

BY LAWS

**Bylaws of
Continental Land Owners Association, Inc.**

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Basic Information

Name: Continental Land Owners Association, Inc. (the "Association"), established by the certificate of formation filed with the secretary of state of Texas.

Principal Office: c/o APC Property Management, 7115 W. Tidwell Road, Suite 100, Houston, Texas 77092. The Association may have other offices.

Declaration: The Restrictive Covenants contained in each Deed of the Continental Plaza Subdivision, recorded in the Real Property Records of Harris County, Texas.

Definitions: Capitalized terms used but not defined herein have the meaning set forth in the Declaration.

Voting Members: Members entitled to vote or their proxies.

A. Members

1. *Membership.* Every Owner is a Member of the Association. Membership is appurtenant to and may not be separated from ownership of a Lot. The Association has one class of voting Members: *Class A.* Class A Members are all Owners. Class A Members have one vote per Lot. When more than one person is an Owner, each is a Class A Member, but only one vote may be cast for a Lot.

2. *Place of Meeting.* Members meetings will be held at the Association's principal office or at another place designated by the Board.

3. *Annual Meetings.* Regular annual Members meetings will be held annually.

4. *Special Meetings.* The president may call special meetings. The president must call a special meeting if directed by the Board or by a petition signed by 10 percent of the Class A Voting Members.

5. *Notice of Meetings.* Written notice stating the place, day, and hour of each Members meeting, other than a reconvened meeting, must be given to each Member not less than 10 nor more than 60 days before the meeting. The special Members meeting notices must also state the meeting's purpose, and no business may be conducted except as stated in the notice. Notice to a Member is deemed given when hand delivered or mailed. Notice of a Annual Meeting may be made to Members by posting on the website or by posting a sign in a prominent location at or near the main entrance to the subdivision. If mailed, notice is deemed given (whether actually received or not) when deposited with the United States Postal Service, postage prepaid.

6. *Waiver of Notice.* A Member may, in writing, waive notice of a meeting. Attendance

at a meeting is a waiver of notice of the meeting, unless the Member objects to lack of notice when the meeting is called to order.

7. *Quorum.* The number of Voting Members that are present at a meeting will constitute a quorum.
8. *Majority Vote.* Votes representing more than 50 percent of the Voting Members present at a meeting at which a quorum is present are a majority vote.
9. *Proxies, Absentee Ballots, and Electronic Voting.* Voting Members may vote by written proxy, absentee ballot or electronic ballot under procedures established by the Board in accordance with Texas law, Property Code Section 209.00593.
10. *Conduct of Meetings.* The president will preside over Members meetings. The secretary will keep minutes of the meetings and will record in a minutes book the votes of the members.
11. *Action without Meeting.* Any action that may be taken at a Members meeting may be taken without a meeting by written consent setting forth the action taken signed by a sufficient number of Members as would be necessary to take that action at a meeting.

B. Board

1. *Governing Body; Composition.* The affairs of the Association are governed by the Board. Each director has one vote. The initial Board is composed of three directors. Each director must be a Member or an entity Member.
2. *Number of Directors.* The Board consists of not less than three nor more than five directors. Within those limits, the Board may change the number of directors. No decrease may shorten the term of a director.
3. *Term of Office.* The initial Board will determine the initial term, not to exceed three years, of each director. At the expiration of the initial term of a director, each successor will have a term of three years. Directors may serve consecutive terms.
4. *Election.* At annual Members meetings, successors for each director whose term is expiring will be elected. Cumulative voting is prohibited. The candidate or candidates receiving the most votes will be elected. The directors elected by the Voting Members will hold office until their respective successors have been elected.
5. *Removal of Directors and Vacancies*
 - a. *Removal for cause.* If the Board is presented with written, documented evidence from a database or other record maintained by a governmental law

enforcement authority that a Member has been convicted of a felony or crime involving moral turpitude, the Member is immediately ineligible to serve on the Board, automatically considered removed from the Board, and prohibited from future service on the Board.

- b. **Removal by Vote.** Any Director can be recommended for removal by two board members or by a signed petition by Twenty (20) Members. The recommendation will be voted on by the Members at an Annual or Special Meeting. A Special Meeting for removal can be called by Twenty (20) Members. The Director will be removed by a majority vote of the Members present (proxy or absentee ballot) at the meeting.

Board members that handle financial matters in an unethical manner or are involved with a matter associated with a conflict of interest will be suspended from their duties until a decision is made by the landowner's majority vote. The Board Members should have the ability to suspend the duties of another board member for unethical and nonproductive behavior. Following the suspension, the landowners meeting must be scheduled within 30 days of the suspension, and all should vote at that time of the meeting to remove and elect a new board member, if a new board member needs to be elected. All plans and major non-routine decisions associated with the landowners association should discontinue until a majority decision is made at the scheduled meeting. All plans and major non-routine decisions will resume once a new board member is elected at the meeting or the landowners decide to retain the existing board member that the other board members recommended to remove.

- b. **Vacancies.** A director's position becomes vacant if the director dies, becomes incapacitated, resigns, or is no longer a Member.
- c. **Successors.** If a director is removed or a vacancy exists, a successor will be elected by the remaining directors for the remainder of the term.

6. **Compensation.** Directors will not receive compensation. A director may be reimbursed for expenses approved by the Board.

7. **Powers.** The Board has all powers necessary to administer the Association's affairs.

8. **Management.** The Board may employ a managing agent. Declarant, or an affiliate of Declarant, may be the managing agent.

9. **Accounts and Reports.** Accounting and controls must conform to good accounting practices. Accounts will not be commingled with accounts of other persons. The following financial reports will be prepared at least annually:

- a. An income statement reflecting all income and expense activity for the preceding period.
- b. A balance sheet as of the last day of the preceding period.

10. *Borrowing.* The Board may borrow money to maintain, repair, or restore the Common Area without the approval of the Members. If approved in advance by the Members in the same manner as approving a Special Assessment, the Board may borrow money for any other purpose.

11. *Rights of Association.* With respect to the Common Area, and in accordance with the Declaration, the Association will have the right to contract with any person for the performance of various duties and functions. Such agreements require the approval of the Board.

12. *Enforcement Procedures*

- a. *Notice.* Before the Board may (i) suspend an Owner's right to use a Common Area, (ii) file a suit against an Owner other than a suit to collect any Assessment, (iii) foreclose the Association's lien, (iv) charge an Owner for property damage, or (v) levy a fine for a violation of the Governing Documents, the Association or its agent must give written notice to the Owner by certified mail, return receipt requested. The notice must describe the violation or property damage that is the basis for the suspension action, charge, or fine and state any amount due the Association from the Owner. The notice also must inform the Owner that the Owner (i) is entitled to a reasonable period to cure the violation and avoid the fine or suspension unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six months and (ii) may request a hearing on or before the thirtieth day after the date the Owner receives the notice.

- b. *Hearing.* If the Owner is entitled to an opportunity to cure the violation, the Owner has the right to submit a written request for a hearing to discuss and verify facts and resolve the matter in issue before a committee appointed by the Board or before the Board if the Board does not appoint a committee. If a hearing is to be held before a committee, the notice must state that the Owner has the right to appeal the committee's decision to the Board by written notice to the Board.

The Association must hold a hearing under this section not later than the thirtieth day after the date the Board receives the Owner's request for a hearing and must notify the Owner of the date, time, and place of the hearing not later than the tenth day before the date of the hearing. The Board or the Owner may request a postponement, and, if requested, a postponement will be

granted for a period of not more than ten days. Additional postponements may be granted by agreement of the parties. The Owner or the Association may make an audio recording of the meeting.

The hearing will be held in executive session affording the alleged violator a reasonable opportunity to be heard. Before any sanction hereunder becomes effective, proof of proper notice will be placed in the minutes of the meeting. Such proof will be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered the notice. The notice requirement will be satisfied if the alleged violator appears at the meeting. The minutes of the meeting will contain a written statement of the results of the hearing and the sanction, if any, imposed. Such suspension will not constitute a waiver of the right to sanction violations of the same or other provisions and rules by any person.

- c. *Appeal.* Following hearing before a committee, if any, the violator will have the right to appeal the decision to the Board. To perfect this right, a written notice of appeal must be received by the managing agent, if any, president, or secretary within five days after the hearing date.
- d. *Changes in Law.* The Board may change the enforcement procedures set out in this section to comply with changes in law.

C. Board Meetings

1. *Regular Meetings.* Regular meetings of the Board will be held at such time and place as determined by the Board, but at least 1 such meeting will be held during each fiscal year. Notice of the time and place of the meeting will be given to directors not less than 10 nor more than 60 days before the meeting. Notice may be made to Members by posting on the website or by posting a sign in a prominent location at or near the main entrance to the subdivision.
2. *Special Meetings.* Special meetings will be held when called by written notice signed by the president or by any 2 directors. The notice will specify the time and place of the meeting and the matters to be covered at the meeting.
3. *Waiver of Notice.* The actions of the Board at any meeting are valid if (a) a quorum is present and (b) either proper notice of the meeting was given to each director or a written waiver of notice is given by any director who did not receive proper notice of the meeting. Proper notice of a meeting will be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of proper notice.
4. *Quorum of Board.* At all meetings, the Board members that are present (but at least two) will constitute a quorum, and the votes of a majority of the directors present at a meeting at

which a quorum is present constitutes the decision of the Board. If the Board cannot act because a quorum is not present, a majority of the directors who are present may adjourn the meeting to a date not less than 10 nor more than 30 days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business that may have been transacted at the meeting originally called may be transacted without further notice.

5. *Conduct of Meetings.* The president will preside at Board meetings. The secretary will keep minutes of the meetings and will record in a minute book the votes of the directors.
6. *Proxies.* Directors may vote by written proxy.
7. *Action without Meeting.* Any action that may be taken at a Board meeting may be taken without a meeting by written consent setting forth the action taken signed by a sufficient number of the Board as would be necessary to take that action at a meeting.

D. Officers

1. *Officers.* The officers of the Association are a president, vice president, secretary, and treasurer, to be elected from the Members. The Board may appoint other officers having the authority and duties prescribed by the Board. Any two or more offices may be held by the same person, except the offices of president and secretary.
2. *Election, Term of Office, and Vacancies.* Officers will be elected annually by the Board at the first meeting of the Board following each annual meeting of the Voting Members. A vacancy in any office may be filled by the Board for the unexpired portion of the term.
3. *Removal.* The Board may remove any officer whenever, in the Board's judgment, the interests of the Association will be served thereby.
4. *Powers and Duties.* Officers have such powers and duties as are generally associated with their respective offices and as may be specifically conferred by the Board. The president is the chief executive officer of the Association. The treasurer has primary responsibility for the preparation of the budget and financial reports and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.
5. *Resignation.* Any officer may resign at any time by giving written notice to the Board, the president, or the secretary. Resignation takes effect on the date of the receipt of the notice or at any later time specified in the notice.

E. Committees

The Board may establish committees by resolution and authorize the committees to perform the duties described in the resolution.

F. Miscellaneous

1. *Fiscal Year.* The Board may establish the Association's fiscal year by resolution. In the absence of a Board resolution determining otherwise, the Association's fiscal year is a calendar year.
2. *Rules for Meeting.* The Board may adopt rules for the conduct of meetings of Members, Board, and committees.
3. *Conflict.* The Declaration controls over these Bylaws.
4. *Inspection of Books and Records*
 - a. *Inspection by Member.* After a written request to the Association, a Member may examine and copy, in person or by agent, any Association books and records relevant to that purpose. The Board may establish rules concerning the (i) written request; (ii) hours, days of the week, and place; and (iii) payment of costs related to a Member's inspection and copying of books and records.
 - b. *Inspection by Director.* A director has the right, at any reasonable time, and at the Association's expense, to (i) examine and copy the Association's books and records at the Association's Principal Office and (ii) inspect the Association's properties.
5. *Notices.* Any notice required or permitted by the Governing Documents must be in writing. Notices regarding enforcement actions must be given by certified mail, return receipt requested. All other notices may be given by regular mail. Notice is deemed delivered (whether actually received or not) when properly deposited with the United States Postal Service, addressed to the last known address. Unless otherwise required by law or the Governing Documents, actual notice, however delivered, is sufficient.
6. *Amendment.* These Bylaws may be amended at a regular or special meeting of the Board by a vote of the majority of a quorum of the Board members present in person. This provision will not be construed as limiting the Board's power to amend the enforcement procedures to comply with changes in law.

Adopted on August 22, 2014.

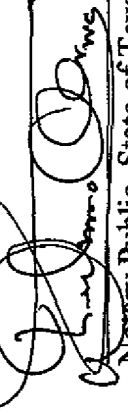

Augustine Rodriguez
President

STATE OF TEXAS §
COUNTY OF Tarrant §

Before me, the undersigned authority, on this day personally appeared Augustine Rodriguez, President of Continental Land Owners Association, Inc., a Texas non-profit corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he/she had executed the same as the act of said corporation for the purpose and consideration therein expressed, and in the capacity therein stated.

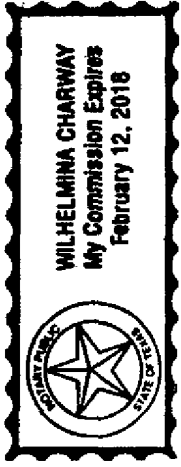
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Given under my hand and seal of office on August 20th, 2014.



Notary Public, State of Texas

AFTER RECORDING RETURN TO:
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12841 Jones Road, Suite 100
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Pages 9
09/03/2014 10:53:25 AM
e-Filed & e-Recorded in the
Official Public Records of
HARRIS COUNTY
STAN STANART
COUNTY CLERK
Fees 44.00

RECORDERS MEMORANDUM
This instrument was received and recorded electronically
and any blackouts, additions or changes were present
at the time the instrument was filed and recorded.

Any provision herein which restricts the sale, rental, or
use of the described real property because of color or
race is invalid and unenforceable under federal law.
THE STATE OF TEXAS
COUNTY OF HARRIS
I hereby certify that this instrument was FILED in
File Number Sequence on the date and at the time stamped
hereon by me; and was duly RECORDED in the Official
Public Records of Real Property of Harris County, Texas.



Stan Stanart
COUNTY CLERK
HARRIS COUNTY, TEXAS