

Bylaws of the Holley Terrace Civic Association, Inc.

I. Offices

1.1 Principal Office.

The principal office of the Holley Terrace Civic Association, Incorporated (the "Association" is 1410 Blalock, Suite 303 in the City of Houston, Harris County, Texas 77055.

1.2 Required Office and Registered Agent.

The Association must have a registered agent and a registered office. The initial registered office is the principal office as shown in the Articles of Incorporation and the initial registered agent is C T Corporation System, 811 Dallas, Houston, Texas 77002.

II. Members

2.1 Class of Members.

The Association has one class of members.

2.2 Membership.

All record owners ("Owner" singularly, or "Owners" if plural) on the recorded plat of Holley Terrace Sections 1, 2, 3 and 4 subdivisions (the "subdivisions") in Houston, Harris County, Texas, shall be members of the Association.

2.3 Voting Rights.

Each lot shall receive one vote on all matters of the Association coming to a vote. A lot physically divided between two Owners shall have no additional vote. Multiple lots used for one building site shall have one vote. Portions of lots separately owned and used as a building site in compliance with applicable deed restrictions shall have one vote. The unanimous decision of each Owner of an interest in the lot shall be required in order to cast the vote for that lot unless the Owners are married, in which even either Owner may cast the vote, provided no written objection has been received by the Board of Directors from the other Owner, in which case not vote is allowed.

2.4 Transfer of Membership.

Membership in the Association is automatically transferred with ownership of a lot.

2.5 Address of Members.

Members shall be deemed to have received notices sent to the street address of the lot owned by a member (or any one lot if more than one lot is owned), unless another address has been provided in writing to the Association by delivery to its registered office or tot the then President by certified mail, return receipt requested. Updated addresses shall become effective 14 days after receipt.

III. Meeting of Members

3.1 Annual Meeting.

An annual meeting of the members shall be held on the second Tuesday of December hi each year beginning with the year 1998, at 7:00 o'clock PM for the purpose of electing Directors and for the transaction of any other business as may come before the meeting. If the day fixed for the annual meeting is a legal holiday in the State of Texas, such meeting shall be held on the next succeeding business day. If the election of Directors is not held on the day designated herein for any annual meeting, or at any adjournment thereof the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as possible.

3.2 Special Meeting.

Special meetings of the members may be called by the President, a majority of the Board of Directors or not less than 1/10th of the members.

3.3 Place of Meeting.

The members may designate any place in Harris County, Texas as the place for any meeting. If no designation is made, the place of meeting shall be the registered office of the Association. However, if all of the members meet at any time and place, such meeting shall be valid without call or notice, and at such meeting, an}' action may be taken.

3.4 Notice of Meetings.

Written notice stating the place, day, and hour of any meeting of members shall be delivered, either personally by delivery to the lot (whether or not the member is there) or by mail, to each member entitled to vote at such meeting, not less than 5 nor more than 50 days before the date of such meeting. In case of a special meeting or when required by statute or these Bylaws, the meeting purpose shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at their address as it appears on the records of the Association (or any lot owned by them, if no address is in the records) with postage prepaid.

3.5 Informal Action by Members.

Any action required by law to be taken at a meeting of members or any action which may be taken at a meeting of members, may be taken without a meeting, provided that consent is obtained from a majority of the members in writing. The written consent shall clearly describe the action so taken and shall be signed by the requisite number of members as would be necessary to take such an action at a meeting in which a quorum of the members of the Association were present. Each written consent shall bear the date and signature of each member who signs the consent.

The signed and dated written consents must be delivered to the Association within 60 days after the date of the earliest dated consent. The delivers- must be to the Association's registered office, registered agent, principal place of business, or to an officer of the Association having custody of the books in which the proceedings of meetings of members are recorded. Delivers' shall be by hand or certified or registered mail, return receipt requested. Delivery to the Association's principal place of business shall be addressed to the President

3.6 Quorum.

The members holding 10% of the votes which may be cast at any meeting shall constitute a quorum. If a quorum is not present at any meeting a majority may adjourn the meeting from time to time without further notice.

3.7 Proxies.

At any meeting a member entitled to vote may vote by proxy executed in writing by the member or by then- duly authorized attorney-in-fact. No proxy or power of attorney shall be valid after six months from the date of its execution, unless otherwise provided in the proxy and must be registered with the Board of Directors before commencement of a meeting at which the proxy or power of attorney is to be exercised.

3.8 Voting by Mail.

When Directors or Officers are to be elected or assessments are proposed to be raised such election may be conducted by mail.

IV. Board of Directors

4.1 General Powers.

The affairs of the Association shall be managed by its Board of Directors. Directors must be residents of the subdivision.

4.2 Number, Tenure and Qualifications.

The number of Directors shall be nine. Each Director shall hold office for one year or until the next annual meeting of members and until their successor is elected.

4.3 Regular Meetings.

A regular annual meeting shall be held without other notice than this bylaw, within two weeks of the annual meeting of members. The Board of Directors may provide by resolution the time and place for the holding of additional regular meetings without other notice than such resolution.

4.4 Special Meetings.

Special meetings of the Directors may be called by or at the request of the President or any two Directors. The person(s) authorized to call special meetings may fix the place for any special meetings.

4.5 Notice.

Notice of any special meeting shall be given at least five days previously thereto by written notice delivered personally or sent by mail or telefax to each Director at their address as shown by the records of the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed with postage thereon prepaid. If notice be given by telefax, such notice shall be deemed to be delivered when the telefax is confirmed by the transmitting machine. Any Director may waive notice of any meeting. The attendance of the Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business

because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Bylaws. The purpose of a special meeting shall be set forth in the notice of such meeting.

4.6 Quorum.

A majority of the Board of Directors, being five (5) members, shall constitute a quorum for the transaction of business at any meeting of the Board. If less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

4.7 Manner of Acting.

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

4.8 Vacancies.

Any vacancy-occurring in the Board of Directors and any directorship to be filled by reason of an increase in the number of Directors shall be filled by the Board of Directors. A Director appointed to fill a vacancy shall be appointed for the unexpired term of their predecessor in office.

4.9 Compensation.

Directors shall not receive any compensation for their services, but by resolution of the Board of Directors may be reimbursed for reasonable expenses.

4.10 Informal Action by Directors.

Any action required by law to be taken at a meeting of Directors or any action which may be taken at a meeting of Directors, may be taken without a meeting, provided that consent is obtained from a majority of the directors in writing. The written consent shall clearly describe the action so taken and shall be signed by the requisite number of Directors as would be necessary to take such an action at a meeting in which all the Directors of the Association were present. Each written consent shall bear the date and signature of each Director. The signed and dated written consents must be delivered to the Association within 60 days after the date of the earliest dated consent. The delivery must be to the Association's registered office, registered agent, principal place of business, or to an officer of the Association having custody of the books in which the proceedings of meetings of Directors are recorded. Delivery shall be by hand or certified or registered mail, return receipt requested. Delivery to the Association's principal place of business shall be addressed to the President.

4.11 Telephone Meetings.

As provided by Texas Nonprofit Corporation Act Section 9.11, all or any one of the Directors may participate in a meeting of Directors by means of conference telephone or similar communication equipment so that all persons participating can hear each other. Participation by such means shall constitute the presence in person at such meeting, except where a person participates in a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

4.12 Liability of the Board.

To the maximum extent allowed by law, the Association indemnifies the Board of Directors from liability relating to actions taken by the Board of Directors in good faith in their official capacity for the Association. The members intend that no Director have personal liability for any action taken in good faith in their capacity as a member of the Board of Directors, except for gross negligence or willful misconduct. The Association shall if reasonably available, purchase Directors and Officers liability insurance for the benefit of the Board of Directors.

4.13 Removal.

Any director may be removed by a simple majority vote of the membership.

V. Officers and Street Captains

5. Officers.

The officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer. The Board of Directors may elect or appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. An officer may also be a Street Captain.

5.2 Election and Term of Office.

The officers of the Association shall be elected biannually by the members at the regular annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. Each officer shall hold office until their successor shall have been duly elected and shall have qualified. President and Treasurer shall not serve more than two consecutive terms.

5.3 Removal.

Any officer may be removed by 2/3rd vote of the Board of Directors whenever in its judgment the best interests of the Association would be served.

5.4 Vacancies.

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

5.5 President.

The president shall be the principal executive officer of the Association and shall, in general, supervise and control all of the business affairs of the Association. The President

- shall preside at all meetings of the members and of the Board of Directors
- may sign any instruments which the Board of Directors have authorized to be executed
- in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

5.6 Vice President.

In the absence of the President or in the event of the President's inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting shall have all the authority of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties as from time to time may be assigned by the President or Board of Directors.

5.7 Secretary.

The Secretary shall keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose;

- give all notices in accordance with provisions of these Bylaws or as required by law
- be custodian of the corporate records and seal
- keep a list of the address of each member who has furnished an address to the Association
- and in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Board of Directors.

5.8 Treasurer.

The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association;

- receive and give receipts for monies due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such banks, trust companies, or other depositories as shall be selected by the Directors;
- and in general perform all the duties incident to the office of Treasurer and such duties as from time to time may be assigned to them by the President or by the Board of Directors.

5.9 Subdivision Street Captains.

Street Captains shall represent their street and facilitate communication between the Association and the Owners on their street. Each Street Captain shall reside on the street they represent.

VI. Committees

6.1 Committees of Directors.

Committees may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present designating the term, purpose, size and other limitations/authorizations of the committee. Committees may advise the Board of Directors but may not be delegated any powers of the Board of Directors, except that the Development Standards Committee shall be delegated the authority to approve construction and remodeling. The Board of Directors shall appoint the committee members. Any committee members thereof may be removed by the Board of Directors whenever in their judgment the best interest of the Association shall be served by such removal.

A Development Standards Committee ("DSC") shall be established to monitor and approve development and construction related issues, as provided in the Articles of Incorporation of the Association. The Board shall appoint four members of the DSC, one resident from each of the four subdivisions. The fifth member of the DSC shall be the Vice President of the Association, who shall serve as Chair of the DSC. DSC procedures for review and approval of proposed construction, remodeling or lot subdivision are as follows:

DSC procedures:

- i. New construction applications shall consist of a site plan and front elevation with building setbacks and heights clearly dimensioned (five copies each),
- ii. Remodeling applications shall consist of a floor plan a site plan and front elevation with building setbacks and heights clearly dimensioned (two copies each).
- iii. Approval shall be by majority vote of the DSC Committee,
- iv. The chair of the committee shall sign and return a submittal record copy to the applicant. If not responded to within 30 days of submittal application will be considered approved as submitted.
- v. If any appointee is unable to complete their one year term the Board of Directors shall appoint a replacement for the remainder of the term.

6.2 Term of Office.

Each member of a committee shall continue as such until the next annual meeting of the members of the Association and until their successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify' as a member thereof.

6.3 Chairman.

One member of each committee shall be appointed chairman by the Board of Directors.

6.4 Vacancies.

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

6.5 Quorum.

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

6.6 Rules.

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

VII. BOOKS AND RECORDS

- 7.1** The Association shall keep books and records of account and shall also keep minutes of the proceedings of its members. Board of Directors and committees, and shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote. Upon reasonable advance written request (with reasonable detail) books and records of the Association may be inspected by any member for any proper purpose at any reasonable time unless, in the opinion of the Board of Directors, the disclosure of the requested books and records will compromise the interests of the Association, including attorney/client confidentiality. No member or Owner threatening or involved in litigation with the Association may have access to any books or records relating to the dispute in question, except to the extent ordered by the court having jurisdiction over the dispute

VIII. ASSESSMENTS

8.1 Prohibition of Mandatory Assessments.

The Association may not levy mandatory assessments.

8.2 Voluntary Assessments.

The Association may collect voluntary assessments. The initial voluntary assessment is \$25.00 per lot. The voluntary assessment may be increased by the Board of Directors from year to year, but not more than \$10 in one year without an affirmative vote of a majority of the members in attendance at the annual meeting of the Association. Assessments shall be uniform for all lots.

IX. WAIVER OF NOTICE

- 9.1** Whenever any notice is required to be given under the provisions of the Texas Nonprofit Corporation Act or under the provisions of the Articles of Incorporation or the Bylaws of the Association, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

X. AMENDMENTS TO BYLAWS

- 10.1** These Bylaws may be altered, amended, or repealed and new bylaws may be adopted by the vote of 51% of the votes at a meeting of the Association.