

# **BYLAWS OF THE LAKES OF SHADY SHORES HOMEOWNERS ASSOCIATION**

## **Article 1 NAME AND LOCATION**

The name of the corporation is The Lakes of Shady Shores Homeowners Association, hereinafter referred to as the "Association".

The principal office of the corporation shall be located at the residential address of the then-serving President of the Association, in The Lakes of Shady Shores Addition to the Town of Shady Shores, Denton County, Texas 76208, but meetings of members and directors may be held at such places within the State of Texas, County of Denton, as may be designated by the Board of Directors.

## **Article 2 DEFINITIONS**

"Association" shall mean and refer to The Lakes of Shady Shores Homeowners Association, its successors and assigns.

SECTION 1. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

SECTION 2. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

SECTION 3. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivisions map of the Properties with the exception of the Common Area.

SECTION 4. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

SECTION 5. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the County Clerk of Denton County, Texas.

SECTION 6. "Member" shall and refer to those persons entitled to membership as provided in the Declaration.

## **Article 3 MEETING OF MEMBERS**

SECTION 1. ANNUAL MEETINGS. The annual meeting of the members shall be held in November at a public location open to all members 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 written request of the members who are entitled to vote two-thirds ( $\frac{2}{3}$ ) of all of the votes of the members.

SECTION 3. NOTICE OF MEETINGS. Written notice of any meeting called for the purpose of taking any action authorized herein shall be sent to all members, or delivered to their residences, not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. Written notice may be provided via electronic mail, unless a member specifically opts out of electronic mail notice. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting addressed to the member's e-mail 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 hours of the meeting, and, in the case of a special meeting, the purpose of the meeting.

SECTION 4. QUORUM. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, two-thirds ( $\frac{2}{3}$ ) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at such subsequent meeting shall be two-thirds ( $\frac{2}{3}$ ) of the quorum requirement for such prior meeting. The Association may call as many subsequent meetings as may be required to achieve a quorum (the quorum requirement being reduced for each subsequent meeting). 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 and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of this Lot.

#### **Article 4 BOARD OF DIRECTORS, SELECTION, TERM OF OFFICE**

SECTION 1. NUMBER. The affairs of this Association shall be managed by a Board of five (5) members who must be members of the Association.

SECTION 2. TERM OF OFFICE. Board members shall serve for a term of three (3) years. Terms will be staggered as set forth in the Articles of Incorporation.

SECTION 3. REMOVAL. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, their successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of the predecessor.

SECTION 4. COMPENSATION. No director shall receive compensation for any service they may render to the Association. However, any director may be reimbursed for actual expenses incurred in the performance of their duties.

SECTION 5. 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 5 NOMINATION AND ELECTION OF DIRECTORS**

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

SECTION 2. 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 to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The person receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

#### **Article 6 MEETINGS OF DIRECTORS**

SECTION 1. REGULAR MEETINGS. Regular meetings of the Board of Directors shall be held monthly with 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 two directors, after not less than three (3) day' 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 or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

#### **Article 7 POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

SECTION 1. POWERS. The Board of Directors shall have power to:

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

- b) Suspend the voting rights and right to use of the common area of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed thirty (30) days for infraction of published rules and regulations;
- c) Exercise for the Association all power, duties and authority 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.
- 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 meetings of the Board of Directors; and
- e) Employ an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.
- f) Recommend an HOA management company and to prescribe their duties to be voted upon by the general membership. The decision to hire an HOA management company must be voted upon by the general membership.

**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 two-thirds ( $\frac{2}{3}$ ) of the members who are entitled to vote;
- (b) Supervise all directors, agents and employees of this Association, and to see that their duties are properly performed;
- (c) As more fully provided in the Declaration to:
  - (1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
  - (2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same;
- (d) Issue, or cause an appropriate to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) Procure and maintain adequate liability and hazard insurance on property owned by the Association; Cause all directors or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (f) Cause the Common Area to be maintained.

**Article 8 DIRECTORS AND THEIR DUTIES**

**SECTION 1. ENUMERATION OF OFFICES.** The directors of this Association shall be a President and Vice President, who shall at all times be members of the Board of Directors, a Secretary, a Treasurer, a Director At Large, and such other directors 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 directors of this Association shall be elected annually by the Board and each shall hold office for three (3) years unless they 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 director may be removed from office with or without cause by the Board. Any director may resign at any time 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 director appointed to such vacancy shall serve for the remainder of the term of the director they replaced.

**SECTION 7. MULTIPLE OFFICES.** No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to **SECTION 4** of this Article.

**SECTION 8. DUTIES.** The duties of the directors are as follows:

(a) 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; shall sign all leases, mortgages, deeds and other written instruments and shall cosign all checks and promissory notes.

(b) Vice President

The Vice President shall act in the place and stead of the President in the event of their absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

(c) Secretary

The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of the members; serve notices of meetings of the Board and of the members; keep appropriate current records showing the members of the Association, together with their addresses and e-mail addresses, and shall perform such other duties as required by the Board.

(d) Treasurer

The Treasurer shall receive and deposit in appropriate bank accounts all moneys of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by three HOA homeowners in good standing and who are not members of the Board of Directors at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

(e) Director At Large

The Director At Large serves as liaison to the general membership and board of directors and shall exercise and discharge such other duties as may be required by the Board.

**SECTION 9. ARCHITECTURAL CONTROL COMMITTEE (ACC), ELECTION, QUALIFICATION, AND TERM OF OFFICE**

(a) Election. The election of members of the ACC shall take place at the annual meeting of the Members.

(b) Term. ACC Members shall serve for a term of 3 years. Terms will be staggered as set forth in the Articles of Incorporation.

(c) Resignation and Removal. Any ACC Member may be removed from office with or without cause by a majority vote of the members of the Association. In the event of death, resignation or removal of a Member of the ACC, the successor shall be selected by the Board of Directors and shall serve for the unexpired term of the predecessor.

**Article 9 COMMITTEES**

The Board may adopt a resolution establishing one or more committees, delegating specified authority to such committee, and appointing or removing members of a committee. The committee will include one or more Directors, and may include persons who are not Directors. In addition, the Board of Directors may appoint members to other committees as deemed appropriate in carrying out its purpose. The Members of the Association shall appoint an Architectural Control Committee, as provided in the Declaration, **ARTICLE 7, SECTION 1** and a Nominating Committee, as provided in this Bylaw **ARTICLE 5, SECTION 1**.

**Article 10 BOOKS AND RECORDS**

The books, records and papers of the Association shall at all time, during reasonable business hours, be subject to inspection by any member. The Declaration, Articles of Incorporation, and the Bylaws of the Association shall be available for inspection by any member of the Association, which are available online via the Lakes of Shady Shores website.

**Article 11 ASSESSMENTS**

As more fully provided in the Declaration, ARTICLE 2 SECTION 3, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessment, which is not paid when due, shall incur a late fee of \$50. If the assessment is not paid within ten (10) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum or at the highest nonusurus rate of interest allowed by Texas law, whichever is less, 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 be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of the Lot.

#### **Article 12 AMENDMENTS**

SECTION 1. 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. In the case of conflict between the articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

#### **Article 13 MISCELLANEOUS**

The fiscal year of the Association shall begin on the first day of July and end on the last day of June of every year except that the first fiscal year shall begin on the date of incorporation.