

**BYLAWS OF
EI TESORO HOMEOWNERS ASSOCIATION, INC.**

WHEREAS, El Tesoro Homeowners Association, Inc., a Texas nonprofit corporation, is the governing entity for the El Tesoro, Section 2 Replat No. 1 and Extension, an addition in Harris County, Texas, according to the map or plat thereof, recorded in the Map Records of Harris County, Texas, under Clerk's File No. RP-2018-497150, along with any amendments, supplements and replats thereof (the "Subdivision"); and

WHEREAS, § 22.102(a) of the Texas Business Organizations Code, provides that the initial Bylaws of a corporation shall be adopted by the corporation's Board of Directors; and

WHEREAS, the corporations Certificate of Formation vest the corporation's management in its Board of Directors;

NOW THEREFORE, pursuant to the foregoing, and as evidenced by the Certification hereto, the Association Board of Directors hereby adopts, establishes, and imposes the following Bylaws:

**ARTICLE I
OFFICES**

Section 1. Principal Office. The principal office of the Corporation shall be in the City of Houston, State of Texas.

Section 2. Registered Office. The registered office of the Corporation required by the Texas Business Organizations Code to be maintained in the State of Texas, may be, but need not be, identical with the principal office, and the address of the registered office may be changed from time to time by the Board of Directors.

**ARTICLE II
DEFINITIONS**

Section 1. "Association" shall mean and refer to the El Tesoro Homeowners Association, Inc., a Texas non-profit corporation, its successors and assigns.

Section 2. "Board of Directors" and "Board" shall mean and refer to the duly elected Board of Directors of the Association.

Section 3. "Board meeting" means a deliberation between a quorum of the voting board of the Association, or between a quorum of the voting board and another person, during which Association business is considered and the board takes formal action; and does not include the gathering of a quorum of the board at a social function unrelated to the business of the Association or the attendance by a quorum of the board at a regional, state, or national

convention, ceremonial event, or press conference, if formal action is not taken and any discussion of Association business is incidental to the social function, convention, ceremonial event, or press conference.

Section 4. "Common Area" shall mean and refer to any properties, real or personal, owned by the Association for the common use and enjoyment of the Association's Members, as more specifically defined in the Declaration.

Section 5. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, and Restrictions for El Tesoro, recorded in the Real Property Records of Harris County, Texas, under Clerk's File No. RP-2019-198832, along with any amendments and supplements thereto.

Section 6. "Lot" shall mean and refer to the numbered Lots as reflected on the Plat of the Subdivision.

Section 7. "Member" shall refer to every person or entity, which holds a Membership in the Association, as defined in the Certificate of Formation and the Declaration.

Section 8. "Owner" shall mean and refer to any person, firm, corporation, or other entity, or any combination thereof, that is the record owner of fee simple title to any Lot, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation.

Section 9. "Properties" shall mean and refer to all property within the Subdivision, unless de-annexed in accordance with the Declaration, and any additional property hereafter added to the jurisdiction of the Association.

ARTICLE III **MEETINGS OF MEMBERS**

Section 1. Annual Meetings. Regular annual meetings of the Members shall be held once a calendar year on a day and at a time and location determined by the Board of Directors.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by a majority of the Board of Directors, or upon written request of the Members who are entitled to vote ten percent (10%) of all the votes of the membership.

Section 3. Location of Meetings. Meetings of Members may be held at such places within Harris County, Texas as may be designated by the Board of Directors.

Section 4. Notice of Meetings. Written notice of each annual and special meeting of the Members shall be given by the Secretary or person designated by the Board to provide such notice. Notice shall be mailed postage prepaid, at least ten (10) but no more than sixty (60) days

before such meeting to each Association Member. Notice shall be 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, date, hour, and for special meetings, the purpose of the meeting.

Section 5. Quorum. The presence at a meeting, in person, by proxy, by electronic ballot or by absentee ballot, of Members constituting at least ten percent (10%) of the votes of the membership shall constitute a quorum for any action, except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws.

If, however, a quorum shall not be achieved as set forth above, the Association Board of Directors have power to adjourn the meeting from time to time and reconvene, at any time, without notice other than an announcement at the reconvened meeting, and the quorum requirement at each reconvened meeting shall be ½ (one-half) of the quorum requirement at the previously adjourned meeting, until a quorum shall be present or represented.

Section 6. Ballots and Proxies. At all meetings in which a vote is called, any Member may vote in person or by proxy; and, if authorized and established by the Board of Directors, by electronic ballot or absentee ballot as described in 209.00593 of the Texas Property Code. All persons owning a Lot are eligible to vote at any meeting of Members. Only one vote may be exercised per Lot. Should owners of the same Lot cast conflicting votes, or not agree upon how to cast the vote for such Lot, no vote will be counted for that Lot. The Board of Directors shall be authorized to establish voting procedures to provide reasonable assurance that the person casting the vote is entitled to vote.

Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot. Only Members may cast a vote assigned by a proxy given by another Member. All ballots must be signed by the Member casting such vote. Electronic votes cast under Section 209.00592 constitute written and signed ballots. In an association-wide election, written and signed ballots are not required for uncontested races.

Section 7. Member Vote Without a Meeting. Members may vote on actions that can be taken at a meeting of the Members without a meeting as long as all owners are given notice of the proposed action and deadline by which their vote must be submitted to the Association. Such notice must be provided at least twenty (20) days prior to the date voting concludes and include a ballot to vote on the proposal. In order for such proposal to pass, the number of votes cast in favor of the proposal must be the same as that required to pass the proposal at a meeting of members and all ballots cast in favor of the proposal must contain the same language regarding the proposal being voted upon.

ARTICLE IV

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Each Member of the Association is eligible to serve on the Board of Directors unless having within the prior twenty years been convicted of a felony or a crime of moral turpitude. Non-Members are not eligible to serve on the Board. Candidates for

election to the Board of Directors may also be made from the floor at a Member meeting.

Section 2. Election. Election to the Board of Directors shall be by a written ballot, proxy and, if authorized by the board, absentee ballot. The board may authorize voting by electronic ballot. All ballots must be signed by the Member.

The Association must take steps to reasonably ensure that a Member cannot cast more votes than the Member is eligible to cast, that the Association counts each vote the Member is eligible to cast, and when involving an election for the board, each candidate may name one person to observe the counting of the ballots, provided that this does not entitle any observer to see the name of the person who cast any ballot, and that any disruptive observer may be removed.

Written and signed ballots are not required for uncontested, Association-wide, elections. At each election, the Members or their proxies (which must be assigned to a Member, or authorized personal representative) may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Association's Dedicatory Instruments. The persons receiving the largest number of votes shall be elected. Cumulative voting is prohibited. In any election in which there are varying lengths of terms, the person receiving the largest number of votes shall be elected to the longest term.

Section 3. Tabulation of Vote. A person who is a candidate in an Association election or who is otherwise the subject of an Association vote, or a person related to that person within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code, may not tabulate or otherwise be given access to the ballots cast in that election or vote except as provided in the recount procedure in Section 4 below. A person other than a person described above may tabulate votes in an Association election or vote but may not disclose to any other person how an individual voted. A person other than a person who tabulates votes, may be given access to the ballots cast in the election or vote only as part of a recount process authorized by law.

ARTICLE V

BOARD OF DIRECTORS

Section 1. Number and Term of Office. The affairs of this Association shall be managed by a Board of Directors containing three (3) members. During the Declarant Control Period defined in the Declaration, the Declarant shall have the sole authority to appoint and remove the directors at any time. After termination of the Declarant Control Period, all Directors shall be Members of the Association. The number of Directors may be increased or decreased, but not to a number less than three (3) or more than seven (7), by a majority vote of the Board.

At the first annual meeting of members following the termination of the Declarant Control Period the members will elect Three (3) directors, 1 director for a term of 1 year, 1 director for a term of 2 years and 1 director for a term of 3 years, with the persons receiving

the most votes serving the longer terms; upon the expiration of each of the initial directors term thereafter, their successor shall be elected for a term of 3 years.

Section 2. Vacancies. Any Director may resign at any time by giving written notice to the President or Secretary of the Association. Such resignation shall take effect at the time specified therein (or if no time is given, upon delivery of the resignation); and unless otherwise specified therein, the acceptance of such resignation shall not be necessary in order for it to be effective.

Any vacancy occurring due to resignation, death or disqualification may be filled by the affirmative vote of a majority of the remaining Directors, at an open meeting, even though less than a quorum. A Director appointed to fill a vacancy shall be appointed for the unexpired term of his predecessor in office.

Section 3. Removal. Any director or the entire Board may be removed with or without cause by a majority vote of those Members voting at a meeting of Members expressly called for that purpose for which quorum of at least 25% is attained, whether voting in person, by proxy or, if made available, absentee or electronic ballot. In case any vacancy so created shall not be filled by the members at such meeting, such vacancy may be filled by the Directors as provided in Section 2 hereof. In the event of the removal of the entire board at one time, there shall immediately after such removal vote, be a vote to elect directors to serve the remainder of the removed director's terms, and those Members present for such vote shall constitute a quorum for the purposes of the replacement vote only.

Section 4. Compensation. No director shall receive compensation for any service they render to the Association. However, any director may be reimbursed for actual expenses incurred in the performance of their duties upon submission of an expense report and approval thereof by the Board.

ARTICLE VI **MEETINGS OF DIRECTORS**

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at such time and place and with such frequency as the Board from time to time deems necessary. Meetings of Directors may be held at such places within Harris County, Texas, or a county adjacent to Harris County as may be designated by the Board of Directors; or may be held by electronic or telephonic means as provided by Section 209.0051 of the Texas Property Code.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President or any two directors, after no less than one (1) day notice to each director. Notice may be provided by telephone, e-mail, text message, fax or mail. However, if notice is provided by mail, such notice must be mailed at least three days prior to the meeting. The purpose of a special meeting need not be provided in the notice.

Section 3. 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 the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board. Attendance or participation in a meeting by a Director shall constitute waiver of notice of such meeting.

Section 4. Presumption of Assent to Action. A Director who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Corporation immediately after adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 5. Notice of Board Meetings to Owners. Members shall be given notice of the date, hour, place and general subject of a regular or special board meeting, including a general description of any matter to be brought up for deliberation in executive session. Such notice shall be either:

- (a) mailed to each property owner at least ten (10), but not more than sixty (60) days before the meeting date;
- (b) provided at least 72 hours before the start of the meeting by posting in a conspicuous manner reasonably designed to provide notice to Members in a place located on the Association Common Property within the Property OR posted on any internet website maintained by the Association or other internet media; AND by sending the notice by email to each Member who has registered an email address with the Association (it is an owner's duty to keep an updated e-mail address registered with the Association); or
- (c) by alternative means as provided and to the extent permitted by Chapter 209.0042 of the Texas Property Code.

Section 6. Open Meetings. Regular and special board meetings must be open to owners, subject to the right of the board to adjourn a board meeting and reconvene in closed executive session to consider actions involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, confidential communications with the Association's attorney, matters involving the invasion of privacy of individual owners, or matters that are to remain confidential by request of the affected parties and agreement of the board. At all meetings of the Board of Directors the President shall preside and in the absence of the President the board shall choose a Chairman from among the directors present. The order of business shall be determined by the presiding director. Attending Members are only entitled to participate in board meetings to the extent invited by the Board of Directors.

Section 7. Executive Session. Following an executive session, any decision made in the executive session must be summarized orally and placed in the minutes, in general terms, without breaching the privacy of individual owners, violating any privilege, or disclosing information that was to remain confidential at the request of the affected parties. The oral

summary must include a general explanation of expenditures approved in executive session.

Section 8. Minutes. The board shall keep a record of each regular or special board meeting in the form of written minutes of the meeting. The board shall make meeting records, including approved minutes, available to a Member for inspection and copying on the Member's written request to the Association's managing agent at the address appearing on the most recently filed management certificate or, if there is not a managing agent, to the board. Director meetings shall not be video or audio recorded, except by the board or with advance written permission from the board.

Section 9. Meeting Recesses. If the board recesses a regular or special board meeting to continue the following regular business day, the board is not required to post notice of the continued meeting if the recess is taken in good faith and not to circumvent notice requirements. If a first reconvened regular or special board meeting is continued, the board shall give notice of the continuation in at least one manner set forth in Section 4 above.

Section 9. Meeting or Action Taken Without Notice. A board may take action outside of a meeting, including voting by electronic or telephonic means, without prior notice to Members, if each board member is given a reasonable opportunity to express the board member's opinion to all other board members and to vote. Any action taken without notice to Members must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting, and documented in the minutes of the next regular or special board meeting.

The board may not, unless done in an open meeting for which prior notice was given to Members, consider or vote on:

- (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 improvement other than the repair, replacement, or

- (15) enhancement of existing capital improvement; or
the election of an officer.

ARTICLE VII
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The business and affairs of the corporation shall be managed by the Board of Directors. The Board may exercise all powers provided by law, the Articles of Incorporation, the Declaration and these Bylaws. In addition to the powers enumerated in Section 204.010(a) of the Texas Property Code, the Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the use of the Common Property, and the personal conduct of the Members or their guests thereon, and to establish penalties for the infraction thereof;
- (b) fix and establish, by resolution, the fiscal year of the Corporation;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Membership by other provisions of these By-Laws, the Certificate of Formation, or the Declaration;
- (d) declare that a director has resigned from the Board in the event such director shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (e) employ a manager, an independent contractor, or such other employees as the Board of Directors deems necessary, and to prescribe their duties.
- (f) adopt and publish rules and regulations relating to the interpretation and enforcement of restrictions and collection of assessments.

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

- (a) cause to be kept a complete record of all its acts and corporate affairs;
- (b) supervise, all officers, agents and employees of the Association, and to see that their duties are properly performed;
- (c) as more fully provided in the Declaration, to:
 - (1) fix the amount of the annual assessment against each Lot as set forth in the Declaration;
 - (2) send written notice of each assessment to every Owner subject thereto as set forth in the Declaration; and
- (d) issue, or to cause an appropriate officer to issue, upon demand by any person, a

no Committee member is entitled to take any action on behalf of the Association or bind the Association to any agreement without the approval of the Board of Directors.

**ARTICLE XI
RECORDS**

The production of the Association Books and Records shall be made in accordance with the Association's duly recorded Policies and Chapter 209 of the Texas Property Code.

**ARTICLE XII
AMENDMENTS**

These Bylaws may be amended at any time at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy.

CERTIFICATION

"I, the undersigned, being the President of El Tesoro Homeowners Association, Inc., hereby certify that the foregoing Initial Bylaws were adopted by at least a majority of the Association Board of Directors."

By: *David Klein*

Print Name: David Klein Title: President

ACKNOWLEDGEMENT

STATE OF TEXAS §

COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared David Klein, President of El Tesoro Homeowners Association, Inc., and known by me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared that he is the person who signed the foregoing document in his representative capacity and that the statements contained therein are true and correct.

Given under my hand and seal of office this the 5th day of June, 2019.

Jaime L. Burns
Notary Public, State of Texas

