

**BYLAWS OF  
NORTHSHORE ADDITION PROPERTY OWNERS ASSOCIATION  
SCROGGINS, FRANKLIN COUNTY, TEXAS  
CHARTER NO. 127561801**

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**ARTICLE 1.  
REGISTERED OFFICE AND AGENT**

Section 1.1.1 The registered office of Northshore Addition Property Owners Association (the "Association") shall be at Russell & Wootten, P.C., Post Office Box 1135, 204 West 7<sup>th</sup> Street, Mt. Pleasant, Texas 75456-1135.

Section 1.1.2 The name of the registered agent of the Association at such address is Kerry Wooten.

Section 1.2. The Association may also have offices at such other places both within and without the State of Texas, as the Board of Directors may, from time to time, determine or the business of the Association may require.

Section 1.3 The Board of Directors may change the location of the registered office and/or name of the registered agent at any time as determined solely by the Board and appropriately filed for the public record.

**ARTICLE II.  
BOARD OF DIRECTORS**

Section 2.1. The business and affairs of the Association shall be managed by its Board of Directors elected by and through its Members, and further provided that the actions of the Directors, who shall be Members of the Association, shall be limited to enforcing the Declaration of Covenants, Conditions, Reservations and Restrictions Pertaining to Northshore Addition, as filed in the Record of Franklin Country (herein, the "Covenants"), carrying out the approved actions and necessary expenditures contained in the budget adopted at the annual meeting and to address any emergency situation requiring immediate action to protect the property, safety or well being of the Association and Members, including but not limited to emergency events related to fire, flood or storm.

Section 2.2 Notwithstanding anything to the contrary herein, Directors shall be elected

by plurality vote, and each member, regardless of the number of lots owned, shall be entitled to cast one vote for each open Director position and is not allowed to cumulate votes by casting more than one vote per candidate. Members sharing ownership of any lot collectively share one vote, and no member will have more than one vote as a result of shared ownership. The candidates receiving the greatest number of votes shall be elected to the Board until all open Director positions are filled.

Section 2.3. The number of Directors shall be five (5). A minimum of (3) Directors are required to carry on the business of the Association. As of the effective date of these Bylaws: (i) Max Higgs was elected as a Director for an initial term of two years and shall also serve as President for an initial term of one year; (ii) Vic Clark was elected as a Director for an initial term of one year and shall also serve as Vice President; (iii) Vivian Fritz was elected as a Director for an initial term of one year and shall also serve as Secretary-Treasurer; Rick Cook and Tim Kennedy were elected as the remaining two Directors, and shall each serve an initial term of two years.

After the expiration of the initial terms, all Directors shall serve two year terms, so that the effect is to stagger the terms of the Directors as set forth above. In the event of a resignation or termination during the term of any Director, as provided herein or by law, the Board may appoint a member to serve in place of the resigning Director until the next annual meeting of the Association, unless the Members choose to hold a special election for a Director to complete the term. In the event of the resignation of the President, the Vice President shall act. In the event of the resignation of the President and Vice President, the Secretary-Treasurer shall act in the place of those Officers resigning until the next annual meeting or a majority of the remaining Directors may call a special meeting for the purpose of electing replacements to those resigning at the option of the Directors and Directors/Officers remaining.

Section 2.4. Each Director shall hold office for the term for which he or she is elected or until his or her successor shall be elected or until he or she is terminated as Director by a vote of Members. The Directors elected by membership concurrent with their approval of these Bylaws are as stated in Article 2.3 Directors will be elected, as needed, at the next annual meeting of the Association following the adoption of these Bylaws as provided herein per the provision in Section 2.3 for staggered terms of office.

Section 2.5. Voting among Directors requiring a majority or percentage of Directors consenting shall be by each Director having only one vote.



### **ARTICLE III. MEETING: PLACE, PURPOSE.**

Section 3.1. Meetings of the Board of Directors shall be held at the registered office of the Association or at such other place, within or without the State of Texas, as may be stated in the notice of meeting or in duly executed waiver of notice thereof.

Section 3.2. An annual meeting of the members of the Association for the purpose of election of successor directors, election of officers, and transacting such other business as may properly be brought before the meeting, shall be held at 2:00 O'clock P. M. on the second (2<sup>nd</sup>) Saturday in April, of each year, if such day is not a legal holiday in the State; if such day falls on a legal holiday, then the annual meeting shall be held at the same time on the next succeeding Saturday which is not a legal holiday in the State.

Section 3.3. Special meetings of the Board of Directors may be called by or at the request of the President or any Director. Notice of the call of a special meeting shall be in writing, shall specify the purpose for which the meeting is called and items to be discussed and delivered to each of the Directors not later than during the ten (10) days immediately preceding the day for which such a meeting is called. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, addressed to the Director at his/her address as it appears in the records of the Association, with postage prepaid.

Section 3.4. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the members of the Board of Directors. Such consent shall have the force and effect as a unanimous vote at a meeting, and may be stated as such in any document or instrument filed with the Secretary of State. There shall be no abstention of voting by the members of the Board of Directors unless the Board declares by a majority vote that a board member or members have a conflict of interest contrary to the matter considered to be voted upon at the Board of Directors' meeting.

### **ARTICLE IV. OFFICERS**

Section 4.1. Following the expiration of the initial terms of those elected as President, Vice President and Secretary/Treasurer, as set forth in Section 2.3 above, the officers of the Association shall be elected by the Directors from among the Directors and shall be a President, Vice President and Secretary-Treasurer. Each officer shall serve for a term of one year. The offices of the President and Secretary are not to be held by the same person.

Section 4.2. The Board of Directors may appoint such other officers and agents as it deems necessary. Such officers and agents shall be appointed for such terms, and shall exercise

such powers and perform such duties as the Board may determine as limited by Section 2.1.

Section 4.3. Any officer or agent elected or appointed by the Board of Directors, or member of any executive committee, may be removed at any time by the affirmative vote of a majority of the whole Board of Directors with or without cause. Such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment shall not, of itself, create any contract rights.

Section 4.4 The President shall be the chief executive officer of the Corporation, and subject to the discretion of the Board of Directors, shall supervise and control the business and affairs of the Association. The President shall preside at all meetings of the Board of Directors. The President shall see that all orders and resolutions of the Board of Directors are carried into effect, and shall perform such other duties as the Board of Directors may prescribe. The Vice President will carry on the duties of the President in the absence of the President and shall conduct and carry out such other duties as may be assigned from time to time by the President and/or Board of Directors.

Section 4.5. The Secretary shall attend all meetings of the Board of Directors. The Secretary shall keep a true and complete record of the proceedings, including all votes and Resolutions prepared at these meetings, in a book to be kept for that purpose. The Secretary shall be custodian of the records of the Association and its seal, and shall affix the same to documents, the execution of which is duly authorized. The Secretary shall give or cause to be given all notices required by law or these Bylaws. The Secretary shall also perform such other duties prescribed by the Board of Directors.

Section 4.6. The office of the Secretary shall be combined with that of the Treasurer so that the Treasurer shall have custody of the funds of the Association and securities, and shall keep full and accurate records and accounts of receipts and disbursements of the Association, and shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. The Board of Directors is empowered to appoint an assistant Secretary-Treasurer at a compensation rate to be determined by the Board.

Section 4.7. In the absence of the Secretary/Treasurer, an assistant Secretary/Treasurer, shall perform the duties of the Secretary/Treasurer.

Section 4.8. The President or Vice President shall co-sign all checks and contracts of obligation with the Secretary/Treasurer of the Association.

Section 4.9. The Board of Directors shall appoint an Audit Committee to review the books and financial records of the Association and to prepare a written report to the members of the Association at its annual meeting. The Audit Committee shall consist of three (3) persons of the Association not serving as Directors/Officers.



## **ARTICLE V. MISCELLANEOUS**

Section 5.1. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority as further limited by Section 2.1

Section 5.2. The fiscal year of the Association shall begin on the first day of January, in each year and shall end on the 31<sup>st</sup> day of December, of each year.

Section 5.3. No Corporate Seal is necessary since it is not required by the Articles of Incorporation.

## **ARTICLE VI. MEMBER VOTING AND ALTERATIONS/AMENDMENTS TO BYLAWS**

Section 6.1. The allocation of votes to individual Members (votes of Members) shall be as set forth in Article 1.08 of the Covenants. Determination of the number of votes held by Members in the aggregate and individually shall be consistent with Article 1.08. Prior to each meeting of the members where a vote is to take place, the Board of Directors, by majority vote, shall prepare and approve a list of voting members and the number of votes held by each Member.

Section 6.2. **Rules For General Business Meeting Agenda.** Except as provided in Sections 6.3.1 & 6.3.2, the quorum requirement for any meeting of the members of the Association shall be the presence by individual attendance, absentee ballot, written proxy, or electronic vote to the extent allowed by law, of 35% or more of the total votes held by all Members. With exception of the matters set forth in Sections 6.3.1 & 6.3.2, a simple majority of the votes cast by Members then represented shall be sufficient to carry on the business of the Association, provided that those items of business to be discussed and/or voted upon are forwarded with an Agenda in writing to each member at least 30 days in advance of such meeting. Each lot owner may name a person to act as proxy provided that person is a member of the Association. This proxy shall continue from year to year but shall be considered revoked in the event the member of the Association attends the annual meeting or specially called meeting in person, votes by absentee ballot or electronic vote, revokes the prior proxy by written notice, or sends in a new written proxy to replace the prior proxy. Proxy forms are available from the Secretary/Treasurer and also on the POA website.

Section 6.3.1 **Rules For Establishment of These Bylaws.** These Bylaws will become effective with the affirmative vote of 51% or more of its total Members by absentee ballot, written proxy, or electronic vote, or any combination thereof.

**Section 6.3.2 Rules For Changing Bylaws, Dues, & Assessments.** These Bylaws may be altered, amended, or repealed and membership dues may be changed and special assessments may be levied at any annual or special meeting of the members of the Association provided the notice of such events are given in writing and contained in the notice of such meeting at least 30 days in advance of the meeting. These events require an affirmative vote by individual attendance, absentee ballot, written proxy, or electronic vote, or any combination thereof of 66 2/3% of the total member votes for passage.

Section 6.4 By adoption of these Bylaws, the Boiler Cove Owners and their grantees, heirs, successors and assigns, as identified as such in the Agreement for Easement and Matters of Related Interest with the Northshore Homeowners Association dated May 27, 1998 for Boiler Cove Lots 1 through 8 inclusive, and June 23, 2000 for Boiler Cove Lots 11 and 12, as recorded in the Official Records of Franklin County, Texas, shall be extended the same rights and protections as Members, including but not limited to notice of and attendance at Association meetings, voting privileges and the ability to serve as a Director and hold office, to the extent their Boiler Cove property is not annexed or otherwise bound to the restrictive covenants of another homeowners association and the Owner has and intends to continue exercising member voting or office holding rights therein.

Section 6.5 The Bylaws are for the management and governance of the Association, and not intended to interpret, modify or supplement the Covenants. In any event of a conflict between the Covenants and these Bylaws, the terms, conditions and requirements of the Covenants shall supersede and prevail over those of the Bylaws.

Section 6.6 Members agree the Board must have reasonable confidence in proceeding with actions based on the authority granted by the governing documents of the Association and by the Members. Written notification of the results of voting by Members, which will take the form of meeting minutes, will be issued to Members to the extent addresses are registered by each Member with the Secretary/Treasurer. Members shall have 30 calendar days after the date of issuance of notification to give written notice to the Association of any dispute of a vote by Members, along with a statement of reasonable basis for that dispute. In the absence of a written notice of dispute to the Association within 30 calendar days, Members waive any and all rights to dispute the vote at a later date. In the giving of notice, Members agree to actively engage with the Association and pursue resolution of any dispute in a timely manner.

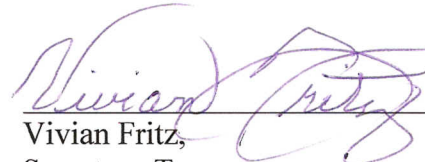
Section 6.7 Voting by written proxy or attendance at meetings shall be permitted for all voting by members. However, voting by absentee ballot or electronic vote for any specific voting of members shall be at the discretion of the Board of Directors. When applicable, notice of the opportunity to vote electronically or by absentee ballot, along with voting instructions and any necessary voting forms, will be issued to all members with other required meeting agenda and voting notices at least 30 days prior to the meeting in which the vote will be held.

These Bylaws were approved by absentee ballot or written proxy of 51% or more of the total votes held by all Members of the Association and concluded November 30, 2011, becoming the Bylaws of the Association from and after the effective date of April 30, 2011.


ADOPTED this the 30th day of November, 2011.

NORTHSHORE ADDITION  
PROPERTY OWNERS ASSOCIATION

By:

  
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Vivian Fritz,  
Secretary-Treasurer

ATTEST:

  
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Max J. Higgs /President