

**CERTIFICATE OF AMENDMENT**  
to  
**THE BY-LAWS**  
of  
**BRIARHILLS HOMEOWNER'S ASSOCIATION**

I, Grant Farris, President of Briarhills Homeowner's Association, a Texas non-profit corporation (the "Association"), do hereby certify that an overwhelming majority of the Members voted in favor to amend the By-Laws of the Association at a duly called Special Meeting of the Members, held on the 14th day of October 2002. Said Amendment was duly and properly adopted by a vote of a majority of a quorum of Members in person or by proxy. Said Amendment to the By-Laws shall be effective immediately at the conclusion of the meeting of the Board of Directors held on the 22nd day of October 2002, and shall read as follows:

Article III, Section 5 of the By-Laws is hereby amended to read as follows:

Proxies: At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing, in the format as designated in Attachment A to these Bylaws, and filed with the secretary. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Every proxy shall be revocable and shall automatically cease upon conveyance of the Member of his Lot. The Board of Directors shall issue a proxy form to each Member at least two weeks prior to any meeting.

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

Board of Directors: The affairs of this Association shall be managed by a Board of not less than five (5) Directors, who must be Members of the Association in Good Standing. "Members in Good Standing" will not have any past due amounts, whether annual assessments or other charges, owed to the Association. The number of Directors may be increased or decreased from time to time by amendment of the Bylaws in accordance with Article XII.

In order to equitably balance the representation of the Board of Directors among all Areas of the Association, for each one of the four specific geographic "Areas" of the Association there shall be a Director owning property in that area. The four specific geographic "Areas" of the Association are: Briarhills Section Five; Briarhills Section Four; Oaks of Parkway; and Meadowbriar. One (1) Director shall be elected at large.

Should the number of properties in the Association change by virtue of annexation, deannexation or merger, or the number of Directors change by amendment to these Bylaws, then the Board of Directors shall make such adjustments in the distribution and number of the geographic Areas to be represented, as necessary in the Board's opinion, to equitably balance the representation of the Directors.

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

Term of Office: Each Director shall be elected for a term of two (2) years. In order to provide for staggered terms of office, the two (2) Directors whose terms are not expiring in the year this amendment is approved shall finish out their terms of office, and of the three (3) new Directors elected in the year this amendment is approved, two (2) Directors shall be elected for a term of two (2) years and one (1) Director shall be elected for a term of one (1) year, to be determined by a drawing of straws at the first Board of Directors meeting following the annual meeting. At each annual meeting of the Members of the Association thereafter, the Members shall elect that number of Directors equal to the number of Directors whose terms expire at such time, for terms of two (2) years. No Director may serve more than three consecutive terms; however, there shall be no limit to the total number of terms any Director may serve.

Article IV, Section 3 of the By-Laws is hereby amended to read as follows:

Nomination: Nomination for election to the Board of Directors may 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. If a Nominating Committee is appointed, then such Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members. 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 only be made from among Members in Good Standing.

Article IV, Section 4 of the By-Laws is hereby amended to read as follows:

Election: Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to cast under the provisions of the Declaration. Members in Good Standing are allowed one (1) vote for each lot owned. Members that own 1-1/2 or 2 lots will be entitled to one-and-one-half (1-1/2) or two (2) votes, respectively. Cumulative voting shall not be permitted. Members may not vote for more than two (2) candidates from any one (1) Area.

One Director from each Area not already represented by a Director whose term is not expiring shall be elected, that Director being the Owner in that Area receiving the

largest number of votes. If there are no candidates or Directors whose terms are not expiring from any one of the Areas, then that Board position and any other vacancies will be filled by the remaining candidates receiving the largest number of votes; however, in no event shall more than two Owners from any one Area be elected a Director.

Article IV, Section 5 of the By-Laws is hereby amended to read as follows:

Removal: No Member of the Board of Directors shall be removed from office except for malfeasance in the conduct of his duties. In the event of death, resignation or removal of a Director, or in the event of his position being declared vacant under Article VI, Section 1(i), his successor shall be selected by the majority of the remaining Members of the Board and shall serve for the unexpired term of his predecessor. In filling any vacancy, the Board shall follow the guidelines in this Article IV to achieve equitable representation on the Board among the four Areas of the Association.

Article VI, Section 1(i) of the By-Laws is hereby amended to read as follows:

to declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive regular or special meetings of the Board of Directors, or a total of four (4) regular or special meetings of the Board in any one (1) year;

Article VI, Section 2(c) of the By-Laws is hereby amended to add the following:

A unanimous vote of the Board of Directors is required to increase the annual assessment for any year by more than 50% of the amount of increase allowed under the Declaration;

Article VI, Section 2 of the By-Laws is hereby amended to add the following subsections:

(i) cause an annual audit of the Association's financial statements to be performed by Certified Public Accountants;

(j) employ a professional management company to handle the accounting, billing, collections, deed restriction enforcements, and other business of the Association;

(k) obtain at least two (2) vendor bids for all expenditures in excess of \$1,000. Notwithstanding, contracts for expenditures in excess of this amount, which are of a recurring nature (such as security patrol or landscaping), which need only be bid out once every three years. This shall not include any payments made to the Briarhills Property Owners Association under the Use Agreement;

(l) prepare or cause to be prepared before the end of each calendar year an "Annual Budget" for the following year. The Annual Budget shall include revenues, operating expenses, a cash reserve, capital expenditures and all or any other probable expenditures

of the Association, in sufficient detail. In order to insure consistency from year to year, the Annual Budget should be in a format as in the example in Attachment B to these Bylaws;

(m) provide copies of the Annual Budget, the audited financial statements, the minutes of the monthly Board of Director meetings (which may be edited for confidential discussions regarding deed restrictions and delinquencies of individual Members), the monthly balance sheet and the monthly income statement to any Owner upon written request and to make available all Association meeting agendas, minutes, budgets, and financial statements to the Briarhills website now listed at [www.briarhills.org](http://www.briarhills.org). This information will also be available to any Owner at the Association's office during reasonable business hours. The management company or Association may charge a reasonable fee for photocopies;

(n) prohibit any Association expenditures where all or a portion of any Owner's private property is involved, other than those made for the enforcement of exterior maintenance that become part of that Owner's assessment under the Declaration. The only other exception would be for identifying signs at each entrance to the Subdivision, as allowed in the Declaration;

(o) require that all expenditures in excess of \$3,000 be included in "New Business" on the agenda of the monthly Association Board of Directors meetings; have discussion concerning such expenditure; allow at least 30 days or until the next regular monthly Board meeting, whichever is less, but in no event less than 10 days, for Owner comment after either the agenda or Board meeting minutes noting such proposed expenditure is posted to the website before the Board votes; and obtain approval of a majority of the Board for such expenditures. This shall not include any payments made to the Briarhills Property Owners Association under the Use Agreement;

(p) maintain a minimum "Cash Reserve" in the amount of \$50,000. The Cash Reserve shall be the cash balance of the Association, less: liabilities, the amount of unexpended budget for the year (which amount shall be zero at the end of every year), and a reserve for projected future capital expenditures. If at any time the Cash Reserve is less than \$50,000, then the Board shall only incur those expenditures deemed absolutely necessary to operate and maintain the Association and shall not incur any discretionary capital or improvement expenses without unanimous approval of the Board. This shall not include any payments made to the Briarhills Property Owners Association under the Use Agreement; and

(q) limit the total amount of non-recurring discretionary capital or improvement expenditures in any year, other than those necessary to operate and maintain the Association, to twenty percent (20%) of the Cash Reserve at the end of the preceding year. This shall not include any payments made to the Briarhills Property Owners Association under the Use Agreement.

All other provisions of the By-Laws of the Association shall remain in full force and effect.

SIGNED this 18 day of November, 2002.

**BRIARHILLS HOMEOWNER'S ASSOCIATION**

By: Grant Farris

Name: Grant Farris

Title: President

STATE OF TEXAS       §  
                                  §  
COUNTY OF HARRIS   §

BEFORE ME, the undersigned authority, on this day personally appeared Grant Farris, President of Briarhills Homeowners Association, 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 purposes and consideration, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 18<sup>th</sup> day of November, 2002.

Dana C. Thomas  
Notary Public – State of Texas



BYLAWS  
OF  
BRIARHILLS HOMEOWNER'S ASSOCIATION, INC.

ARTICLE I  
NAME AND LOCATION

The name of the corporation is Briarhills Homeowner's Association, hereinafter referred to as the "Association". The principal office of the corporation shall be located at 2727 North Loop West, Suite 200, Houston, 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. "The Act" shall mean and refer to the Texas Non-Profit Corporation Act, TEX. CIV. STAT. ANN. art. 1396-1.01-9.03 (Vernons 1976 & Supp. 1979), as amended if amended.

Section 2. "Architectural Control Committee" shall mean and refer to the Architectural Control Committee for Briarhills, Sections Four, Five and Seven, as provided for in the Declarations for such three subdivisions.

Section 3. "Association" shall mean and refer to Briarhills Homeowner's Association, a Texas non-profit corporation incorporated pursuant to the Act, its successors and assigns, as provided for in the Declaration.

Section 4. "Common Area" shall mean and refer to all real property owned by the Association for the common use and enjoyment of the Owners.

Section 5. "Declaration" shall mean and refer to that certain Declaration of Covenants and Restrictions for Briarhills, Section Five, filed for record in the Office of the County Clerk of Harris County, Texas, under County Clerk's File Number H793387, and recorded in the Official Public Records of Real Property of Harris County, Texas and any recorded amendment thereto.

Section 6. "Declarant" shall mean and refer to Charter Associates, the Declarant in the Declaration, and its successors and assigns (if such assigns should acquire more than one undeveloped Lot from the Declarant for the purposes of development).

Section 7. "Lot" and/or "Lots" shall mean and refer to each of the lots as defined in the Declaration. References herein to "the Lots (each lot) in the Subdivision" shall mean and refer to Lots as defined respectively in the Declaration and all Supplemental Declarations.

Section 8. "Member" and/or "Members" shall mean and refer to all those Owners (as defined below) who are Members of the Association as provided in the Declaration and all Supplemental Declarations.

Section 9. "Owner" shall mean and refer to the record owner, or if such Lot is subject to a term purchase contract with Declarant, to the contract purchaser, whether one or more persons or entities, of the fee simple title to any Lot situated upon the Properties, but, notwithstanding any applicable theory of mortgage, shall not mean or refer to any mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure. References herein to "the Owners (any Owner) in the Subdivision" shall mean and refer to Owners as defined respectively in the Declaration and all Supplemental Declarations.

Section 10. "Supplemental Declaration" shall mean and refer to any Declaration of Covenants and Restrictions bringing Section Four and Seven of Briarhills or any other property within the jurisdiction of the Association under the authority provided in the Declaration. References herein (whether specific or general) to provisions set forth in "any (all) Supplemental Declaration(s)" shall be deemed to relate to the respective properties covered by such Supplemental Declarations.

Section 11. "the Properties" shall mean and refer to the properties described in the Declaration which are subject to the restrictions, covenants, conditions, stipulations and reservations of the Declaration, and any additional properties which may hereafter be brought within the jurisdiction of the Association pursuant to the terms of the Declaration.

Section 12. "the Subdivision" shall mean and refer to Briarhills, Section Five, all subsequent sections of Briarhills brought within the jurisdiction of the Association, and

any other real property (including specifically, but without limitation, property currently platted as Briarhills, Sections Four and Seven) hereafter brought within the jurisdiction of the Association pursuant to the provisions set forth in the Declaration.

### ARTICLE III

#### MEETING OF MEMBERS

Section 1. Annual Meetings. The regular meeting of the Members of the Association shall be held on November 4<sup>th</sup> of each year beginning in 1983 at 7:00 p.m. at the principal office of the Association or at such other place as the Board may direct by written notice given to the Members. If such date for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday. The failure to hold the regular annual meeting at the designated time shall not work a dissolution of the Association.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the president or by the Board of Directors, or upon the written request of the Members who are entitled to vote one-tenth (1/10) of all of the votes of the membership.

Section 3. Notice of Meetings. Written notice of each special meeting of the Members shall be given by, or at the direction of, the secretary or any person or persons authorized to call a meeting, by mailing a copy of such notice, postage paid, at least 15 days before such meeting to each Member entitled to vote thereat, 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, and the purpose of the meeting. Notice of annual meetings shall not be required, but may be given in a like manner.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, an applicable Supplemental Declaration, or these Bylaws. If however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall



be present or be represented. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing, in the format as designated in Attachment A to these Bylaws, and filed with the secretary. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Every proxy shall be revocable and shall automatically cease upon conveyance of the Member of his Lot. The Board of Directors shall issue a proxy form to each Member at least two weeks prior to any meeting.

#### ARTICLE IV

##### BOARD OF DIRECTORS

Section 1. Board of Directors. The affairs of this Association shall be managed by a Board of not less than five (5) Directors, who must be Members of the Association in Good Standing. "Members in Good Standing" will not have any past due amounts, whether annual assessments or other charges, owed to the Association. The number of Directors may be increased or decreased from time to time by amendment of the Bylaws in accordance with Article XII.

In order to equitably balance the representation of the Board of Directors among all Areas of the Association, for each one of the four specific geographic "Areas" of the Association there shall be a Director owning property in that area. The four specific geographic "Areas" of the Association are: Briarhills Section Five; Briarhills Section Four; Oaks of Parkway; and Meadowbriar. One (1) Director shall be elected at large.

Should the number of properties in the Association change by virtue of annexation, deannexation or merger, or the number of Directors change by amendment to these Bylaws, then the Board of Directors shall make such adjustments in the distribution and number of the geographic Areas to be represented, as necessary in the Board's opinion, to equitably balance the representation of the Directors.

Section 2. Term of Office. Each Director shall be elected for a term of two (2) years. In order to provide for staggered terms of office, the two (2) Directors whose terms are not expiring in the year this amendment is approved shall finish out their terms of

office, and of the three (3) new Directors elected in the year this amendment is approved, two (2) Directors shall be elected for a term of two (2) years and one (1) Director shall be elected for a term of one (1) year, to be determined by a drawing of straws at the first Board of Directors meeting following the annual meeting. At each annual meeting of the Members of the Association thereafter, the Members shall elect that number of Directors equal to the number of Directors whose terms expire at such time, for terms of two (2) years. No Director may serve more than three consecutive terms; however, there shall be no limit to the total number of terms any Director may serve.

Section 3. Nomination. Nomination for election to the Board of Directors may 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. If a Nominating Committee is appointed, then such Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members. 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 only be made from among Members in good standing.

Section 4. Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to cast under the provisions of the Declaration. Members in good standing are allowed one (1) vote for each lot owned. Members that own 1-1/2 or 2 lots will be entitled to one-and-one-half (1-1/2) or two (2) votes, respectively. Cumulative voting shall not be permitted. Members may not vote for more than two (2) candidates from any one (1) Area.

One Director from each Area not already represented by a Director whose term is not expiring shall be elected, that Director being the Owner in that Area receiving the largest number of votes. If there are no candidates or Directors whose terms are not expiring from any one of the Areas, then that Board position and any other vacancies will be filled by the remaining candidates receiving the largest number of votes; however, in no event shall more than two Owners from any one Area be elected a Director.

Section 5. Removal. No Member of the Board of Directors shall be removed from office except for malfeasance in the conduct of his duties. In the event of death, resignation or removal of a Director, or in the event of his position being declared vacant under Article VI, Section 1(i), his successor shall be selected by the majority of the remaining Members of the Board and shall serve for the unexpired term of his predecessor. In filling any vacancy, the Board shall follow the guidelines in this Article IV to achieve equitable representation on the Board among the four Areas of the Association.

Section 6. Compensation. No Director shall receive compensation for any service he may render to the Association; provided, however, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

## ARTICLE V

### MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held annually without notice, at such place and hour as may be fixed from time to time by resolution of 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.

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 Director after not less than three (3) days notice to each Director, when such notice may be waived at or prior to such meeting.

Section 3. Quorum. A majority of the number of Directors, but not less than three (3) 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.

Section 4. Action Without a Meeting. Any action which may be required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken is signed by all of the Members of the Board of Directors. Such consent shall be placed in the minute book of

the Association with the minutes of the Board of Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

## ARTICLE VI

### POWERS AND DUTIES OF THE ASSOCIATION

Section 1. Powers. The Board of Directors shall have the following rights and powers:

- (a) to construct, manage and maintain Common Areas and facilities thereon, and any adjacent or included public properties; and to make assessments annually therefore, and for other purposes, all pursuant to the Declaration or applicable Supplemental Declaration; and
- (b) to charge reasonable admission and other fees for the use of the recreational facilities located on the Common Areas, and to make, publish and enforce reasonable rules and regulations governing the use and enjoyment of the Common Areas and facilities thereon, or any part thereof, all of which reasonable rules and regulations shall be binding upon, complied with, and observed by each Member. These rules and regulations may include provisions to govern and control the use of the Common Areas and facilities thereon, by guests and invitees of the Members, including, without limitation, the number of guests or invitees who may use the Common Areas and facilities thereon, or any part thereof, at the same time;
- (c) to suspend the voting rights of a Member and his right and the rights of the members of said Member's immediate family residing with said Member's and said Member's guests, to use any recreational Community Facility of the Common Areas during the period said Member is in default in excess of thirty (30) days in the payment of any maintenance charge assessment against said Member's Lot; and to suspend such rights for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;
- (d) in the event any maintenance charge assessments have been or are being expended to provide services for the Members (e.g., garbage collection services), to terminate or cause to be terminated such services for any Member during the period said Member is in default in excess of thirty (30) days in the payment of any maintenance charge assessment against said Member's Lot;
- (e) to enter management and/or operating contracts or agreements relative to the maintenance and operation of the Common Areas and facilities thereon, in such instances and on such terms as the Board of Directors may deem appropriate; to operate recreational facilities and related concessions located on the Common Areas; to enter into lease agreements or concession agreements granting leasehold, concession, or other operating rights relative

to recreational facilities located on the Common Areas in such instances and on such terms as the Board of Directors may deem appropriate; to enter into usage agreements with other Associations or entities which agreements entitle the Members to use the recreational facilities of such other entities, upon such terms as the Board of Directors may deem appropriate;

- (f) to exercise for the Association all rights, powers, duties and authority granted, vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration or applicable Supplemental Declaration;
- (g) upon transfer of the duties and powers of the Architectural Control Committee or Committees established by the Declaration and Supplemental Declarations to the Board of Directors according to the provisions of the Declaration and Supplemental Declarations, to designate and appoint, by a resolution adopted by a majority of the Board of Directors at a meeting at which a quorum is present, a committee to exercise architectural control for the Properties. Membership on such committee to exercise said architectural control may, but need not be, limited to the Members of the Board of Directors.
- (h) to indemnify a Director or Officer or former Director or Officer of the Association for expenses and costs (including attorneys fees) actually and necessarily incurred by said Director or Officer in connection with any claim asserted against said Director or Officer, by action in court or otherwise, by reason of said Director or Officer having been a Director or Officer of the Association, except in relation to matters as to which said Director or Officer shall have been guilty of negligence or misconduct in respect of the matter in which indemnity is sought;
- (i) to declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive regular or special meetings of the Board of Directors, or a total of four (4) regular or special meetings of the Board in any one (1) year;
- (j) to designate a depository of the funds of the Association and to designate officers or other persons who shall be authorized to withdraw funds and sign checks on such account; and
- (k) to designate an officer of the Association or other person who shall be authorized to sign all leases, mortgages, deeds, promissory notes and other written instruments on behalf of the Association.

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

- (a) cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to any Members at the annual meeting of the

Members, or at any special meeting when such statement is requested in writing by one-tenth (1/10) of the Class A Members who are entitled to vote;

- (b) supervise all officers, agents, and employees of this Association, and to see that their duties are properly performed;
- (c) a unanimous vote of the Board of Directors is required to increase the annual assessment for any year by more than 50% of the amount of increase allowed under the Declaration;
- (d) issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any maintenance assessment charge has been paid; and, in the event annual maintenance assessments are expended to provide services for the Members, to issue or cause an appropriate officer to issue, evidence sufficient to enable the entity providing such services to the Members to determine said Member's eligibility for said service. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) Upon termination of the duties and powers of the Architectural Control Committee or Committees designated in the Declaration and Supplemental Declarations, and the resignation of the Members thereof, to exercise the duties and powers reserved and delegated to said Architectural Control Committee or Committees by the Declaration and Supplemental Declarations;
- (f) Procure and maintain such liability and hazard insurance as it may deem appropriate on any property or facilities owned by the Association;
- (g) Cause any officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (h) Cause the Common Areas and facilities thereon, to be maintained;
- (i) cause an annual audit of the Association's financial statements to be performed by Certified Public Accountants;
- (j) employ a professional management company to handle the accounting, billing, collections, deed restriction enforcements, and other business of the Association;
- (k) obtain at least two (2) vendor bids for all expenditures in excess of \$1,000. Notwithstanding, contracts for expenditures in excess of this amount, which are of a recurring nature (such as security patrol or landscaping), which need only be bid out once every three years. This shall not include any payments made to the Briarhills Property Owners Association under the Use Agreement;

- (l) prepare or cause to be prepared before the end of each calendar year an "Annual Budget" for the following year. The Annual Budget shall include revenues, operating expenses, a cash reserve, capital expenditures and all or any other probable expenditures of the Association, in sufficient detail. In order to insure consistency from year to year, the Annual Budget should be in a format as in the example in Attachment B to these Bylaws;
- (m) provide copies of the Annual Budget, the audited financial statements, the minutes of the monthly Board of Director meetings (which may be edited for confidential discussions regarding deed restrictions and delinquencies of individual Members), the monthly balance sheet and the monthly income statement to any Owner upon written request and to make available all Association meeting agendas, minutes, budgets, and financial statements to the Briarhills website now listed at [www.briarhills.org](http://www.briarhills.org). This information will also be available to any Owner at the Association's office during reasonable business hours. The Management Company or Association may charge a reasonable fee for photocopies;
- (n) prohibit any Association expenditures where all or a portion of any Owner's private property is involved, other than those made for the enforcement of exterior maintenance that become part of that Owner's assessment under the Declaration. The only other exception would be for identifying signs at each entrance to the Subdivision, as allowed in the Declaration;
- (o) require that all expenditures in excess of \$3,000 be included in "New Business" on the agenda of the monthly Association Board of Director meetings; have discussion concerning such expenditure; allow at least 30 days or until the next regular monthly Board meeting, whichever is less, but in no event less than 10 days, for Owner comment after either the agenda or Board meeting minutes noting such proposed expenditure is posted to the website before the Board votes; and obtain approval of a majority of the Board for such expenditures. This shall not include any payments made to the Briarhills Property Owners Association under the Use Agreement;
- (p) maintain a minimum "Cash Reserve" in the amount of \$50,000. The Cash Reserve shall be the cash balance of the Association, less: liabilities, the amount of unexpended budget for the year (which amount shall be zero at the end of every year), and a reserve for projected future capital expenditures. If at any time the Cash Reserve is less than \$50,000, then the Board shall only incur those expenditures deemed absolutely necessary to operate and maintain the Association and shall not incur any discretionary capital or improvement expenses without unanimous approval of the Board. This shall not include any payments made to the Briarhills Property Owners Association under the Use Agreement; and

- (q) limit the total amount of non-recurring discretionary capital or improvement expenditures in any year, other than those necessary to operate and maintain the Association, to twenty percent (20%) of the Cash Reserve at the end of the preceding year. This shall not include any payments made to the Briarhills Property Owners Association under the Use Agreement.

## ARTICLE VII

### OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president, who shall be at all times a Member of the Board of Directors; a vice president; a secretary; and 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, or shall be removed, or otherwise 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 of such notice or at any later time specified therein, and unless otherwise 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. No person shall simultaneously hold more than one office except the office of vice president, secretary, treasurer, and/or special offices created pursuant to Section 4 of this Article.



Section 8. Execution of Association Documents. In the absence of a designation by the Board of Directors of an officer or other person authorized to sign all leases, mortgages, deeds, promissory notes, checks and other written instruments, any officer of the Association may sign such documents on its behalf except that any two officers must sign each promissory note executed by the Association.

Section 9. Duties. The duties of the officers of the Association are as follows:

President

- (a) The president shall preside at all meetings of the Board of Directors and of the Association; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall cosign all promissory notes.

Vice President

- (b) The vice president shall act in the place and stead of the president in the event of his absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

- (c) The secretary shall record the votes and keep minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

- (d) The treasurer shall receive and deposit in appropriate bank accounts all monies 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; and keep accurate books and records of the fiscal affairs of the Association and make the same available for inspection by Members of the Association during normal business hours.

ARTICLE VIII  
COMMITTEES

The Association shall appoint a Nominating Committee, as provided in Section 3 of Article IV of these Bylaws. The Board of Directors shall appoint other committees as deemed appropriate in carrying out the Association's purpose.

## ARTICLE IX

### 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 Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

## ARTICLE X

### ASSESSMENTS

As more fully provided in the Declaration, each Owner is obligated to pay to the Association certain 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. In the event an Owner's assessment is delinquent in excess of thirty (30) days, said Owner and Members of his or her immediate family residing with said Owner and said Owner's guests may be denied use of any of the Common Areas and facilities thereon, and any services provided for the Members and funded from the annual or special assessments may be terminated. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum, 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 any of the facilities or services provided by the Association or by abandonment of said Owner's Lot.

ARTICLE XI  
CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the name of the Association and within the center the word "Texas".

ARTICLE XII  
AMENDMENTS

Section 1. Amendments. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy.

Section 2. Conflict. In case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control, and in the case of any conflict between the Declaration or applicable Supplemental Declaration and these Bylaws, the Declaration or applicable Supplemental Declaration shall control.

ARTICLE XIII  
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31<sup>st</sup> day of December of every year, except the first fiscal year shall begin on the date of incorporation.