

BY-LAWS  
OF  
ENCHANTED OAKS HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the Corporation is ENCHANTED OAKS HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the Corporation shall be located at Water Board Building, 19023 Joan Leigh, Spring, Texas 77388, in Harris County, Texas, but meetings of members and directors may be held at such places within the State of Texas, County of Harris, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to ENCHANTED OAKS HOMEOWNERS ASSOCIATION INC., its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain property which is restricted to residential use in - ENCHANTED OAKS, SECTIONS ONE, TWO, THREE AND FOUR and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners and all public areas within the boundaries of the Enchanted Oaks Subdivision.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area and commercial reserves excluded from the scope of the Restrictions.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers but excluding those having such interest merely as security for the performance of any obligation.

Section 6. "Declarant" shall mean and refer to such Declarant set forth in the applicable Deed Restrictions, its successors and assigns, if such successors or assigns should

acquire more than one undeveloped lot from the Declarant for the purpose of development.

Section 7. "Restrictions" shall mean and refer to the restrictions applicable to the Properties recorded in the Office of the County Clerk Harris County, Texas, and any amendments thereafter or such other restrictions created by additional properties dedicated to the subdivision by the Developer.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in Article XIII hereof. Membership shall be strictly limited to those persons or entities defined as "Owner" in section 5 above. "Member" for voting purposes shall include only those persons who have paid the annual maintenance fees in full for all lots owned by such person or entity for the then current year and all prior years. Membership is not transferrable or assignable to any person or entity who would not be eligible for membership under the provisions of these by-laws.

Section 9. "Corporation" shall mean and refer to the ENCHANTED OAKS HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

### ARTICLE III

#### MEETING OF MEMBERS

Section 1. Annual Meetings. The annual meeting of the members shall be held on the second Tuesday of May of each year at 7:30 p.m. for the purpose of electing Directors and for the transaction of such other business as may come before the meeting, but if the day fixed for the annual meeting shall be a legal holiday in the State of Texas, then the annual meeting shall be held on the next succeeding business day.

Section 2. Special Meetings. Special Meetings of the members may be called at any time by the President or the Board of Directors, or upon written request of the members constituting forty per cent (40%) of all the Members entitled to vote.

Section 3. Notice of Meetings. No Written notice will be required for the Annual Meetings of the members. Written notice of each Special Meeting of the members shall be given by the Secretary or person authorized to call the meeting. Notice shall be mailed, postage prepaid, or delivered by a designee(s) of the Board of Directors, at least 15 days before such meeting to each member entitled to vote. 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 purpose of the meeting.

**Article III. Section 3 of the Bylaws is amended to read as follows:**

Section 3. Notice of Annual or Special Meetings: Written notice of each Annual or Special meeting of Members shall be given by, or at the direction of, the President or the Vice President or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, to each Member, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, the purpose of the meeting and the agenda for the meeting. The notice shall be mailed to each property owner not later than the tenth (10th) day or earlier than the sixtieth (60th) day before the date of the meeting. In addition to the aforementioned mailing requirements, notice of any Annual or Special meeting of the members may also be posted in a conspicuous manner reasonably designed to provide notice to members, in a place located on the Association's common property or, with the property owner's consent, on other conspicuously located privately owned property within the subdivision; on any Internet website maintained by the Association or other Internet media; or by sending the notice via email to each Owner who has registered an e-mail address with the Association. It is an Owner's responsibility to keep an updated e-mail address registered with the Association.

Section 4. Quorum. The presence at the meeting of the members entitled to cast, or of proxies entitled to cast, seven percent (7%) of the membership shall constitute a quorum for any action, except as otherwise provided in the Articles of Incorporation, Restrictions or these By-Laws. If, however, a quorum shall not be present or represented at any meeting, the members 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 of the place, date and hour of the next meeting. At such subsequent meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted as originally notified. The members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

**Article III. Section 4 of the Bylaws is amended to read as follows:**

Section 4. Quorum and Adjournment of Meetings. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, seven percent (7%) 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 the Bylaws. If any meeting of the Members cannot be held because a quorum is not present, the Members present in person or represented by proxy shall have power to adjourn and/or reschedule the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be

present or represented. At such adjourned/rescheduled meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. If the required quorum is not forthcoming at such a meeting, the meeting may be adjourned and/or rescheduled to a new date, not later than thirty (30) days from the date of that adjourned/rescheduled meeting, and the required quorum at such meeting shall be one-half (1/2) of the required quorum at the immediately preceding meeting. This procedure shall be continued until a quorum has been obtained; provided however, that such reduced quorum requirement shall not be applicable at a subsequent meeting held more than sixty (60) days following the originally scheduled meeting.

Section 5. Proxies At all meetings of the members, each member may vote in person or by proxy executed in writing by the member or by his duly authorized attorney in fact. All proxies shall be in writing and filed with the Secretary of the corporation before or at the time of the meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot. No proxy shall be valid after eleven (11) months from the date of its execution.

**Article III. Section 5 of the Bylaws is amended to read as follows:**

Section 5. Voting, Proxies and Absentee Ballots. The voting rights of the Members shall be as set forth in the Declaration, and such voting rights provisions are specifically incorporated herein. Members may vote in person, by proxy or by absentee ballot. All votes shall be in writing and signed by the Member. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his lot.

Section 6. Membership Roll. The Secretary of the corporation shall make, before each meeting of the membered a complete list of the members entitled to vote at such meeting, arranged in alphabetical order or such order as requested by the Board of Directors. Such list shall also be produced and opened at the time and place of the meeting and shall be subject to the inspection by any member during the whole time of the meeting or by request through the corporation's registered agent.

Section 7. Place of Meeting. The Board of Directors may designate any place within Harris County, Texas, as the place of the meeting for any annual meeting or for any special Meeting called by the Board of Directors. The board of Directors shall, where practicable, designate such place of meeting within a reasonable distance of the subdivision. If no designation is made, the place of the meeting shall be the Water Board Building, 19023 Joan Leigh, Spring, Texas 77388, in Harris County, Texas.

ARTICLE IV

BOARD OF DIRECTORS; SELECTION AND TERM OF OFFICE

Section 1.                      Number. The affairs of this Association shall be managed by a Board of Nine (9) Directors, who must be members, in good standing, of the association.

**Article IV. Section 1 of the By-Laws is hereby amended to read as follows:**

Section 1.                      Number. The affairs of this Association shall be managed by a Board of Seven (7) Directors, who must be members of the association.

Section 2.                      Term of Office. At each annual meeting, the members shall elect directors pursuant to the provisions herein stated. The term of office of each Director shall be two years, except as hereinafter provided. Four (4) directors shall be elected in each odd calendar year and five (5) directors shall be elected in each even calendar year. The four (4) directorships in odd calendar years shall be designated Positions One Two, Three and Four, respectively. The initial term for Positions One, Two, Three and Four shall commence in calendar year 1992, with said Directors serving in Positions One, Two, Three and Four to serve a term of one year and commencing with the Annual Meeting in 1993, or for such odd years thereafter, the Directors elected to Positions One, Two Three and Four shall serve two (2) years terms. The five directorships elected in even calendar years shall be designated Positions Five, Six, Seven, Eight and Nine, respectively. The initial term for Positions Five, Six, Seven, Eight and Nine shall commence in calendar year 1992. For calendar year 1992, the Board of Directors shall determine at random, the Board members who shall serve in Director Positions One, Two, Three and Four and may use, in its sole discretion, any one of the following methods for making that selection: the four directors receiving the four fewest votes at the Annual Meeting may be designated as Director Positions One, Two, Three and Four, or by random drawing, or by majority vote of the Board of Directors, or by agreement between the Directors with the agreement to be reflected in the Minutes. All members of the Board of Director shall be elected At-Large. All Directors shall hold office until their successors have been duly elected and qualified.

**Article IV. Section 2 of the By-Laws is hereby amended to read as follows:**

Section 2.                      Term of Office. At each annual meeting, the members shall elect directors pursuant to the provisions herein stated. The term of office of each Director shall be two years. Three (3) directors shall be elected in each odd calendar year and four (4)

directors shall be elected in each even calendar year. All members of the Board of Directors shall be elected At-Large.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor. Any director who ceases to be a member shall automatically be terminated as a director and the successor shall be selected in accordance with the By-laws.

**Article IV. Section 3 of the Bylaws is hereby amended to read as follows:**

Section 3. Removal of Directors and Vacancies. At any regular or special meeting duly called, any one (1) or more directors may be removed with or without cause by a majority of members. In the event of death, resignation, or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve for the remainder of such removed Director's term. If a Board is presented with written, documented evidence from a database or other record maintained by a governmental law enforcement authority that a board member has been convicted of a felony or a crime involving moral turpitude, the board member is immediately ineligible to serve on the Board, and automatically considered removed from the Board, and prohibited from future service on the Board. Any director who ceases to be a member shall automatically be terminated as a director and the successor shall be selected in accordance with the Bylaws.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association unless specifically employed by the Board to perform services for the Association, which said director normally performs for compensation by virtue of education, training or specialized skills. Nothing contained herein shall be construed as preventing a Director from receiving reimbursement for actual expenses incurred on or behalf of the corporation.

Section 5. Action Taken without a Meeting. The Board of Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval and consent of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the directors. Action may also be taken by the Board of Directors by telephonic means or in any other manner permitted by the Texas Non-profit Corporation Act.

**Article IV. Section 5 of the Bylaws is amended to read as follows:**

Section 5. Action Taken Without a Meeting. The Directors shall have the right to take any action which they could take at a meeting

by execution of a written consent instrument signed by all of the Directors, subject to the following exceptions. The Board may not, without prior notice to owners, consider or vote on: fines; damage assessments; initiation of foreclosure actions; initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety; increases in assessments; levying of special assessments; appeals from a denial of architectural control approval; or 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. Any action so approved shall have the same effect as though taken at a meeting of the Directors and 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.

## ARTICLE V

### NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual Meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made only from among members of the corporation.

**Article V. Section 1 of the Bylaws is hereby amended to read as follows:**

Section 1. Nominations of Directors. Nomination for election to the Board of Directors may be made by the members (including those who serve on the board) prior to the Election Assembly. Nominations may also be made from the floor of the Election Assembly. Election to the Board of Directors shall take place at the "Election Assembly" and shall be by written ballot or absentee ballot.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election, the members or the person designated in their proxy may cast, in respect to

each Director, as many votes as they are entitled to exercise under the provisions of these By-Laws. Each member nominated for Director, during any calendar year in which there is open position on the Board, shall run without designation as to Position Number. The persons receiving the largest number of votes, for the open Director Positions being elected during that calendar year, shall be elected to the board of Directors regardless of Position number, subject to the designation of Position Numbers contained in Article IV, Section 2.

**Article V. Section 2 of the Bylaws is hereby amended to read as follows:**

Section 2. Election and Election Assembly. At each Election Assembly hereafter, the members shall elect directors to fill the expiring terms for terms of two years. The Election Assembly shall be held at a date, time and location chosen by the Board of Directors. Such Assembly shall be held on the same date and at the same location as the Annual Meeting, and shall be held immediately prior to the Annual Meeting for the purpose of accepting and tabulating all ballots, including those ballots cast in person, by proxy or by absentee ballot, and thereat determining the outcome of the election of Directors of the Association. At such Election Assembly, the members may cast, in respect to each position in the election, as many votes as they are entitled to cast under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

**Article V. Section 3 is a new section of the Bylaws and reads as follows:**

Section 3. Qualifications for Director. To qualify as a Director of the Board, the candidate must be a homeowner in the subdivision comprising the Association. If a board is presented with a written, documented evidence from a database or other record maintained by a governmental law enforcement authority that a person has been convicted of a felony or a crime involving moral turpitude, such person is immediately ineligible to serve on the Board. In the event such person is already serving on the Board, upon discovering such information, such person shall automatically be considered removed from the board, and prohibited from future service on the Board.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular meetings. Regular meetings of the Board of Directors will be held quarterly without notice, at such place and hour as may be fixed from time to time by the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.



**Article VI. Section 1 of the Bylaws is amended to read as follows:**

Section 1. Organizational Meetings and Regular Meetings and Notice thereof. The first meeting of the Board of Directors following each annual meeting of the Members shall be held at the Election Assembly or within ten (10) days thereafter at such time and place as shall be fixed by the Board. Regular meeting of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors. Notice of the time and place of the meeting shall be communicated to the Directors not less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting. 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. The notice shall be mailed to each property owner not later than the tenth (10th) day or earlier than the sixtieth (60th) day before the date of the meeting. Or, notice must be provided at least 72 hours before the start of the meeting by posting the notice in a conspicuous manner reasonably designed to provide notice to members, in a place located on the Association's common property or, with the property owner's consent, on other conspicuously located privately owned property within the subdivision; on any Internet website maintained by the Association or other Internet media; and sending the notice by e-mail to each owner who has registered an email address with the Association. It is an owner's responsibility to keep and updated e-mail address registered with the Association. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member(s) at his or her address as it appears on the record of the Association, with postage thereon paid.

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 five (5) directors, after not less than three (3) days' notice to each director.

**Article VI. Section 2 of the Bylaws is amended to read as follows:**

Section 2. Special Board Meetings. Special meeting of the Board of Directors shall be held when called by written notice signed by the President of the Association or by any two (2) Directors. The notice shall specify the time and place of the meeting. The notice shall be given to each director by one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director: or (d) by telegram, charges prepaid. All such notices shall be given at the director's telephone number or sent to the director's

address as shown on the records of the Association. Notices to the Directors set by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least seventy-two (72) hours before the time set for the meeting.

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.

**Article VI. Section 4 of the Bylaws is a new section and reads as follows:**

Section 4. Open Meetings. Regular and special board meetings shall 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 to the affected parties and agreement of the board. Members other than Directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director. In such case, the President may limit the time any Member may speak.

## ARTICLE VII

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the corporation shall be managed by its Board of Directors.

Section 2. Other Powers. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for infractions thereof;

(b) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infractions of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws

or the Articles of Incorporation, or the Restrictions;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from two (2) consecutive regular meetings or called meetings of the Board of Director without an excuse deemed valid by the majority of the Board;

(e) employ a manager, and independent contractor or such other employees as they deem necessary, and to prescribe their duties;

(f) set the amount of and collect the assessment or maintenance fees as provided for in the deed restrictions;

(g) exercise all powers provided for in the deed restrictions or in the Articles of Incorporation or as provided for by State statute; and

(h) suspend the right by a lot owner or member to have garbage collected or to receive other services during any period in which such member shall be in default in the payment of any garbage collection fees or other fees levied by the Association for services provided to members.

Section 3.                      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 and to present a statement thereof to the members at the annual meeting of the members or at any special meeting when such statement is requested in writing by a majority of the members entitled to vote;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Deed Restrictions, to:

(1) fix the amount of the annual assessment against each Lot, provided that the failure of the Board to so fix the amount within said period shall not void or otherwise impair the right of the corporation to collect the amount of annual assessment so fixed;

(2) send written notice of each assessment to every owner subject thereof at least thirty (30) days in advance of each annual assessment period, provided that the failure of the Board to so send such written notice within said period shall not void or otherwise impair the right of the corporation to collect the amount of annual assessment so long as such notice is sent within a reasonable time;

(3) foreclose the lien against any property for which assessments are not paid or to bring an action at law against the owner personally obligated to pay the same, if in the sole judgment of the Board of Directors such action is necessary;

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

(e) procure and maintain adequate liability and hazard insurance on the property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, if in the sole judgment of the Board of Directors such bonding shall be deemed appropriate;

(g) cause the Common Area to be maintained, to the extent permitted by the Deed Restrictions or by provisions of the law and within the financial capabilities of the corporation; and

(h) cause the exterior of the dwellings and landscaping viewable from the public street to be maintained, to the extent permitted by the Deed Restrictions or by provisions of the law and within the financial capabilities of the corporation.

## ARTICLE VIII

### OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of the Association shall be a President and Vice President, who shall at all times be members of the Board of Directors, a Secretary, a Treasurer, and such other officers as the Board may, from time to time, by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, be removed, or otherwise be disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office, with or without cause, by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt or at any later time specified therein, and unless otherwise so specified therein, the

acceptance of such resignation shall not be necessary to make it effective.

Section 6.                    Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7.                    Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices, except in the case of Special Offices created pursuant to section 4 of this Article.

Section 8.                    Duties. The duties of the officers are as follows:

President

The President shall be the principal executive officer of the corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the activities and affairs of the corporation. The President shall, when present, preside at all meetings of the members and of the Board of Directors; shall see that orders and resolutions of the Board are carried out; may sign all leases, mortgages, deeds, contracts, bonds, notes and other written instruments which the Board of Directors has authorized to be executed and may co-sign with the Treasurer all checks and promissory notes which the Board of Directors has authorized to be signed. In general, the President shall perform all duties incident to the office of the President and such other duties as may be prescribed by the Board of Directors from time to time or as may be authorized by the Texas Non-profit Corporation Act.

Vice President

In the absence of the President, or in the event of the President's death inability or refusal to act, or his removal, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order of their election) shall perform the duties of the President and when so acting, shall have all of the powers of and be subjected 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 by the President or by the Board of Directors.

Secretary

The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it

upon the minutes of the meetings of the Board of Directors and members and upon all other papers requiring said seal; serve notice of meetings of the Board and of the members in accordance with these by-laws or as required by law; keep appropriate records showing the members of the Association together with their addresses; be custodian of the corporate records of the corporation; sign with the President or Vice President any instrument authorized by resolution of the Board of Directors; and, in general, perform such other duties incident to the office of Secretary and such other duties as from time to time may be assigned to the secretary by the President or as required by the Board.

#### Treasurer

The Treasurer shall, subject to the provisions hereinafter stated, receive and deposit in appropriate bank accounts all moneys of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause a report of the Association's books to be made by an accountant at the end of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting. Copies of these documents shall be available to the members for purchase at a reasonable cost to be determined by the Board of Directors. 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 Board of Directors may retain an agent, such as a Certified Public Account, to assist the Treasurer in the performance of the aforementioned duties, including, but not limited to, the preparation and mailing of invoices for collection of maintenance fees, the depositing of such funds received, the disbursement of such funds, the bookkeeping and accounting work and such other work and duties as shall be specified by the Board of Directors.

#### Assistant Treasurer and Secretary

The Board of Directors may appoint one or more Assistant Treasurers and/or Assistant Secretaries, who, in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary, as the case may be, or by the President or the Board of Directors.

### ARTICLE IX

#### COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Restrictions, and a Nominating Committee, as provided in these By-laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes. Such committees created in the Deed Restrictions, By-Laws or by the Board of Directors shall have and carry out such duties as specified in the Deed Restrictions or By-Laws or as the Board of Directors may designate in the case of Committees created by the Board. The Members of the committee shall be appointed by the President, with the express approval of the Board of Directors. Each committee shall have such meetings as are necessary to carry out the functions designated by the Board of Directors. Unless otherwise provided in the document creating the committee, a majority of the committee members present at a meeting of the committee at which a quorum is present shall be the act of the committee. All committees shall maintain adequate records of their meetings, and each Committee Chairman shall be charged with the responsibility of submitting an annual report to the President not less than thirty days before the expiration of the term of office of the President.

#### ARTICLE X

##### BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Articles of Incorporation, By-Laws of the Association, and Restrictive Covenants shall be available for inspection by any member at the principal office of the Association where copies may be purchased at a reasonable cost to be determined by the Board of Directors.

#### ARTICLE XI

##### REMEDIES FOR NON-PAYMENT OF ASSESSMENT

As more fully provided in the 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 when due shall be delinquent. If the assessment is not paid by the due date set forth in the Deed Restrictions, the assessment may bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum, or the maximum amount of interest allowable by law, in such amount as to be determined by the Board of Directors, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable

attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common Area or abandonment of his Lot.

In addition to the above, and without waiving any remedies contained therein, the Board of Directors may suspend the right of a member to have garbage collected or to receive any services for which there is a special assessment during any period in which such member shall be in default in the payment of any garbage collection fees or any special service fees levied by the Association.

## ARTICLE XII

### CORPORATE SEAL

The Association shall have a seal in circular form or such other form permitted by law, having within its circumference the words: ENCHANTED OARS HOMEOWNERS ASSOCIATION, INC.

## ARTICLE XIII

### MEMBERSHIP; VOTING RIGHTS

Section 1. Membership. Each and every Owner of a fee or fee interest in a residential lot in the Properties and all additions or annexations thereto shall automatically, upon becoming such an Owner, be a member of the Association and shall remain a member thereof until his ownership ceases for any reason at which time his membership in the Association shall automatically cease or he shall remain a member thereof until his membership ceases as provided in these By-laws, whichever shall occur earlier. The foregoing is not intended to include persons or entities who own an interest merely as security for the performance of an obligation. Membership in the Association shall be appurtenant to and shall automatically follow the ownership of each residential Lot and may not be separated from such ownership.

Section 2. Voting Rights. Each Lot (as defined herein) shall be entitled to one (1) vote (and in cases in which there is a fraction of a Lot, the fraction shall be disregarded for voting purposes as there shall be no fractional voting of Lots); and the owner or owners of such lot shall cast such vote as a unit. When more than one person owns a fee interest in any residential Lot, all such interested persons shall be Members; however, the vote for such residential Lot in which more than one person has a fee interest shall be cast by the person or persons having a majority interest, and in the event the persons having a majority interest are not able to agree in respect to a vote upon



any matter, then such owners shall not have a right to vote on such matter as there shall be no fractional votes. The vote of any Lot standing in the name of a man and his wife may be cast by either of them in person or by a proxy duly signed by both of them. The full vote of any Lot standing in the name of a corporation or other legal entity may be voted by such officer, agent or proxy as the by-laws of such corporation or legal entity may prescribe. The vote of any Lot standing in the name of an administrator, executor or guardian may be voted by such administrator, executor or guardian so long as such Lot is in his possession and forms a part of the estate being serviced by him, which vote may be in person or by proxy.

#### ARTICLE XIV

##### INDEMNIFICATION

Each Director, Officer or Committee Member of the Corporation shall be indemnified against the actual amount of loss, including, but not limited to, counsel or attorney fees, and any and all costs reasonably incurred by or imposed upon him in connection with any action, suit or proceeding to which he may be a party by reason of his being or having been a Director, Officer or Committee Member of the corporation, except as to matters as to which he shall be ultimately found in such action to be liable for gross negligence or willful misconduct. The Board may purchase a policy or policies of insurance covering the activities of the Board members, officers and committee members and the Board shall use its best efforts to obtain such policy or policies of insurance.

#### ARTICLE XV

##### AMENDMENTS

Section 1. These By-laws may be amended, at a regular or special meeting of the members, by a majority of the votes of a quorum of votes present in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Restrictions and these By-Laws, the Restrictions shall control.

#### ARTICLE XVI

##### FISCAL YEAR

The fiscal year of the Association shall begin on the first day of July and end on the 30th day of June of every year, except

that the first fiscal year shall begin on the date of incorporation.

## ARTICLE XVII

### RESTRICTION COVENANTS

The restrictive covenants set forth in those instruments specified in Article 11, Section 3 shall be and are binding upon the members of the Corporation. The power to enforce the deed restrictions shall be vested in the Board of Directors of the Corporation.

## ARTICLE XVIII

### CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the corporation, and no evidence of indebtedness shall be issued in its name, unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. Deposits. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select.

## ARTICLE XIX

The then current Revised Edition of Robert's Rule of Order shall be authority for procedure in conducting all meeting of this Association and its Board of Directors, when not in conflict with the provisions of these Bylaws, the Articles of Incorporation or State statutes.

IN WITNESS WHEREOF, WE, being all of the Directors of

ENCHANTED OAKS HOMEOWNERS ASSOCIATION, INC., have unanimously adopted the foregoing Bylaws of the Association on this the 17th day of March, 1992.