

# **BYLAWS**

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**BYLAWS  
OF  
VILLAGES OF NORTHSHORE  
HOMEOWNERS ASSOCIATION, INC.  
A TEXAS NON-PROFIT CORPORATION**

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**BYLAWS  
OF  
VILLAGES OF NORTSHORE  
HOMEOWNERS ASSOCIATION, INC.  
A TEXAS NON-PROFIT CORPORATION**

**ARTICLE I  
NAME AND LOCATION**

The name of the association is **VILLAGES OF NORTSHORE HOMEOWNERS ASSOCIATION, INC.** (the "Association"). The Association is a non-profit corporation organized under the Texas Non-Profit Corporation Act. The principal office of the Association shall be located as designated by the Board of Directors and meetings of members and directors may be held at such places within the State of Texas as may be designated by the Board of Directors.

**ARTICLE II  
PURPOSE AND PARTIES**

**Section 2.01. Purpose.** The purpose for which the Association is formed is to govern the residential area of the Villages of Northshore, situated in the Town of Flower Mound, County of Denton, State of Texas, contained within the property which is or becomes subject to that certain Declaration of Covenants, Conditions and Restrictions for the Villages of Northshore, Texas (as same may be hereafter amended, the "Declaration") dated October 17, 1994, and recorded as document number 94-R0087229 of the Deed Records of Denton County, Texas.

**Section 2.02. Parties.** All present or future Owners, tenants or future tenants of any Lot, or any other person who might use in any manner the facilities of the Properties are subject to the provisions and the regulations set forth in these Bylaws. The mere acquisition, lease or rental of any Lot or the mere act of occupancy of a Lot will signify that these Bylaws are accepted, approved, ratified, and will be complied with.

**ARTICLE III  
DEFINITIONS**

The definitions contained in the Declaration are incorporated herein by reference. Lots shall also be referred to as the "Properties". Common Areas shall also be referred to as the "Common Properties".

**ARTICLE IV  
MEMBERSHIP AND VOTING RIGHTS**

**Section 4.01. Membership.** Each and every Owner shall automatically be a member of the Association (hereinafter referred to as a Member") without the necessity of any further action on his part, subject to the terms of the Declaration, the Articles of Incorporation, these Bylaws, and the rules and regulations with respect to the Common Properties from time to time

promulgated by the Association. Membership shall be appurtenant to and may not be separated from the interest of such Owner in and to any portion of the Properties. Ownership of any portion of the Properties shall be the sole qualification for being a Member; provided, however, a Member's voting rights, as herein described, or privileges in the Common Properties, or both, may be regulated or suspended as provided in the Declaration, these Bylaws, and/or the rules and regulations promulgated thereunder. Persons or entities shall be Members by reason of ownership of land dedicated and accepted by the local public authority and devoted to public use or Common Properties and such land shall be owned subject to all of the terms and provisions of the Declaration except that: (i) ownership of land devoted to purposes described in this sentence shall not create any votes in the Members owning such land, and (ii) such non-voting Members shall not be required to pay any assessments other than special individual assessments as described and authorized in the Declaration. No person or entity shall be a Member by reason of ownership of any easement, right-of-way, or mineral interest. In addition, any person or entity that holds an interest in and to all or any part of the Properties merely as security for the performance of an obligation shall not be a Member.

**Section 4.02. Transfer.** Membership may not be severed from the Properties nor may it be in any way transferred, pledged, mortgaged or alienated except upon the sale or assignment of the Owner's interest in all or any part of the Properties and then only to the purchaser or assignee as the new Owner thereof. Membership shall not be severed by the encumbrance by an Owner of all or any part of the Properties. Any attempt to make a prohibited severance, transfer, pledge, mortgage or alienation shall be void and of no further force or effect, and will be so reflected upon the books and records of the Association. Any transfer of the fee title to a lot, tract or parcel of real estate out of or a part of the Properties shall automatically operate to transfer membership to the new Owner thereof. In the event an Owner should fail or refuse to transfer the membership registered in such Owner's name to the transferee, the Association shall have the right to record the transfer upon its books and records.

**Section 4.03. Classes of Voting Membership and Voting Rights.** The Association shall have two (2) classes of voting membership:

**Class A.** Class A Members shall be all Members with the exception of the Declarant. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any such Lot.

1 vote per l

**Class B.** The Class B Member shall be the Declarant. The Class B Member shall be entitled to three (3) votes for each Lot in which Declarant holds the interest required for membership. The Class B membership shall cease when Declarant no longer owns record title to any of the Lots.

**Section 4.04. Multiple Owner Votes.** Where there are multiple Owners of a Lot it is not intended by any provision of the Declaration or these Bylaws that each of said Owners shall be entitled to cast the votes allocated to such Lot nor may fractional votes be cast. For example, where three persons own a Lot, they shall jointly be entitled to vote the one vote allocated to such Lot and shall not be entitled to cast a full vote each. When more than one person or entity owns the interest or interests in and to any Lot, as required for membership in the Association, each and every person or entity shall be a Class A Member, and the vote for any such Lot shall be exercised as they, among themselves, collectively determine and they shall designate one person to cast the vote or execute a written consent, as applicable. The Owners of such Lot will notify the Association, in writing, of the person so designated. Such notice will not be valid unless signed by all Owners of such Lot. The Association shall not be required to recognize the vote or written assent of any such multiple Owners except the vote or written assent of the Owner designated in writing executed by all of such multiple Owners and delivered to the Association.

not  
with  
out  
each  
lot

If such Owners are unable to agree among themselves as to how the one vote per Lot shall be cast, they shall forfeit the right to vote on the matter in question. If more than one person or entity purports to exercise the voting rights with respect to any such Lot on any matter in question, none of such votes shall be counted in tabulating the vote on such matter and such votes shall be deemed void.

**Section 4.05. Suspension of Voting Rights.** The voting rights of any Member shall be suspended by the Board during any period in which such Member is delinquent in the payment of any assessment or charge levied by the Association. The voting rights of any Member may also be suspended by the Board for a period not to exceed sixty (60) days for an infraction of the rules and regulations set forth in the Declaration.

**Section 4.06. Quorum, Notice and Voting Requirements.**

(a) Subject to the provisions of Paragraph (d) of this Section, any action taken at a meeting of the Members shall require the assent of the majority of all of the votes of those who are voting in person or by proxy, regardless of class, at a duly called meeting.

(b) The presence at the initial meeting of Members or of proxies of Voting Representatives entitled to cast two-thirds (2/3) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at such subsequent meeting shall be two-thirds (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 such meeting). No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

(c) 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, by mailing a copy of such notice, postage prepaid, not less than thirty (30) days nor more than sixty (60) days in advance of the meeting to each Member, 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, in the case of a special meeting, the purpose of the meeting.

(d) As an alternative to the procedure set forth above, any action referred to in this Section may be taken without a meeting if a consent in writing, approving of the action to be taken, shall be signed by all Members.

(e) Except as specifically set forth in these Bylaws, notice, voting and quorum requirements for all actions to be taken by the Association shall be consistent with its Articles of Incorporation and the Declaration, as the same may be amended from time to time.

**Section 4.07. Annual Meeting.** The first annual meeting of the Members shall be held on or before January 1, 1998 as determined by the Board. Thereafter, annual meetings shall be set by the Board so as to occur not later than one hundred twenty (120) days after close of the Association's prior fiscal year. The time and place of all annual meetings shall be determined by the Board. The Board shall give written notice of the place of holding of the meeting to all Members.

**Section 4.08. Special Meetings.** Special meetings of the Members may be called at any time by the Declarant, by the President, by the Board, or upon the written request for a special meeting from Members who are entitled to vote at least sixty percent (60%) of the outstanding votes of the Members, regardless of class.

**Section 4.09. 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 before the appointed time of each meeting. Proxies shall be revocable and shall automatically cease upon conveyance by the Member of his Lot, or upon receipt by the Secretary of the Association of notice of the death or judicially declared incompetence of such Member. Unless otherwise provided in the proxy, no proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided therein, except that the maximum term of any proxy shall be three (3) years from the date of execution.

**Section 4.10. Action Without Meeting By Written Ballot.** Any action which may be taken by the Members at a regular or special meeting, other than the election of directors, may be taken without a meeting if done in compliance with relevant provisions of the Texas Business Corporation Act, the Texas Non-Profit Corporation Act, the Texas Miscellaneous Corporation Laws Act, and these Bylaws.

## **ARTICLE V BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE**

**Section 5.01. Number.** The affairs of this Association shall be managed by a Board of not less than three (3) directors (herein, the "Board"); all of whom, except for the members of the first Board, must be Owners or, where such Owner is not an individual person, an officer, director, shareholder, partner or representative of an Owner. The number of directors may be changed by amendment of these Bylaws. The members of the initial Board or their successors, shall serve until the first annual meeting of the Members.

**Section 5.02. Term of Office.** At the first annual meeting, the Members, voting regardless of class, shall elect two (2) directors who shall serve until the second annual meeting of the Members and one (1) director who shall serve until the third annual meeting of the Members. At each annual meeting thereafter, the Members, voting regardless of class, shall elect to replace those directors whose terms have expired. The two director seats having an initial term ending with the second annual meeting shall, thereafter, have a term of one (1) year. The director seat having an initial term ending with the third annual meeting shall, thereafter, have a term of two (2) years. 2+

**Section 5.03. Removal.** The entire Board may be removed from office, with or without cause, by a vote of Members holding a majority of the votes, regardless of class. Any individual director may be removed from the Board, with or without cause, prior to the expiration of his term of office by a vote of Members holding a majority of the votes, regardless of class.

**Section 5.04. Vacancies.** Vacancies on the Board shall be filled subject to the following provisions:

(a) Vacancies by Death or Resignation. In the event of the death or resignation of a director, a successor director shall be selected by a majority of the remaining members of the Board and shall serve for the unexpired term of such director.

(b) Vacancies by Removal. Vacancies created by the removal of a director shall be filled only by a vote of Members holding a majority of the votes. Such director shall serve for the unexpired term of the removed director.

(c) Vacancies by Increase in Directorships. Any vacancy to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting or at a special meeting of Members called for that purpose.

**Section 5.05. Indemnification of Officers and Directors.** Except in cases of fraud, willful malfeasance, gross negligence or bad faith of the director or officer in the performance of duties, and subject to the provisions of applicable Texas law, each director and officer shall be indemnified by the Association and the Members against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him or her by judgment or settlement in connection with any proceeding to which he or she may be a party, or may become involved by reason of being or having been a director or officer of the Association. The Association may indemnify its officers and directors to the extent permitted by the Texas Non-Profit Corporation Act.

The Association may purchase and maintain insurance on behalf of any director or officer or may enter into other arrangements, such as creating a trust fund, establishing a form of self-insurance, or establishing a letter of credit, guaranty or surety arrangement, in connection with indemnification of directors and officers; provided, however, that in no event shall the grant of a security interest or other lien on the assets of the Association ever be given to secure an indemnity obligation under this Section 5.05.

**Section 5.06. Compensation and Loans.** No director shall receive compensation for any service such director may render to the Association. However, directors shall be



















