to be delivered when deposited in the United States mail so addressed with postage thereon prepaid. Such notice shall specify the place, date and hour of the meeting, and the purpose of the meeting.

4.04. Quorum. The presence at the meeting of Owners entitled to cast, or of proxies entitled to cast, fifteen percent (15%) of the votes of the Owners shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Owners entitled to vote thereat shall have the power to adjourn the meeting, from time to time, without notice other than an announcement at the meeting, until a quorum as aforesaid shall be present or represented.

4.05. Proxies. At all meeting of Owners, each Owner may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance of the Owner's Property. Proxies shall not be used in meetings of the Board of Directors.

4.06. Voting. Where directors are to be elected by Owners, such election may be conducted by mail or facsimile transmission, or any combination of the two, in such a manner as the Board of Directors shall determine. Nominees receiving the most number of votes shall be elected. Cumulative voting is expressly prohibited.

Article V
Board of Directors

5.01. General Powers. The affairs of the Association shall be managed by its Board of Directors. Directors shall be Owners of property located within the boundaries of Bay Colony which are subject to the Declaration, or, may be the agent or agents of Declarant while Declarant is an Owner of property located within the boundaries of Bay Colony which is subject to the Declaration. The Directors shall be entitled to exercise all those powers and duties enumerated in the Association's Articles of Incorporation, the Declaration, and the Texas Non-Profit Corporation Act, as amended.

5.02. Number, Tenure, and Qualifications. The number of Directors shall be three (3). The number of directors may be increased by amendment to these Bylaws. Each Director shall hold office until the next annual meeting of directors and until his successor has been elected and qualified.

5.03. Nomination of Directors. At any meeting at which the election of a director occurs, an Owner may nominate a person with the second of any other Owner. In addition to nominations made at meetings, a nominating committee shall consider possible nominees and make nominations for each election of directors. The secretary shall include the names nominated by the nomination committee, and any report of the committee, with the notice of the meeting at which the election occurs.

5.04. Election of Directors. A person who meets any qualification requirements to be a director and who has been duly nominated may be elected as a director. Directors shall be elected by the vote of the Owners of Bay Colony. Directors may be elected at the annual meeting of the Owners, or may be elected prior to the annual meeting in a manner prescribed by the Board of Directors, pursuant to Article IV, subsection 4.06 hereof. A director may be elected to succeed himself/herself as director.

5.05. Regular Meetings. A regular annual meeting of the Board of Directors shall be held without other notice than this bylaw, immediately after, and at the same place as the annual meeting of Owners. The Board of Directors may provide by resolution the time and place, either within or without the State of Texas, for the holding of additional regular meetings of the Board without other notice than such resolution.

5.06. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two Directors. The person or persons authorized to call special meetings of the Board may fix any place, either within or without the State of Texas, as the place for holding any special meetings of the Board called by them.

5.07. Meeting by Telephone. The Board of Directors, and any committee of the Association may hold a meeting by telephone conference-call procedures in which all persons participating in the meeting can hear each other. The notice of a meeting by telephone conference must state the fact that the meeting will be held by telephone as well as all other matters required to be included in the notice. Participation of a person in a conference-call meeting constitutes presence of that person at the meeting.

5.08. Notice. Notice of any special meeting of the Board of Directors shall be given at least two (2) days written notice delivered personally or sent by mail, telegram, or teletype to each Director at his address as shown by the records of the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed with postage thereon prepaid. If notice is given by telegram or teletype, such notice shall be deemed to be delivered when the telegram or teletype is delivered

to the telegraph company or the person. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these bylaws.

5.09. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

5.10. Manner of Acting. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these bylaws.

5.11. Vacancies. Any vacancy occurring in the Board of Directors and any directorship to be filled by reason of an increase in the number of Directors shall be filled by the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

5.12. Removal. Any director may be removed from office at an annual or special meeting by the vote of fifty-one percent (51%) of the total votes entitled to be cast, as set out in Article III. The Owners must receive notice from the Association, acting through its Board of Directors, of any action to remove a director from office, said notice to comply with the requirements set forth in Article IV, Section 4.03 hereof. A vacancy on the Board of Directors resulting from the removal of a director by the ownership must be filled by a vote of the ownership, in the same manner as set forth in Article V, Section 5.04 hereof.

5.13. Compensation. Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board; but nothing herein contained shall be construed to preclude any Director from serving the Association in any other capacity and receiving compensation therefor.

5.14. Informal Action by Directors. Any action required by law to be taken at a meeting of Directors, or any action which may be taken at a meeting of Directors, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Directors.

Article VI Officers

6.01. Officers. The officers of the Association shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, a Treasurer, and such other officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect or appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary.

6.02. Election and Term of Office. The officers of the Association shall be elected annually by the Board of Directors at the next regular meeting of the Board of Directors following the annual meeting. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.

6.03. Removal. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Association would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

6.04. Vacancies. A vacancy in any office because of death, resignation, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

6.05. President. The President shall be the principal executive officer of the Association and shall in general supervise and control all of the business and affairs of the Association. The President shall preside at all meetings of the Owners and of the Board of Directors. The President may sign, with the Secretary or any other proper officer of the Association authorized by the Board of Directors, any deeds mortgages, bonds, contracts, or other instruments which the Board of Directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these bylaws or by statute to some other officer or agent of the Association; and in general he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

6.06. Vice President. In the absence of the President or in the event of his inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in order of their election) shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such other duties as from time to time may be assigned to him/her by the President or Board of Directors.

6.07. Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Article 7 of these bylaws; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

6.08. Secretary. The Secretary shall keep the minutes of the meetings of the Owners and of the Board of Directors in one or more books provided for that purpose; give all notices in accordance with the provisions of these bylaws or as required by law; be custodian of the corporate records and of the seal of the Association, and affix the seal of the Association to all documents, the execution of which on behalf of the Association under its seal is duly authorized in accordance with the provisions of these bylaws; keep a register of the post office address of each Owner; and, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

6.09. Assistant Treasurers and Assistant Secretaries. If required by the Board of Directors, the Assistant Treasurers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Treasurers and Assistant Secretaries in general shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the President or the Board of Directors.

**Article VII
Committees**

7.01. Committees of Directors. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint one or more committees, each of which shall consist of two or more Directors, which committees, to the extent provided in said resolution shall have and exercise the authority of the Board of Directors in the management of the Association. However, no such committee shall have the authority of the Board of Directors in reference to amending, altering, or repealing the bylaws; electing, appointing, or removing any member of any such committee or any Director or officer of the Association; amending the articles of incorporation; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Association; authorizing the voluntary dissolution of the Association or revoking proceedings therefor; adopting a plan for the distribution of the assets of the Association; or amending, altering, or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered, or repealed by such committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed on it or him/her by law.

7.02. Other Committees. Other committees not having and exercising the authority of the Board of Directors in the management of the Association may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be Owners of Bay Colony, and the President of the Association shall appoint the members thereof. Any members thereof may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interests of the Association shall be served by such removal.

7.03. Term of Office. Each member of a committee shall continue as such until the next annual meeting of the Owners of Bay Colony and until his successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

7.04. Chairman. One member of each committee shall be appointed chairman by the person or persons authorized to appoint the members thereof.

7.05. Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

7.06. Quorum. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

7.07. Rules. Each committee may adopt rules for its own government not inconsistent with these bylaws or with rules adopted by the Board of Directors.

Article VIII Contracts, Checks, Deposits, and Funds

8.01. Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association. Such authority may be general or confined to specific instances.

8.02. Checks and Drafts. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President or a Vice President of the Association.

8.03. Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board of Directors may select.

8.04. Gifts. The Board of Directors may accept on behalf of the Association any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Association.

8.05. Potential Conflicts of Interest. The Association shall not make any loan to a directors, officers, or committee member of the Association may lend money to and otherwise transact business with the Association except as otherwise provided by the bylaws, articles of incorporation, and all applicable laws. Such a person transacting business with the Association has the same rights and obligations relating to those matters as other persons transacting business with the Association. The Association shall not borrow money from or otherwise transact business with a director, officer, or committee member of the Association unless the transaction is described fully in a legally binding instrument and is in the best interests of the Association. The Association shall not borrow money from or otherwise transact business with a director, officer, or committee member of the Association without full disclosure of all relevant facts and without the approval of the Board of Directors, not including the vote of any person having a personal interest in the transaction.

Article IX Books and Records

The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Owners, Board of Directors, and committees having any of the authority of the Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the Owners entitled to vote. Upon written request to the Board of Directors, all books and records of the Association may be inspected by any Owner or his agent or attorney, for any proper purpose at any reasonable time.

**Article X
Fiscal Year**

The fiscal year of the Association shall begin on the first day of January and end on the last day in December in each year.

**Article XI
Indemnification of Officers and Directors**

The Association shall indemnify, to the maximum extent permissible under law, including, but not limited to, Article 1396-2.22A of the Act, any officer or director or former officer or director of the Association, against all costs and expenses, including but not limited to attorney's fees, actually and necessarily incurred by him/her in connection with the defense of any action, suit, or proceeding in which he is made a party by reason of being or having been such officer or director, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for gross negligence or intentional misconduct, as defined and determined by the Association's Board of Directors, in performance of his duties, but such indemnification shall not be deemed exclusive of any other rights to which such officer or director may be entitled, under any bylaw, agreement, corporate resolution, vote of directors or Owners, or otherwise.

**Article XII
Notice**

12.01. Notice by Mail or Telegram. Any notice required or permitted by the bylaws to be given to a director, officer, or member of a committee of the Association may be given by mail or telegram or telecopier. If mailed, a notice shall be deemed to be delivered when deposited in the United States mail addressed to the person at his or her address as it appears on the records of the Association, with postage prepaid. If given by telegram, a notice shall be deemed to be delivered when accepted by the telegraph company and addressed to the person at his or her address as it appears on the records of the Association. If transmitted by telecopier, a notice shall be deemed to be delivered when transmitted to the telecopier number for the member appearing on the records of the Association, or as provided to the Association by the Owner. A person may change his or her address by giving written notice to the secretary of the Association.

12.02. Waiver of Notice. Whenever any notice is required to be given under the provisions of the Texas Non-Profit Corporation Act or under the provisions of the articles of incorporation or the bylaws of the Association, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

12.03. Waiver of Notice by Attendance. The attendance of a person at a meeting shall constitute a waiver of notice of the meeting unless the person attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

**Article XIII
Amendments to Bylaws**

These bylaws may be altered, amended, or repealed and new bylaws may be adopted by a majority of the Directors present at any regular meeting or at any special meeting, if at least five (5) days' written notice is given to an intention to later, amend, or repeal these bylaws or to adopt new bylaws at such meeting.

Effective: _____

Approved:

Bay Colony Community Improvement Association, Inc.

By: _____
Myles Sherman, President

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS OF REAL PROPERTY.



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Patricia Ritchie, COUNTY CLERK
GALVESTON, TEXAS