

H822991 ARTICLE I - NAME AND LOCATION

The name of the Corporation is *Stonehenge Association, Inc.* hereinafter referred to as the *Association*. The present principal office of the *Association* shall be located at Subdivision Management Services, Inc., 11777 Katy Freeway, Suite 495N, Houston, Texas 77079, but the office location may be changed at the discretion of the Board of Directors.

ARTICLE II - DEFINITIONS

- Section 1. *Association* shall mean and refer to *Stonehenge Association, Inc.*, a Texas non-profit corporation, its successors and assigns.
- Section 2. *Properties* shall mean and refer to all of that certain real property described in the Articles of Incorporation for the *Association*, as amended, 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. The *Common Area* to be owned by the *Association* is all of the land contained in the Stonehenge Subdivision according to the official plats thereof on file in the office of the *Association*, including any improvements thereon, save and except all *lots* and improvements thereon designated by lot numbers on the plats for said land as on file in the *Association's* office, subject to all valid easements and restrictions attached to said land.
- Section 4. *Lot* shall mean and refer to any of the numbered plots of land shown upon the official subdivision plats and replats of the *Properties* on file in the *Association's* office and the plots of land into which the building sites and reserves reflected on said plats may be subdivided by metes and bounds description by the *Declarant*.
- 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 part of the *Properties*, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.
- Section 6. *Declarant* shall mean and refer to STONEHENGE, LTD., a Texas limited partnership, and its legal successors and assigns.
- Section 7. *Declaration* shall mean and refer to the Declaration of Covenants, Conditions, and Restrictions applicable to the *Properties*, recorded in the Deed Records of Harris County, Texas.
- Section 8. *Member* shall mean and refer to those persons entitled to membership according to the Articles of Incorporation of the *Association*.

ARTICLE III - MEETINGS OF MEMBERS

- Section 1. *Annual Meetings.* An annual meeting of the members shall be held each year at a day and time determined each year by the Board of Directors and duly noticed to the Members as herein provided.
- 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 written request of the *members* who are entitled to vote one-tenth (1/10) of the authorized votes of *members*.
- Section 3. *Notice of Meetings.* Written notice of each meeting of the *members* shall be given by, or at the direction of, the Secretary or persons authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 but not more than 50 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 meeting, and, in the case of special meeting, the purpose of the meeting.
- Section 4. *Quorum.* The presence at the meeting of *members* and/or proxies therefor entitled to cast one-third (1/3) of the votes of the membership shall constitute a quorum for any action to be taken, except as may otherwise be provided in the Articles of Incorporation, the *Declaration* or these By-Laws. If, however, such quorum shall not be present at any meeting, the *members* entitled to vote thereat shall have the power to adjourn the meeting to another time, without additional notice other than announcement at the meeting, until a quorum as aforesaid shall be present.
- Section 5. *Proxies.* At all meetings of *members*, each *member* may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary.

ARTICLE IV - BOARD OF DIRECTORS

(As amended on December 10, 1981)

- Section 1. *Initial Board.* Until December 31, 1981, the affairs of the *Association* shall be managed by a Board of three (3) Directors appointed by *declarant*, who need not be *members* of the *Association*. Following December 31, 1981, the Board of Directors shall consist of nine (9) resident *members* to be elected in accordance with Section 2 of this Article IV.
- Section 2. *Nomination and Election of Directors.* Nominations for the Initial Resident Member Board (that nine (9) resident member Board whose terms of office shall commence on January 1, 1982) shall be made at the Meeting of *Members* called for the purpose of electing such Board, which meeting may be the same meeting at which this provision of the By-laws shall have been adopted by the *Members*, by a Committee consisting of fourteen (14) resident *members* of the *Association* who shall represent as diverse a geographic cross-section of the Subdivision as practicable at the time they are appointed: the panel nominated shall be read aloud and additional

nominations taken from the floor; once nominations have been closed, the election of the Initial Resident Members Board shall be held by written ballot in accordance with the voting provisions provided hereinafter in this Section 2 and in Section 3 of this Article IV for the subsequent election of Directors.

For election of Directors subsequent to the election of the Initial Resident Member Board, nominations for election to the Board of Directors each year shall be made by a Nominating Committee. The Nominating Committee shall consist of 14 resident *members* of the *Association* at least 11 of which persons shall each be from a different court in the Subdivision. The Nominating Committee shall be appointed each year by the Board of Directors at least sixty (60) days prior to each annual meeting. Nominees for Board positions shall be resident *members* of the *Association*. Election of nominees to the Board of Directors shall be by written ballot. At such election the *members* or the proxies may cast, in respect to each vacancy on the Board to be filled, as many votes as they are entitled to exercise under the Article of Incorporation. The person receiving the greatest number of votes shall be elected to the vacant positions on the Board. Cumulative voting is not permitted. The ballots shall be counted by the Secretary of the *Association* in the presence of at least one (1) member of the Nominating Committee and shall be attested by the Secretary in writing and filed in the *Association's* records.

- Section 3. *Term of Office.* The Initial Resident Member Board shall consist of three (3) directors who shall serve for a term of one (1) year, three (3) directors who shall serve for a term of two (2) years, and three (3) directors who shall serve a term of three (3) years. At each annual meeting thereafter the *members* shall elect directors for a term of three (3) years, replacing those whose terms expire. As among the nine members of the Initial Resident Member Board, the Board shall decide and appoint which three among them shall serve for one year terms, which three among them shall serve for two year terms, and which three among them shall serve for three year terms. The year, for purposes of determining the term of office of any director, shall commence on the first day of January and end on the 31st day of December.
- Section 4. *Removal.* Any Director may be removed from the Board, with or without cause, by a majority vote of the votes of *members* at a membership meeting at which a quorum is present, and a replacement for said removed Director shall be elected at such meeting by a majority vote of the quorum thereat. In the event of death or resignation 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.
- Section 5. *Compensation.* No Director shall receive compensation for the service he may render to the *Association*. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.
- Section 6. *Action Taken Without a Meeting.* The 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 of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE V - MEETING OF DIRECTORS

- Section 1. *Regular Meetings.* Regular meetings of the Board of Directors shall be held quarterly at such place and hour as may be fixed from time to time by resolution of the Board and noticed to the Board members at least three (3) days in advance.
- 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 two directors, after not less than two (2) days notice to each Director.
- Section 3. *Quorum.* A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act of decision done or made by 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 - POWERS AND DUTIES OF THE BOARD OF DIRECTORS

- Section 1. *Powers.* The Board of Directors shall have the power to:
- (a) adopt and publish reasonable rules and regulations governing the use of the *Common Area* and facilities, and the personal conduct of the members and their guests thereon, and to establish reasonable penalties for the infraction thereon, including the reasonable suspension of the privileges to use the *Common Area* and facilities;
 - (b) suspend the voting rights and right to use the recreation 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*;
 - (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, the Articles of Incorporation, or the *Declarations*;
 - (d) 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 meetings of the Board of Directors; and
 - (e) employ a manager, maintenance personnel, a management firm, security guards, and such other employees as they deem necessary, and to prescribe their duties.
- Section 2. *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 *members* holding one-tenth (1/10) of the votes of the *Association*;

- (h) supervise all officers, agents and employees of this *Association*, and to see that their duties are properly performed;
- (c) fix the amount of the annual assessment against each *Lot* in accordance with the *Declaration*, send written notice of each assessment to every Owner subject thereto, and foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same, provided that it is agreed and understood that builders may defer payment of accrued assessments until the closing of house sales by them;
- (d) procure and maintain adequate liability and hazard insurance on property owned by the *Association*;
- (e) cause the *Common Area* to be maintained and to continually add to the *Common Area* improvements generally in accordance with the master plan of development initiated by the *Declarant*, or as amended;
- (f) enforce security measures; and
- (g) perform such other and further duties as the Board of Directors may deem necessary or desirable for the preservation and betterment of the Stonehenge Subdivision.

ARTICLE VII - OFFICERS AND THEIR DUTIES

- Section 1. *Enumeration of Offices.* The offices of this *Association* shall be a President, one or more Vice-Presidents as determined by 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. *Appointment of Officers.* Officers shall be appointed by the Board of Directors.
- Section 3. *Term.* The officers of this *Association* shall hold office until their resignation or removal by the Board of Directors.
- Section 4. *Resignation and Removal.* Any officer may be removed from office without cause by the Board. Any officer may resign at any time by giving notice to the Board or the President.
- Section 5. *Vacancies.* A vacancy in any office may be filled by appointment by the Board.
- Section 6. *Multiple Offices.* Multiple offices may be held by the same person except for the Office of President and Secretary, which must be held by separate persons.

- Section 7. *President.* The President shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board are carried out, and shall execute all business documents on behalf of the *Association*, except as may be otherwise approved by the Board of Directors.
- Section 8. *Vice-President(s).* The Vice-President(s) shall exercise and discharge such duties as may be required of him or them by the Board.
- Section 9. *Secretary.* The Secretary shall maintain all the records of the *Association* 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 on all papers requiring said seal; serve notice of meetings of the Board and of the *members*; post notices of the *Association* at the recreation center, process all communications between the residents of Stonehenge and the officers of the *Association*; 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.
- Section 10. *Treasurer.* The Treasurer shall receive and deposit in appropriate bank accounts all monies of the *Association* and shall disburse such funds as directed by the President and the Board of Directors; shall sign such checks and promissory notes of the *Association* as directed by the President; shall keep proper books of account; shall cooperate in any audit of the *Association* books as may be directed by the Board of Directors; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the *members* prior to the regular annual meeting.
- Section 11. *Liability.* Except for any acts or events resulting from his gross negligence or willful misconduct, no officer or Director shall be liable or responsible in damages or otherwise to any member, or member's family, guest, invitee, tenants or any third parties whomsoever. Except for willful misconduct or gross negligence, neither the Directors nor any officer of the *Association* shall ever be liable to any person, firm or corporation for any action taken with reference to *Association* matters or for any action (other than fraud and theft) taken with respect to their duties hereunder to be performed and/or to the collection, administration and/or expenditure of monies belonging to the Maintenance Fund as provided for in the *Declaration*. The *Association* shall indemnify and hold harmless its officers or Directors from any costs whatsoever caused to any officer or Director as a result of his performing duties for the *Association* so long as such costs were not caused by willful misconduct or gross misconduct of the indemnifiable party. The acceptance by any party of a deed to any lot or building site in Stonehenge shall constitute unequivocally such party's covenant and agreement to the above.

ARTICLE VIII - COMMITTEES

The Board of Directors of the *Association* shall appoint an Architectural Control Committee, as provided in the *Declaration*, and a Nominating Committee as provided in these By-Laws. In

ARTICLE IX - BOOKS AND RECORDS.

The books and records of the Association shall at times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Article of Incorporation and the By-Laws 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 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, and the Association shall collect such assessments pursuant to the terms set forth in the Declaration.

ARTICLE XI - CORPORATE SEAL

The Association shall have a seal in circular form having within the circumference the words: STONEHENGE ASSOCIATION, INC.

ARTICLE XII - AMENDMENTS

(as amended on December 10, 1981)

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a two-thirds (2/3rds) vote of the members present in person or by proxy.

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

ARTICLE XIII - FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of each year except that the first fiscal year shall begin on the date of incorporation.

Ratified by the Board of Directors - May 21, 1990

John K. Howie
John Howie, President

Jim McConnell
Jim McConnell, Secretary

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(Acknowledgment)

STATE OF TEXAS }
COUNTY OF }

This instrument was acknowledged before me on the 21 day of May, 1990.

My commission expires:
1-25-95

