



BYLAWS
OF
SANDHILL SHORES PROPERTY OWNERS ASSOCIATION, INC.

Basic Information

- Name:** Sandhill Shores Property Owners Association, Inc. (the "Association"), established by the certificate of formation filed with the secretary of state of Texas on December 10, 2004, under file number 800424942.
- Principal Office:** Physical: 20911 West Sandhill Drive, Galveston, TX 77554. Mail: P.O. Box 5336, Galveston, Texas 77554. The Association may have other offices.
- Declaration:** The Declaration of Restrictions, Covenants and Conditions of Sandhill Shores, a Subdivision in Galveston County, Texas, recorded in the real property records of Galveston County, Texas under Film Code No. 013-91-0966, is incorporated by reference as if fully set forth herein.
- Definitions:** Capitalized terms used but not defined herein have the meaning set forth in the Declaration.
- Voting Members:** All Members are entitled to vote in person or by proxy.

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. When more than one person is an Owner, each is 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.* The first Members meeting will be held within 12 months after the formation of the Association. Subsequent regular annual Members meetings will be held on a date in May of each year, to be selected by the Board.
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 ten percent of the 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 ten nor more than sixty 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. If mailed, notice is

deemed given (whether actually received or not) when deposited with the United States Postal Service, postage prepaid. The Board may also notify the Members of a Member meeting by delivery of the notice by facsimile to a facsimile number or by electronic message to an electronic message address provided by the person, or to which the person consents, for the purpose of receiving notice. When more than one person owns a lot, a notice by electronic message to any one owner of the lot constitutes notice to all owners of the lot. The notification by facsimile or by electronic message is subject to the same requirements as the notification by mail.

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.* There must be six member votes present in person or by proxy to constitute a quorum.

8. *Majority Vote.* Votes representing more than 50 percent of the Members present at a meeting at which a quorum is present are a majority vote.

9. *Proxies, Absentee Ballots, and Electronic Voting.* Members may vote by written proxy, electronic proxy, absentee ballot or electronic ballot under procedures established by the Board in accordance with Texas Property Code (TPC) Section 209.00593. The Board shall adopt procedures to insure that a Member may only execute an electronic proxy for the amount of votes that Member is entitled to, and to provide verification of the identity of the Member executing the electronic proxy. Members executing an electronic proxy must receive confirmation of transmission and receipt by the party acting as the proxy.

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.

12. *Vote allotment.* Members will be entitled to one vote per lot that the member owns. Members will not be entitled to fractional votes in the event that the Member has a fractional interest in a lot.

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 the directors appointed in the certificate of formation. Each director must be a Member or, in the case of an entity Member, a person designated in writing to the secretary.

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 directors serve until the first annual meeting of Members. The terms of directors will be staggered. At least one-third of the Board will be elected each year. The initial Board will determine the initial term, not to exceed one year, of each director. At the expiration of the initial term of a director, each successor will have a term of two years. Directors may serve consecutive terms.

4. *Election.* At the first annual meeting of Members, the Members will elect directors to succeed the initial directors. At subsequent annual Members meetings, successors for each director whose term is expiring must be elected. Cumulative voting is prohibited. The candidate or candidates receiving the most votes will be elected. The directors elected by the 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. *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.

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 statement reflecting all cash receipts and disbursements for the preceding period.
 - c. A variance report reflecting the status of all accounts in an "actual" versus "approved" budget format.
 - d. A balance sheet as of the last day of the preceding period.
 - e. A delinquency report listing all Owners who are delinquent by more than thirty days in paying any Assessment and describing the status of any action to collect those delinquent Assessments.

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. The Board may, but will not be obligated to, suspend any proposed sanction if the violation is cured within a thirty day period. 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.

13. *Unpaid Assessments.* If an assessment provided for in the Declaration applicable to an owners lot is unpaid 30 days after notice of the assessment Member shall be obligated to pay a one-time penalty of 10% on the outstanding debt unless the Member applies for a payment plan with the Association during such 30 day period. Assessment balances that are more than one year past due determined from the original due date will accrue interest at the rate of six percent per year.

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 one 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 five

business days before the meeting.

2. *Special Meetings.* Special meetings will be held when called by written notice signed by the president or by any two directors. The notice will specify the time and place of the meeting and the matters to be covered at the meeting and will be given to directors not less than seven days before 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, a majority of the Board 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 one nor more than ten 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. *Open Board Meetings.* All Board meetings are open to the Members, 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 Members, or matters that are to remain confidential by request of the affected parties and agreement of the Board.

8. *Notice to Members.* Members shall be given notice of the date, time and place of all Board meetings. The notice must include the general subjects to be discussed at the Board meeting and must include a general description of any matters that will be brought up in executive session. Notice to the membership can be provided by (a) mail not later than ten nor more than sixty days before the meeting, by (b) posting a conspicuous notice on the Association's common property at least 72 hours before the meeting, or by (c) posting the notice on the Association's website and emailing Members who have provided an email address at least 72 hours before the meeting. If a Board meeting is recessed and continued on the next business day, no new notice is required.

9. *Action without Notice to Members.* The Board may meet by any method of communication, including electronic and telephonic, without prior notice to Members, if each

director may hear and be heard by every other director, or the Board may take action by unanimous written consent to consider routine and administrative matters or a reasonably unforeseen emergency or urgent necessity that requires immediate Board Action. Any action taken without notice must be summarized orally, including an explanation of any expenditures approved at the meeting, and documented in the minutes of the next regular or special meeting of the Board. The Board may not, without prior notice to Owners, consider or vote on (a) fines, (b) damage assessments, (c) initiation of foreclosure actions, (d) initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety, (e) increases in assessments, (f) levying of special assessments, (g) appeals from a denial of architectural control approval, or (h) a suspension of a right of a Owner before the Owner has an opportunity to attend a Board meeting to present the Owner's position, including any defense, on the issue.

D. Officers

1. *Officers.* The officers of the Association are a president, secretary, and treasurer, to be elected from the Members. The Board may appoint vice presidents or 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 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. *Delegation of Authority.* In the case of any absence of any officer of the Association or for any other reason that the directors may deem sufficient, the directors may delegate some or all of the powers or duties of such officer to any other officer, or to any director, employee, or agent for whatever period of time seems desirable.

6. *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. *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 shall establish a policy 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. The policy shall comply with the requirements of Section 209.005, TPC.

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.

c. *Records Retention.* The Board shall adopt a records retention policy in accordance with section 209.005, TPC.

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, by facsimile or by electronic transmission at the registered electronic address with the Association. Notice given by regular mail is deemed delivered (whether actually received or not) when properly deposited with the United States Postal Service, addressed to (a) a Member at the Member's last known address according to the Association's records; and (b) the Association, the Board, or a managing agent at the Association's Principal Office or another address designated in a notice to the Members. Unless otherwise required by law or the Governing Documents, actual notice, however delivered, is sufficient.

6. *Payments.* All payments received by the Association will be applied in the order specified by Section 209.0063, TPC. The Board shall adopt a payment plan for delinquent assessments and shall record the plan in the Galveston County real property records in accordance with Section 209.0062, TPC.

7. *Recording and Posting of Instruments.* All dedicatory instruments pertaining to the Association shall be recorded in the official real property records of Galveston County, Texas and posted on any website maintained by or on behalf of the Association in accordance with Section 207.006, TPC.

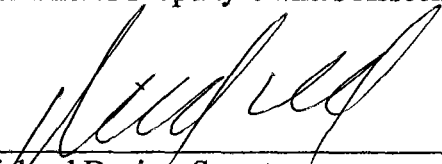
8. *Amendment.* These Bylaws may be amended at any time by the vote of a majority of the Board.

9. *Restrictive Covenant.* The Declaration of Restrictions, Covenants and Conditions for Sandhill Shores, a Subdivision in Galveston County, Texas as filed under Film Code No. 013-91-0966 in the Official Records of Real Property of Galveston County, Texas, as it may be from time to time amended, is hereby incorporated herein by reference, the same as if such document, as amended, were set out in full herein.

I hereby certify that I am the duly elected, qualified and acting Secretary of the Association and that the foregoing Bylaws of the Association was approved by the Board of Directors as set forth above and now appears in the books and records of the Association, to be effective upon recording in the Official Records of Real Property of Galveston County, Texas.

TO CERTIFY which witness my hand this 2 day of FEB, 2012.

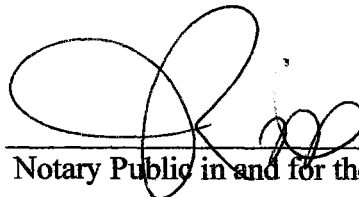
Sandhill Shores Property Owners Association, Inc.

By: 
Richard Devine, Secretary

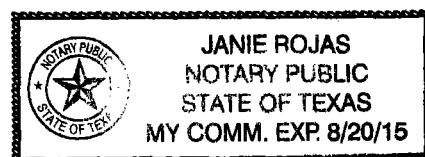
THE STATE OF TEXAS

COUNTY OF GALVESTON

BEFORE ME, the undersigned notary public, on this 2 day of February, 2012 personally appeared Richard Devine, Secretary of the Sandhill Shores Property Owners Association, Inc., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and in the capacity therein expressed.


Notary Public in and for the State of Texas

AFTER RECORDING PLEASE RETURN TO:
Chris Cahill
PO Box 1943
Galveston, TX 77553-1943



FILED AND RECORDED



OFFICIAL PUBLIC RECORDS

Dwight D. Sullivan 2012006443

February 08, 2012 03:49:46 PM

FEE: \$48.00

Dwight D. Sullivan, County Clerk
Galveston County, TEXAS