

# STONEHEDGE HOMEOWNERS ASSOCIATION

## ASSOCIATION BYLAWS

### ARTICLE I. NAME & LOCATION

The name of the Corporation is STONEHEDGE HOMEOWNERS ASSOCIATION (hereinafter referred to as the "Corporation" or the "Association"). The Association may also use the name CHURCHILL FARMS HOMEOWNERS ASSOCIATION.

The principal office of the Corporation is located at:

STONEHEDGE HOMEOWNERS ASSN.  
30500 Berry Creek Drive  
Georgetown, TX 78628

but meetings of the members and directors may be held at such places within Williamson County, Texas, as may be designated by the Board of Directors.

### ARTICLE II. DEFINITIONS

- A. Association shall mean the Corporation — STONEHEDGE HOMEOWNERS ASSOCIATION (also known as CHURCHILL FARMS HOMEOWNERS ASSOCIATION), its successors and assigns.
- B. Properties shall mean that certain real property described in the *Revised Declaration of Covenants, Conditions, & Restrictions*, and such additions as may be brought within the jurisdiction of the Association.
- C. Common Area shall mean all real property owned by the Association for the common use and enjoyment of the Owners.
- D. Lot shall mean any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.
- E. Owner shall mean 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 an interest in a Lot merely as security for the performance of an obligation.

- F. Declarant shall mean STONEHEDGE PARTNERS, its successors and assigns.
- G. Declaration shall mean the *Revised Declaration of Covenants, Conditions, & Restrictions* applicable to the Properties recorded in the Official Records of Williamson County, TX.
- H. Member shall mean those persons entitled to membership as provided in the *Declaration*.

ARTICLE III. MEETING OF MEMBERS

A. Annual Meetings. The first annual meeting of the Members shall be held within one year (1 yr.) from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held on or about the same day of the same month of each year thereafter. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held on the first day following which is not a legal holiday.

B. 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 50% of all of the votes of the Class A membership.

C. Notice of Meetings. 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, at least 10 days but not more than 50 days before such meeting to each member entitled to vote, 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. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, 25% 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*, or these *Bylaws*. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or be represented.

E. 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 prior to the meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

ARTICLE IV. BOARD OF DIRECTORS, SELECTION, TERM OF OFFICE

A. Number. The affairs of this Association shall be managed by a Board of three (3) Directors, who need not be Members of the Association. The number of Directors may be increased to five (5) by decision of the then-current Board; otherwise, the number of the Directors may be increased above five (5) by amendment of the Bylaws of the Association.

B. Term of Office. At the first annual meeting, the Members shall elect one (1) director for a term of one year (1 yr.), one (1) director for a term of two years (2 yrs.), and one (1) director for a term of three years (3 yrs.); and at each annual meeting thereafter, the Members shall elect one (1) director for a term of three years (3 yrs.).

C. 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, his successor shall be selected by a majority of the remaining members of the Board and shall serve for the unexpired term of his predecessor.

D. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

E. 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. NOMINATION & ELECTION OF DIRECTORS

A. 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.

B. 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 persons receiving the largest number of votes shall be elected. Cumulative voting is permitted, upon the terms and conditions set forth by resolution of the Board.

#### ARTICLE VI. MEETINGS OF DIRECTORS

A. **Regular Meetings.** Regular meetings of the Board of Directors shall be held monthly 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. The Board and/or any committee may hold a meeting by telephone conference-call procedures in which all persons participating can hear each other.

B. **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) days notice to each director.

C. **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 VII. POWERS & DUTIES OF THE BOARD OF DIRECTORS

A. **Powers.** The Board of Directors shall have power to:

1. Adopt and publish 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 penalties for the infraction thereof;
2. Suspend the voting rights and right to use of the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the *Declaration* or by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 180 days for infraction of published rules and regulations;
3. 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 *Bylaws*, the *Articles of Incorporation*, or the *Declaration*;

4. 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
5. Employ a manager, an independent contractor, or such other employees, professionals (such as attorneys and accountants), service providers, and other persons as they deem necessary, and to prescribe their duties.

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

1. 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 25% of the Class A Members who are entitled to vote;
2. Supervise all officers, agents, and employees of this Association, and to see that their duties are properly performed;
3. As more fully provided in the Declaration, to:
  - a. Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
  - b. Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
  - c. 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.
4. Issue, or cause an appropriate officer 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;
5. Procure and maintain adequate liability and hazard insurance on property owned by the Association;
6. Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

7. Cause the Common Area, and recreational and other facilities, to be maintained; and
8. Cause all real and personal property owned by the Association to be maintained.

#### ARTICLE VIII. OFFICERS & THEIR DUTIES

A. Enumeration of Offices. The officers of this Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary and a Treasurer, and such other officers as the Board may from time to time by resolution create.

B. 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.

C. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one year (1 yr.), unless he shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

D. 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.

E. Resignation & Removal. Any officer may be removed from office with or without cause by the Board. Any officer 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.

F. 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.

G. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to §VIII.D herein.

H. Duties. The duties of the officers are as follows:

1. 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 co-sign all checks and promissory notes.

2. VICE-PRESIDENT: The Vice President shall act in the place and stead of the President in the event of his absence, or inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

3. SECRETARY: The Secretary shall record the votes 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; 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.

4. TREASURER: 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; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

#### ARTICLE IX. COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

#### ARTICLE X. BOOKS & 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 XI. 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. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within 30 days after the due date, the assessment shall bear interest from the date of delinquency at the rate of twelve percent (12.0%) *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 the Common Area or abandonment of his Lot.

ARTICLE XII. CORPORATE SEAL

The Association may have a seal in a circular form having within its circumference the words: STONEHEDGE HOMEOWNERS ASSOCIATION *Corporate Seal*.

ARTICLE XIII. AMENDMENTS

A. 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.

B. In the 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 and these Bylaws, the Declaration shall control.

ARTICLE XIV. MISCELLANEOUS

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

EXECUTION

In witness whereof, we, being all of the Directors of the STONEHEDGE HOMEOWNERS ASSOCIATION, have hereunto set out hands this 5 day of March ~~February~~ 1994.

[Signature]

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[Signature]

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[Signature]

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CERTIFICATION

I, the undersigned, do hereby certify:

- 1. That I am the duly elected and acting Secretary of the STONEHEDGE HOMEOWNERS ASSOCIATION, a Texas Corporation; and
- 2. That the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 26th day of July 1993.

In witness whereof, I have hereunto subscribed my name and affixed the seal of said Association this 5 day of March ~~January~~ 1994.

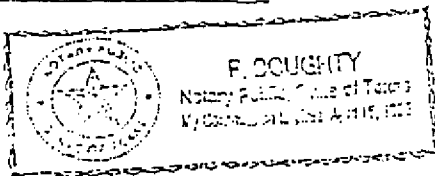
ASSOCIATION SECRETARY:

Robert D. Wunsch  
Robert D. Wunsch  
 NAME:

NOTARIAL CERTIFICATE

STATE OF TEXAS \*  
 COUNTY OF TRAVIS \*

SUBSCRIBED and SWORN TO BEFORE ME by Robert D. Wunsch, as Secretary of STONEHEDGE HOMEOWNERS ASSN., on this 5 day of March 1994, on behalf of said corporation.

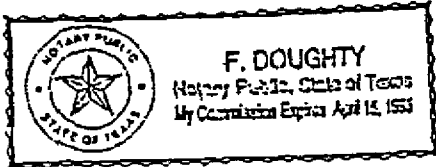


F. Doughty  
 NOTARY PUBLIC - State of TEXAS

STATE OF TEXAS  
COUNTY OF TRAVIS

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\*  
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ACKNOWLEDGED BEFORE ME by Larry Nelson, as Director of  
STONEHEDGE HOMEOWNERS ASSN., on this 5 day of March 1994,  
on behalf of said corporation.

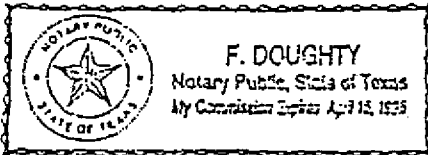


F. Doughty  
NOTARY PUBLIC - State of T E X A S

STATE OF TEXAS  
COUNTY OF TRAVIS

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ACKNOWLEDGED BEFORE ME by Robert D. Wunsch, as Director of  
STONEHEDGE HOMEOWNERS ASSN., on this 5 day of March 1994,  
on behalf of said corporation.

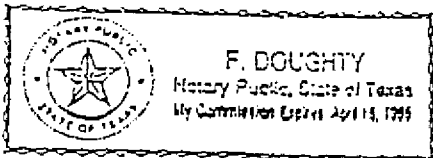


F. Doughty  
NOTARY PUBLIC - State of T E X A S

STATE OF TEXAS  
COUNTY OF TRAVIS

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ACKNOWLEDGED BEFORE ME by R. Tim Durham, as Director of  
STONEHEDGE HOMEOWNERS ASSN., on this 5 day of March 1994,  
on behalf of said corporation.



F. Doughty  
NOTARY PUBLIC - State of T E X A S

Stonehedge Homeowners Association a.k.a. Churchill Farms Homeowners Association  
Amendment to Association Bylaws  
Voted in 6/12/99 effective immediately

\*Changes in parentheses 0\*

**Article III. Meeting of Members**

**D. Quorum.**

"The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, (*OR OF ABSENTEE VOTES PREVIOUSLY CAST*), 25% 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, or these Bylaws...."

\*Add entire paragraph\*

**F. Absentee voting.**

*"Prior to all meeting of Members, each Member or their proxies may vote absentee at such place and for such duration of voting period as Board of Directors so shall establish. Voting materials and security thereof shall be responsibility of Board of Directors or committee delegated to such responsibilities by the Board of Directors."*

\*Changes in Parentheses 0\*

**Article V. Nomination & Election of Directors**

**B. Election.**

"Election to the Board of Directors shall be by secret written ballot. At such election, the Members or their proxies, (*OR ABSENTEE BALLOTS*) may cast, in respect to each vacancy..."

\*Changes in Parentheses 0\*

**Article XIII. Amendments**

A. 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 (*ABSENTEE BALLOT*.) or by proxy.