

**AMENDED BYLAWS OF SPANISH GRANT CIVIC ASSOCIATION, SECTIONS 1&2, INC.
A Residential Community**

ARTICLE I

PURPOSE

The name of the Corporation is SPANISH GRANT CIVIC ASSOCIATION, SECTIONS 1&2, INC. hereinafter sometimes referred to as “the Corporation” and/or “the Association”. The Association is a non-profit organization for the purposes of promoting the civic and community welfare, of enforcing the restrictive regulations and covenants of the Spanish Grant Subdivision in Galveston County, Texas, hereinafter referred to as “the Subdivision,” conducive to good planning and sustaining of property values, of providing maintenance of the Subdivision using maintenance charges collected from lot owners, and of securing desirable improvements and benefits for the Subdivision as provided for in the various Reservations and Restrictive Covenants.

ARTICLE II

OFFICE

Section 2.01 Offices. The principal office of the corporation shall be located in Spanish Grant Subdivision, Sections 1 and 2, County of Galveston, State of Texas. The corporation may have such other offices within the State of Texas as the Board of Directors may determine.

Section 2.02 Registered Office. The corporation shall have and continuously maintain with the State of Texas a registered office, and the registered agent whose office is identical with said registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be, identical to the principal office of the corporation in the State of Texas, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE III

FISCAL YEAR

The fiscal year of the corporation shall begin on November 1, and end on October 31.

ARTICLE IV

MEMBERSHIP

Section 4.01 Members. The members of the corporation shall be persons who are owners of lots in Sections 1 or 2 of the Subdivision from which lot maintenance charges are being assessed by the corporation. Members shall be determined by the documents recorded in the Official Public Records of Real Property of Galveston County, Texas.

Section 4.02 Voting. A member achieves and maintains good standing for the purpose of voting by the payment of an annual maintenance charge as set out in the deed restrictions of the subdivision for each lot owned which is due and payable on the first day of January of each year and all other assessments that are due and payable to the corporation, such as a mowing fee, accrued interest collection charges, legal fees and expenses incurred by the corporation through collection efforts, enforcement of restrictions, or both. Only members in good standing may vote upon the affairs of, or serve as officers or directors of the corporation. Members are entitled to one vote per lot owned in the Subdivision. If any persons or entities own more than three lots in the entire Subdivision, their voting rights will be limited to a total of three votes. If any lot is owned in any part by more than one person or entity, all such persons and entities shall be members of the corporation, and the vote of such lot shall be exercised as the persons and entities among themselves determine, but in no event shall more than one vote be cast with respect to each lot, and the vote of any particular lot shall not be divided or “split” amongst the owners of the lot.

Section 4.03 Ownership of Partial Lots. Ownership of fractional portions of lots shall not entitle any owner to more than one (1) vote per continuous residential tract owned. Members owning fractional portions of lots (for example 1 ½ lots) shall be entitled to only one (1) vote per continuous tract owned.

Section 4.04. Proxy Voting. Voting by proxy is permitted.

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ARTICLE V

MEMBERSHIP MEETINGS

Section 5.01 Annual Meeting. An annual meeting of the membership shall be held in the month of October for the purpose of electing directors in accordance with the provisions of these Bylaws and for the transaction of other business as may come before the meeting.

Section 5.02. Special Meetings. Special meetings of the membership may be called by a majority of the Board of Directors or by written request made by any ten (10) members in good standing of the corporation. When such written request shall be presented to the President or, if the President is absent, to the Secretary, such officer shall immediately call such special meeting, and give notice pursuant to Article 5.04.

Section 5.03 Quorum. A quorum for any annual or special membership meeting shall be twenty (20) members in good standing. Quorums are to include the Board of Directors. Proxy votes can be counted toward the quorum.

Section 5.04 Notice. Written notice of the Annual Meeting or Special Meeting shall be mailed to each member, at least two (2) weeks prior to such meeting, by email (if provided by the Owner) or via First Class mail to the last known address of each member (if no email address has been provided). The notice shall include the purpose for which the meeting is called.

ARTICLE VI

BOARD OF DIRECTORS

Section 6.01 Directors. All the affairs of the Association shall be managed by five (5) Directors. To be eligible to serve as a Director, a person must be a full-time resident within the subdivision and a member in good standing of the Association.

Section 6.02 Election. The term for each Director shall be two (2) years. Two Directors shall be elected at the annual membership meeting held in odd-numbered years by a majority of those voting and shall have a term beginning in and ending in an odd-numbered year. Three Directors (3) shall be elected at the annual membership meeting held in even-numbered years by a majority of those voting and shall have a term beginning in and ending in an even-numbered year.

Section 6.03 Removal. Any Director elected or appointed may be removed by the Board of Directors for just cause at any time. For the purpose of such removal, just cause may include, but is not limited to, the absence of any Director from two consecutive regularly-scheduled meetings of the Board of Directors.

Section 6.04. Vacancy. If a vacancy occurs in the position of a Director, a majority of the Board of Directors shall appoint a person eligible to serve as a Director for the unexpired portion of the term. Such vacancy shall be filled at the next regular or Special Meeting of the Board of Directors following the occurrence of such vacancy.

Section 6.05. Powers. The Board of Directors shall be the governing body of the corporation with full rights and authority to determine policy, outline, plan, manage, administer, and carry into execution all business, activities, and policies, to enter into and execute all necessary agreements, and instruments incident thereto, in the name of the corporation, and shall constitute the representatives of the corporation. In addition to the foregoing powers, the Board of Directors shall be authorized to institute, as well as settle or compromise, in the name of the corporation, any necessary legal proceedings to carry into effect the purposes and policies of the corporation or to enforce, or prevent violations of, the covenants or restrictions applicable to said Subdivision, and to employ legal counsel in connection with any of the foregoing. The Board of Directors shall not borrow monies or make expenditures for any specific projects which exceeds \$5000, nor shall the amount

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of expenditures exceed \$25,000 during the fiscal year, unless prior *approval has been obtained at a regular or Special Meeting of the membership.

Section 6.06. Indemnification. Each director and officer of the corporation shall be indemnified by the corporation against any costs and expenses, including attorney's fees actually and necessarily incurred in connection with the defense of any civil, criminal, administrative or other claim, action, suit or proceeding in which he may become involved or with which he may be threatened, by reason of his being or having been a director or officer of the corporation, and against any payments in settlement of any such claim, action, suit or proceeding or in satisfaction of any related judgment, fine or penalty upon receipt by the corporation of an opinion of independent legal counsel that he acted in good faith and in manner he reasonably believed to be in or not opposed to the interests of the corporation, and in respect of any criminal action or proceeding, that he reasonably believed that his conduct was lawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of faith and in manner he reasonably believed to be in, or not opposed to, the best interest of the corporation, and in respect of any criminal action or proceeding, did not reasonably believe that his conduct was lawful. The foregoing indemnification shall continue as to a person who has created to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

The corporation shall purchase and maintain insurance on behalf of any person who is or was an officer or director of the corporation against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the preceding provisions of his article. Notwithstanding the provisions of the preceding paragraph, no person shall be entitled to indemnification pursuant thereto in relation to any matter as to which indemnification shall not be permitted by law.

**ARTICLE VII
OFFICERS**

Section 7.01 Officers Election. The officers of the corporation shall consist of a President, a Secretary, and a Treasurer. All such officers shall be elected at the Annual Meeting of the Board of Directors. If any office is not filled at such meeting, it may be filled at any subsequent regular or special meeting of the board. The Board of Directors at such meeting, or at any subsequent regular or special meeting may also elect or appoint such other officers and assistant officers and agents as may be deemed necessary. No person may hold two or more offices. No officer may serve in the same office for more than two consecutive terms. All officers shall be elected to serve until the next Annual Meeting of Directors or until their successors are elected.

Section 7.02 Removal. Any officer elected or appointed may be removed by the Board of Directors for just cause at any time. For the purpose of such removal, just cause may include, but is not limited to, the absence of any officer from two consecutive regularly-scheduled meetings of the Board of Directors.

Section 7.03 Vacancies. A vacancy occurring in the office of President, Secretary or Treasurer, shall be replaced or filled by the Board of Directors at the next regular or special meeting of the Board of Directors following the occurrence of such vacancy.

Section 7.04 Powers of Officers. Each officer shall have, subject to these Bylaws, in addition to the duties and powers specifically set forth herein, such powers and duties as are commonly incident to that office and such duties and powers as the Board of Directors shall from time to time designate. All officers shall perform their duties subject to the directions and under the supervision of the Board of Directors. The President may secure the fidelity of any and all officers by bond or otherwise.

Section 7.05 President. The President shall be the principal executive of the corporation and shall in general supervise all of the business and affairs of the corporation. The President shall preside at all meetings of the Association and of the Board of Directors, decide all questions of procedure, preserve order, and enforce the

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Bylaws. The President shall appoint all committees of the corporation and shall serve only as an ex-officio member of all committees. The President shall prepare an annual report and budget prior to the annual membership meeting. The budget shall be subject to review by the Board and, following the Board's approval; the President shall present such budget at the Annual Meeting. The President shall prepare a written agenda for each membership meeting and Board of Directors' meeting. The President shall perform such other duties as are customarily and commonly performed by a corporate president, as may be prescribed by the Board of Directors from time to time.

Section 7.06 Secretary. The Secretary shall keep a full and correct record of all proceedings of this Association and of the Board of Directors, and shall have charge of all records of the Association. The Secretary or other designated officer shall also receive all communications, conduct the correspondence, and shall mail (or email, if provided) all reports, bulletins, and notices, and shall keep a correct record of all the foregoing.

Section 7.07 Treasurer. The Treasurer shall receive all dues and funds belonging to the Association and shall give his receipt therefore, and shall deposit all such funds in the Bank designated by the Board of Directors. The Treasurer shall draw all checks on the Association's funds, which checks so drawn shall be signed and countersigned by any two (2) Officers of the Association. The Treasurer shall keep a full, and true, and correct record of all funds and of all financial transactions of the Association, and shall render a complete report thereof to the Association at its Annual Meeting, or more often as required by the President or the Board of Directors. In the performance of the aforesaid duties, the Treasurer may be assisted by a person employed by the Board of Directors or by a professional management company, which person/company shall be responsible to and under the direction of the Board of Directors but shall not be an officer or Director of the corporation.

**ARTICLE VIII
DIRECTORS MEETINGS**

Section 8.01 Annual and Regular Meetings. Quarterly meetings of the Board of Directors of the corporation shall be held during 2021 until at least June 2023 (when recently Approved Deed Restriction changes go into effect). The annual meeting shall be held in October or within one week after the annual membership meeting. The Quarterly meetings shall be held at the time and place designated by the President.

Section 8.02. Special Meetings. Special Meetings of the Board of Directors may be called by the President, or by any three Directors.

Section 8.03 Quorum. A majority of the members then constituting the Board of Directors of the corporation shall constitute a quorum for any meeting of the Board of Directors.

Section 8.04 Actions Without a Meeting. Notwithstanding any other provision of these Bylaws, any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if consent in writing, setting forth the action so taken, is signed by all members of the Board of Directors. Such consent shall have the same force and effect as a unanimous vote at a Board of Directors meeting.

Section 8.05 Notice. Notice of any meeting of the Board of Directors, which notice shall include the agenda of the meeting, may be given by mail, by telephone or in person, and shall be given not less than seventy-two (72) hours prior to such meeting. Such notice shall be given to the entire Board of Directors according to the records of the corporation. Notice of any meeting of the Board of Directors may be waived in a written instrument signed by each Director entitled to such notice; such waiver may be executed at any time. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a meeting is not properly called or convened in accordance with the terms of these Bylaws.

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**ARTICLE IX
COMMITTEES**

Section 9.01. Standing Committees. The President, as soon as possible after election to such office, shall recommend to the Board of Directors that the following specific standing committees be established or continued and that particular members be appointed to each standing committee:

Architectural Control Committee; Landscape Committee; Navigation Committee; Social Committee

For just cause, the Board of Directors may remove any member of a standing committee at any time.

Section 9.02. Additional Committees. In addition to the standing committees, the President may appoint such other committees from time to time as may be deemed advisable or necessary, the number of members and duties of such committees being within the discretion of the Board of Directors.

Section 9.03. Duties. The duties of all standing committees shall be such as are defined by the Board of Directors.

**ARTICLE X
AMENDMENT**

These Bylaws may be revised, changed or amended at any membership meeting, regular or special, by a majority vote of the members present who are in good standing. However, a copy of the proposed revision, change or amendment, together with notification of the time and place of the meeting at which same is to be considered shall be delivered or mailed/emailed to the residence (last known by Association) of each member in good standing, at least fourteen (14) days before the date of such meeting.

Dated:10-17-2020