

# Amended By-Laws of the Marilyn Estates Association

Effective October 10, 2010 (Original Approved April 7, 1997)

## Article I. NAME

The name of the Organization shall be the Marilyn Estates Association, hereinafter referred to as the "Association."

## Article II. PURPOSE

Sec. 1-

The Association shall be a non-profit corporation organized under the laws of the State of Texas and the Texas Business Organizations Code and shall be operated for the benefit and welfare of the residents and property owners of various sections of Marilyn Estates, hereinafter collectively referred to as the "Subdivision." The Association shall have the responsibility of enforcing and actively maintaining the Deed Restrictions of said Subdivision.

Sec. 2-

These BY-LAWS govern the operations of the Association. The DEED RESTRICTIONS, which have the force of law and require mandatory compliance, define land-use – covenants, and restrictions.

## Article III. MEMBERSHIP

Sec. 1-

All property owners within the Subdivision, as reflected by the Deed Records of Harris County, Texas, are members of the Association, hereinafter referred to as "Members."

Sec. 2-

Only members in good standing shall be entitled to participate in the affairs of the Association or serve in any official capacity. "Good standing" is defined as being current on yearly fees or assessments or being current on a payment plan approved by the Association.

Sec. 3- Communications with Members:

- (a) It is the responsibility of the member, at all times, to provide the Association with a valid current means of communicating with the member. Failure to do so places the responsibility on the member for the contents of any communications that the Association elects to send. In the absence of written instructions requesting otherwise, communication will be by U.S. postage and will be presumed delivered, whether accepted or rejected. Alternative requested means of communication must be acceptable to the Association.
- (b) Communications between a member and the Association, at the written request of a member, may employ electronic means such as e-mail. Such instruction will include a written signed request together with the member's name, address, and e-mail address, if used. It will be the responsibility of the member to keep the Association apprised of any changes of electronic ad-

ressing. Such communication means will supersede any other method of communication specified herein.

## Article IV. DUES, FEES, AND ASSESSMENTS

The dues, fees, and/or assessments are specified in the Deed Restrictions.

## Article V. FISCAL YEAR

The fiscal year of the Association shall begin on January 1 of each calendar year and extend through December 31 of that year.

## Article VI. GOVERNING BODY - BOARD OF DIRECTORS

Sec. 1-

The Board of Directors, hereinafter referred to as the "Board", shall be the governing body of the Association. The Board shall establish and approve policies and budgets of the Association, grant or deny waivers or variances from the requirements of the Deed Restrictions, act as the final Board of Appeal concerning conflicts with decisions of the Architectural Committee, and shall establish signing authority for expenditures or authority to obligate expenditures for all Officers, Committees, and Official Entities of the Association.

Sec. 2-

The Board of Directors of the Association, comprised of twenty-six (26) Directors, shall consist of twenty (20) District Directors, one from each block in the Subdivision, as listed below, and six (6) at-large Directors (officers). The at-large Directors (President, Vice-President, Recording Secretary, Corresponding Secretary, Treasurer, and Parliamentarian) also constitute the Executive Committee (see next article) and each at-large Director/officer occupies the same office on the Board of Directors and the Executive Committee. No person shall hold more than one position on the Board of Directors at the same time.

Sec. 3-

For the purpose of the election of District Directors, the Subdivision shall be divided into twenty (20) districts, containing the street or streets as follows, to wit:

District No. 1	Lymbar	(5400 Block)
District No. 2	Lymbar	(5500 Block)
District No. 3	Cheena	(5400 Block)
District No. 4	Cheena	(5500 Block)
District No. 5	Wigton	(5400 Block)
District No. 6	Wigton	(5500 Block)
District No. 7	Yarwell	(5400 Block)
District No. 8	Yarwell	(5500 Block)
District No. 9	Dumfries	(5400 Block)
District No. 10	Dumfries	(5500 Block)
District No. 11	Valkeith	(5400 Block)
District No. 12	Valkeith	(5500 Block)

District No. 13	Rutherglenn	(5400 Block)
District No. 14	Rutherglenn	(5500 Block)
District No. 15	Queensloch	(5400 Block)
District No. 16	Queensloch	(5500 Block)
District No. 17	Paisley (5400 block) and Chimney Rock (9700 block)	
District No. 18	Braesmont, Kit, and Oasis (9700 blocks)	
District No. 19	Atwell (9700 block) and South Braeswood (5500 block)	
District No. 20	Burdine and Checkerboard (9700 blocks)	

Each district shall consist of the properties fronting upon the street or streets in that district, as shown on the recorded plat of the Subdivision.

**Sec. 4-**

Prior to the annual meeting of the membership of the Association, the members residing in each district shall elect one District Director who is a member residing in their district, and shall notify the Executive Committee in writing of such election. The term of office shall be one year and there shall be no limit on the number of successive terms of service. The District Director shall serve until his or her successor is elected or appointed. Before assuming office, each District Director will identify to the members in his/her district any potential conflicts of interest and agree to recuse themselves from any deliberations where such conflict exists.

Should there be a failure to elect a District Director by the time of the annual meeting of the membership, then such election shall be by the membership at such meeting and the person so elected shall be a resident of the District for which elected.

If a vacancy occurs in the position of a District Director, and the residents of that district fail to elect a successor in timely fashion, the Executive Committee shall appoint a successor residing in that District to serve the remainder of that term or until a successor is elected by the residents of that District.

A District Director from a block may be recalled and replaced at any time by a majority vote of the members of the Association living within that block. The Executive Committee must be notified in writing within seven (7) days of such election.

**Sec. 5-**

If a vacancy occurs in the position of an at-large Director, the Executive Committee shall appoint a replacement to fill the vacancy for the remainder of the term. The appointee may reside anywhere within the Subdivision.

**Sec. 6-**

Any Director may be removed from the Board, with or without cause, by a majority vote of the members in attendance at a meeting of the Board called for that purpose, with a quorum required. However, the residents of a District whose

District Director has been removed, may re-elect their District Director and thus supersede the action of the Board.

**Sec. 7-**

Written minutes and records of all the proceedings of the Board of Directors and the Executive Committee shall be kept by the Recording Secretary, or designee, all of which shall be open to inspection by members at all reasonable times. All action taken, plans and projects proposed or undertaken by the Executive Committee or the Board of Directors, including any actions which affect the finances of the Association, shall be reported to the membership at the next general or special meeting. At any such meeting, the full minutes of the Board of Directors or Executive Committee proceedings shall be read, if requested by any member in good standing.

**Sec. 8-**

Quorum: Majority of the twenty six (26) Board Positions: or Fourteen (14) Directors, of which at least eleven (11) District Directors and at least two of the at-large Directors of which the President or Vice President must be in attendance. In an emergency, at a meeting called for that purpose, at which neither the President or Vice-President is available, any other member of the Executive Committee may serve as the presiding officer.

**Sec. 9-**

No Director shall receive compensation for any service rendered to the Association, but may be reimbursed for reasonable expenses.

**Sec. 10-**

In the event of a disaster or catastrophe in which all or a majority of the at-large officers are no longer available to serve, the majority of the Board may establish an election by the membership to elect new officers to replace the missing ones.

**Article VII. OPERATING BODY - EXECUTIVE COMMITTEE**

**Sec. 1-**

The Executive Committee, a subset of the Board, shall manage and oversee the day-to-day operations of the Association. This Committee will have full rights and authority to implement policy, to carry out all business activities, to enter into and execute all necessary agreements and instruments incident thereto, in the name of the Association and shall constitute the representatives of the Association. With the approval of the Board, in addition to the foregoing powers, the Executive Committee shall be authorized to institute, as well as settle or compromise in the name of the Association or otherwise, any necessary legal proceedings to carry into effect the purposes and policies of the Association, or to enforce, or prevent violations of, the covenants or restrictions applicable to the Subdivision; and to employ legal counsel in connection with any of the foregoing. Being senior to the Executive Committee, the Board of Directors may confirm or deny any actions of the Executive Committee, and may undertake any actions that it deems the Executive Committee has failed to do.

Sec. 2-

The Executive Committee shall consist of the six (6) members of the Board elected at-large by the membership of the Association. The at-large Directors/Officers of this Association shall hold the following offices: President, Vice President, Recording Secretary, Corresponding Secretary, Treasurer, and Parliamentarian. The Immediate Past President will be included as a non-voting advisor to the Executive Committee.

Sec. 3

Each at-large Director (officer) shall be elected at the annual meeting by the members present, a quorum being required, and may serve in any of the six (6) positions to which he or she has been elected provided that he or she may not serve more than four (4) consecutive years as an at-large director. The term of office of each officer shall be for a period of one year and/or until his or her successor is elected or appointed. He or she will assume office immediately upon election or appointment.

Sec. 4-

Quorum: majority of the filled positions of the Executive Committee (50+ % )

Sec. 5-Vacancy: See Article VI Sec. 5

Sec. 6-Removal: See Article VI Sec. 6

Sec. 7-Meeting Minutes: See Article VI Sec. 7

### **Article VIII. DUTIES OF OFFICERS**

Sec. 1-

The President shall preside at all meetings of the Association, preserve order, enforce the By-Laws and exercise supervision of the Association's affairs generally. He or she shall decide all questions of procedure and order for the Association; shall preside at all meetings of the Executive Committee and the Board of Directors; shall, with the advice and consent of the Executive Committee, appoint all committees, unless otherwise provided for in these By-Laws, and shall be an ex-officio member of all such committees; and further, shall perform such other and additional duties as are customarily performed by such officer.

In the case of an Executive Committee meeting with a quorum present, as required to conduct business, and a vote is undertaken resulting in a tie, the issue, if it must be decided, will be referred to the Board for a decision. If a tie vote results at a Board meeting, the President, or the Vice-President, if the President cannot attend, is empowered with an additional vote to break the tie. The President or the Vice President is thus not denied his or her initial vote.

Sec. 2-

The Vice President shall assist the President in the discharge of his or her duties, and in the absence of the President, shall preside at all meetings of the Association and of the Executive Committee and the Board of Directors, and shall perform the duties of the President during the latter's

absence. Further, the Vice President shall perform any and all additional duties which may be delegated to him or her by the President, the Executive Committee, or the Board of Directors.

Sec. 3-

The Recording Secretary shall keep a full and correct record of all current proceedings of this Association, the Executive Committee, and of the Board of Directors, and shall have charge of all current records of the Association, except those to be maintained by the Corresponding Secretary and the Treasurer; and further, he or she shall perform such other additional duties as may be delegated to him or her by the President, the Executive Committee, or the Board of Directors.

Sec. 4-

The Corresponding Secretary shall receive all communications, conduct the correspondence, and shall mail or arrange delivery of all reports, bulletins and notices, keeping a correct record of all of the foregoing, further, he or she shall perform such other and additional duties as may be delegated to him or her by the President, the Executive Committee, or the Board of Directors.

Sec. 5-

(a) The Treasurer shall receive all dues and funds belonging to the Association, giving receipt therefore, and shall deposit all funds in financial institutions designated or approved by the Board of Directors; shall draw all checks on the Association's funds which shall be signed by the Treasurer and be countersigned by either the President or the Vice President except for amounts less than an amount established by the Board whereby alternate methods of payment, such as petty cash, may be authorized. The Treasurer shall keep a full, 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 as often as required by the Executive Committee or the Board of Directors. The Treasurer, responsible for all of the above, with Board approval, may chair a Finance Committee or supervise a contract management company, or both, which designee may carry out some or all of the financial requirements delineated above. The Treasurer, or a designee, shall maintain a list of members in good standing which list shall be available at all meetings. The Treasurer shall provide to the Board, at the close of the fiscal year, an Annual Audit which, at the discretion of the Board, may be by a Certified Public Accountant. The Treasurer will assist the incoming Administration in the preparation of a budget for approval when they take office. While the Treasurer may delegate authority, responsibility may not be delegated. The Treasurer will provide to the President or their designee a copy of the check register and each bank's monthly statement.

(b) The Treasurer will prepare and mail to each property owner an invoice for dues following approval of the budget by the Board of Directors and secure payment

thereof in accordance with the requirements of the Amended Deed Restrictions. Extended payment schedules negotiated with the Treasurer must be paid in full prior to December 31 of that fiscal year.

- (c) When the Treasurer receives a request from a title company or another closing entity concerning a change of title or a refinancing, to inquire whether there are any liens on the property or any monies owed, while responding to this inquiry, the Treasurer shall also notify the Deed Restriction Enforcement Committee of the pending activity to determine whether the property is in compliance with our Deed Restrictions. If in violation, this will be referred to the Executive Committee for action. Unless specifically asked, the closing entity will not be informed of possible deed restriction violation.
- (d) The Treasurer will maintain a complete and current set of financial records, will maintain those necessary to perform his/her duties, and will upon election or appointment of a new Treasurer transfer them as soon as possible to the new Treasurer. Financial records, when no longer needed by the Treasurer, will be conveyed to the Recording Secretary for disposition per Sec. 3- and Sec. 6- . The Treasurer may indicate which records are not necessary to retain.

#### Sec. 6-

The Parliamentarian shall mediate and advise on rules of order, By-laws, and Deed Restrictions at the request of the President, Executive Committee, or the Board of Directors; and he or she shall perform such other additional duties as may be delegated to him or her by the President, the Executive Committee, or the Board of Directors.

Except for current records of the Corresponding Secretary, the Recording Secretary, and the Treasurer, the Parliamentarian will keep all permanent records of the Association in a safe depository and control the access to the records. Control of access shall be conveyed to his or her successor. The Parliamentarian shall maintain a current inventory of all permanent records. The Parliamentarian shall conduct an annual audit of the permanent records which shall be witnessed by another member of the Executive Committee. Any member of the Association shall have access to the records and a dated and signed log must be maintained for persons accessing the records.

### **Article IX. MEETINGS**

#### Sec. 1- Membership Meetings

- (a) A regular meeting of the membership shall be held once per quarter, or more often if required.

A meeting in October of each year shall be designated as the annual meeting of the Association. The newly elected officers will begin their term of office immediately upon election.

- (b) Special meetings of the membership may be called by the President, the Board of Directors, any three (3) Directors, or upon the written request made by not less than ten per cent (10%) of the total membership and when such written request shall be presented to the President, or in his or her absence, the Vice President, such officer shall immediately schedule such special meeting.
- (c) Meeting Notice: The Corresponding Secretary shall give, or cause to be given, written notice containing the agenda and/or purpose of all regular and special meetings, to be received by the membership of the Association not less than ten (10) nor more than sixty (60) days prior to the date of the meeting, except in the case of a legitimate emergency where action appropriate to the emergency will apply. Notice by mail shall be considered to be given on the date notice is deposited in the United States mail with postage paid, in an envelope addressed to the person's address as it appears on the ownership or membership records of the Association. Notice transmitted by facsimile or electronic message is considered to be given when the facsimile or electronic message is transmitted to a facsimile number or an electronic message address provided by the person, or to which the person consents, for the purpose of receiving notice.
- (d) Social meetings or events of the membership are desirable and shall be held from time to time as may be determined by the Board of Directors or the membership.

#### Sec. 2- Quorum

A quorum, which is the minimum attendance to conduct business, shall be as follows:

- (a) Membership meetings: there shall be at least ten (10) members in good standing present, provided due notice of the meeting has been given per (c) above
- (b) Executive Committee meetings: there shall be at least four (4) officers in attendance.
- (c) Board of Director meetings: there shall be at least fourteen (14) directors in attendance, including at least four (4) officers.

#### Sec. 3- Board of Directors and Executive Committee Meetings

- (a) The Board of Directors will meet at least twice each year, once in the first quarter and once later, generally in the third quarter, but prior to the Annual Meeting, and at such other times as may be called by the President.
- (b) A regular meeting of the Executive Committee shall be held one week before scheduled membership meetings, at the time and place designated by the President.

- (c) Special meetings of the Board of Directors may be called by the President or in his or her absence, the Vice President or by any three (3) directors, such special meetings to be held at the time and place designated in the call and notice thereof, which notice shall be given to the directors not less than two (2) days before the date of such meeting.
- (d) Special meetings of the Executive Committee may be called by the President or in his or her absence, the Vice President, such special meeting to be held at the time and place designated in the call and notice thereof.
- (e) Meetings of the Executive Committee and the Board of Directors are generally limited in attendance to their respective members. Members of the Association that are not members of either body may be invited to attend or may request to attend specific proceedings, and this may be encouraged. However, it should be noted that the Association is a private corporation, not subject to the Open Meetings Act, and attendance at certain proceedings may be restricted, without recourse.
- (f) In the case of an emergency, where there is not time for a normal meeting notice, e-mail or hand delivery may be employed and response by members of the committee to the call may be by e-mail, telephone, other electronic means, or hand delivery.

#### Sec. 4- Budget Meeting

The incoming Executive Committee shall meet as soon as practical following their election to prepare a budget for the following year, which shall be presented to the Board for approval, and presented at the first general meeting of the year of the Association. The outgoing Executive Committee shall provide any help required to meet this objective. (See also Duties of Officers - Treasurer)

#### Sec. 5- Voting

- (a) The owner or owners of record, in good standing, of single or multiple lots in the Subdivision shall have votes on the basis of one vote per Lot owned, if all dues, fees, and assessments on each Lot shall have been paid, and are current. If more than one person or entity owns any single Lot, then the owners shall determine, among themselves, who shall be entitled to exercise the single vote for each Lot. In no event shall more than one vote be cast per Lot, and no fractional vote may be cast with respect to any Lot.
- (b) Voting at general and special meetings, whether by voice vote, show of hands, a standing vote, division of the house, or written ballot, shall be according to Robert's Rules of Order. Only those present at the meeting may vote. Fractional votes and proxies are not permitted.

Voting on substantive issues such as amending the By-Laws, or in compliance with the Deed Restrictions as

to raising the dues, approving a special assessment, approving purchase of property, contributing funds to any group that does not provide a specific product or service to the Association etc. shall be by ballots mailed to each property owner. For contributions or donations to charitable organizations in modest amount that would not rise to the level of substantive issues, see ARTICLE XVIII Financial Issues Section 5, Unbudgeted Expenses. Those ballots returned to the Corresponding Secretary within a specified time period of not less than 30 days, will be counted. A simple-majority vote will decide the outcome. Ballots shall be considered delivered to the member when deposited in the United States mail with postage paid in an envelope addressed to the person at the person's address as it appears on the ownership or membership records of the Association. See ARTICLE XIV, Sec 3- for the procedure.

### Article X. ELECTIONS

#### Sec. 1-

The Executive Committee shall appoint a Nominating Committee of three (3) members not less than ninety (90) days prior to the annual meeting of the membership each year. The membership of the Nominating Committee shall be published to the membership of the Association upon appointment.

No Executive Committee member shall be appointed to such Nominating Committee. The Nominating Committee so appointed shall select a slate of nominees for the elective offices of the Association and shall file a written report thereof with the members of the Executive Committee not less than twenty (20) days before the date of said annual meeting. The Nominating Committee may offer more than 1 candidate for any elective office.

#### Sec. 2-

Nominations for any or all offices in the Association may be made from the floor at the annual meeting by any member in good standing.

#### Sec. 3-

Prior consent shall be required of any prospective nominee before any qualified member shall be placed in nomination either by the Nominating Committee or from the floor. Prior consent is also required of any potential appointee, filling a vacancy. Each candidate shall affirm that they have recently read and understand the By-Laws of the Association and agree that they will comply with its provisions and will serve if elected or appointed.

#### Sec. 4-

The written notice of the annual meeting, which shall be given to the members as elsewhere provided in these By-Laws, shall include the slate of nominees recommended by the Nominating Committee.

#### Sec. 5- Annual Election Procedure

The election of at-large officers shall be held at the annual meeting by the membership. A current list of property own-

ers in good standing will be provided to the Recording Secretary by the Treasurer. The Recording Secretary will use the list to verify good-standing and indicate attendance of property owners at the annual meeting. Upon verification of good-standing, one sequentially numbered voting ballot will be given to one representative for each lot. Each lot will be allocated only one ballot so that each lot will have only one legitimate vote. Votes cannot be split or shared amongst multiple property owners or residents of a single lot, regardless of their attendance at the annual meeting. The design of the voting ballots and means of using the ballots (raised for a count, written and turned in, etc) will be determined by the Executive Committee, and carried out by the Recording Secretary and assisted by any Executive Committee member(s) to whom the President delegates the task. The written ballot will include the offices and names offered by the Nominating Committee together with space to add names of write-in candidates and nominations from the floor.

The candidate receiving a majority of the votes cast for that office will be declared elected. If a tie results amongst the top vote getters, or if a majority vote is not achieved, a second election with only the top vote getters may be held. If this also results in a tie, the existing Executive Committee officer not participating in that contested election, in the order of President, Vice-President, Treasurer, Recording Secretary, Corresponding Secretary, or Parliamentarian shall break the tie.

#### **Article XI. COMMITTEES**

Sec. 1- The President, as soon as possible after his or her election to such office, shall appoint the following standing committees, to wit:

- (1) Architectural Committee
- (2) Maintenance Committee
- (3) Security Committee
- (4) Deed Restriction /Enforcement Committee
- (5) Finance Committee, chaired by the Treasurer, optional, but recommended, see Duties of Officers – Treasurer
- (6) Communications – Newsletter, website, etc.

Sec. 2- In addition to the above named committees, such other and additional committees may be appointed from time to time by the President, or the Board of Directors, as same may be deemed advisable or necessary, the number of members and duties of such committees being within the discretion of the appointing authority.

Sec. 3- The duties of all standing committees shall be defined by the Board of Directors.

Sec. 4- Security Committee  
The chair of the Security Committee, in behalf of the Subdivision, shall be authorized by the Board, in compliance with the requirements of the Amended Deed Restrictions, to

contract with nearby subdivisions and a licensed police agency to provide Security Services for the Marilyn Estates Subdivision.

Sec. 5- The Corresponding Secretary shall also be an ex-officio member of the Communications Committee.

#### **Article XII. PROCEDURE - MEETINGS**

Sec. 1- The current Revised Edition of Robert's Rules of Order shall be authority for procedure in conducting all meetings of this Association and its Board of Directors, when not in conflict with the provisions of these By-Laws.

Sec. 2- The following shall be the general order of business for all meetings:

- (1) Registration of members and visitors in attendance. Confirmation of a quorum.
- (2) Roll call of officers and of directors at meetings of the Board of Directors.
- (3) Reading of minutes of preceding meeting
- (4) Introduction of visitors
- (5) Reports of committees
- (6) Old business
- (7) New business
- (8) General discussion

Note: The order of business is at the discretion of the Presiding Officer.

#### **Article XIII. APPEALING ARCHITECTURAL COMMITTEE DECISIONS**

Sec. 1- The first step in contesting an Architectural Committee Decision is to notify an Architectural Committee member and request a hearing which must be scheduled by the Committee within ten (10) days to render a decision.

Sec. 2- If not resolved per Sec. 1 above, the President is to be notified who must call a meeting of the Executive Committee within ten (10) days to hold a hearing as a First Board of Appeal to render a decision.

Sec. 3- If not resolved per Sec. 2 above, the President is to be notified who must call a meeting of the Board of Directors within fifteen (15) days to hold a hearing as a Final Board of Appeal to render a decision.

Sec. 4- If not resolved per Sec. 3 above, proceedings at law may be employed.

## Article XIV. AMENDMENTS

### Sec. 1 -

These By-Laws may be amended at any time by a simple majority vote of the property owners responding within a specified time to a mailed-out ballot. Ballots shall be considered delivered when deposited in the United States mail with postage paid in an envelope addressed to the person at the person's address as it appears on the ownership or membership records of the Association. The ballots mailed out to the property owners may be returned by mail to the permanent mailing address of the Association or may be delivered to any member of the Executive Committee. All ballots received within the specified time limit will be counted and a simple majority vote will prevail.

A request to amend the By-Laws may be submitted at any time by any member of the Association to any member of the Executive Committee. Unless urgent, the request will be considered at the next scheduled meeting of the Committee. The requester may be asked to consult with the Committee to assure that the intent of the proposed amendment is clearly stated and that any conflicts with any other provisions of the By-Laws are found and resolved.

Then a series of favoring and opposing statements may be prepared to clearly inform the membership of the Association of the need or implications of changing or not changing the By-Laws. The explanation must be complete and not presume prior knowledge.

The Executive Committee will establish a time to submit the proposed change to the membership and establish the time when ballots must be received to be counted. The Corresponding Secretary shall prepare the explanatory material and ballots, and mail them by the specified time. The time after mail-out of the ballots shall not be less than 30 days to receive and count the returned ballots. The closing date will be chosen not to be on a Sunday or a holiday when the Post Office is closed.

### Sec. 2-

The Recording Secretary will maintain a complete and up-to-date set of By-Laws with all revisions, dated, and in a reproducible form, available for reproduction and distribution. The Association will have the responsibility to distribute copies of all revisions or amendments of either the Deed Restrictions or the By-Laws to all the affected residents, including renters and lessees, and property owners in and of Marilyn Estates Subdivision.

### Sec. 3- Process for ballots submitted to property owners.

- (a) Precise language and format for the ballot must be approved by the Board of Directors.
- (b) The ballot will be mailed to each property owner of record in an individually addressed envelope. The design of the envelopes (mailing and return) shall be determined by the Executive Committee but shall be marked to indicate both the contents (e.g. "BALLOT

ENCLOSED") and their immediate importance (e.g. response deadline).

- (c) Contained within this envelope, will be a ballot that includes the issue(s), drafted in a manner that a person reading it can decide easily whether to support or oppose the issue, and with a place for the property owner's name and address: the vote must be personally identifiable in order to verify that the vote is from a property owner; account for each vote submitted; and restore lost votes. Additional explanatory material explaining both sides of the issues on a basis presuming no prior knowledge of the issue MAY be included. The envelopes mailed out, the return envelopes, and the ballots will be sequentially numbered, each "set" with the same number. Mailing of the ballots may not be combined with any other mailing such as dues invoices.
- (d) The Executive Committee will define a balloting procedure designed to secure, account for and retain received ballots; store received ballots (unopened) until the close of the balloting period; confirm retention of received ballots throughout the balloting period; verify accurate tallying of received votes; and ensure expedient publication of vote results to the membership. Such a procedure could include joint responsibilities by multiple Executive Committee members to encourage duplicity and reduce the potential for error. This may include the use of two lists of current property owners: one used to indicate initial receipt of ballots, the second to verify retention of received ballots and resulting votes therein.
- (e) The vote tally will be published on both the website and the next Marilyn Estates Messenger.
- (f) The ballots and vote tally will be retained as part of the permanent records of the Association.
- (g) Ballots postmarked after the closing date will be marked "late" and retained unopened for 6 months, after which they may be disposed of, or retained as part of the Association records as the Executive Committee decides.
- (h) Alternatively, the returned ballots may be addressed to a mutually acceptable third party, such as our attorney, to receive and to hold the returned ballots until the balloting period is over, and the Executive Committee meets to open and tabulate the results.

## Article XV. RECORDS

The Board of Directors will establish and maintain a safe repository for all Association records that must be maintained. These will include minutes of meetings, financial records, and revisions to Deed Restrictions or By-Laws, and/or any records that the Board shall determine that should be retained. Control of access and an annual inventory shall be the responsibility of the Parliamentarian.

## **Article XVI. PERMANENT ADDRESS**

The Association will establish, maintain, and publish a permanent address for mail and service. Until changed or replaced, the permanent address will be: P.O. Box 35144 Houston, Texas 77235.

## **Article XVII. BUDGETS AND TABLE OF SIGNING AUTHORITIES**

### **Sec. 1 -**

The Association functions throughout the year, yet meets for business only a minimum of four (4) times per year. Certain expenditures of various types and magnitudes will recur more often than 4 times per year. This requires certain officers, committees, or other official entities to be invested with the authority to conduct Association business on a continuing basis and to employ an appropriate degree of discretion in conducting these operations.

To provide appropriate guidance, the Executive Committee will prepare a Budget for Association operations to first be submitted for approval by the Board of Directors and then be presented at the next general meeting of the Association. The Budget will include funding for the Committees, annual expenditures that can be reasonably anticipated, building up reserve funds, and, together with the Security fee or assessment, will determine dues to be equally apportioned amongst the lots in the Subdivision. All items on the budget must be for the benefit of the Subdivision as a whole.

The Board of Directors, after approving the budget, will establish, maintain, or update a Table of Authorities. The Table will define the limits of discretionary authority for any individual officer, committee, or other official entity of the Association to authorize, obligate, approve, or expend funds of the Association. Also, it will define the next higher level of authority required if that limit must be exceeded. All expenditures and obligations to expend will be reported promptly in writing to the Treasurer so that the current financial status is always known.

While discretionary limits may be established for the President, Vice President, and Treasurer, any authorization to expend voted by the members of the Association will require the signature of the President or Vice-President and the Treasurer without limitation, provided the Association is in possession of sufficient funds to cover the obligation.

The Board of Directors may, in its discretion, as part of the Table of Authorities, authorize the Treasurer to expend funds for small amounts up to a defined limit either by the use of Petty Cash or by the use of single-signature checks. Amounts exceeding these limits will require two (2) signatures on the checks.

## **ARTICLE XVIII. FINANCIAL ISSUES**

### **Sec. 1- Compliance with Deed Restrictions**

Application of the following Sections will always be in com-

pliance with the spirit and intent of our Amended Deed Restrictions.

### **Sec. 2- Annual Dues**

The annual operating expenses, security fees, and any encumbrances applicable to the Subdivision as a whole, will be totaled, and apportioned equally amongst the lots in the Subdivision. The term "dues" will collectively include the above items.

### **Sec. 3- Reserve Fund**

The Association may establish and maintain a reserve fund to which interest, income, a budgeted annual contribution, and any excess of dues over expenses may be collected and which may be used for any lawful purpose which is only to maintain the interest of the Subdivision as a whole. Security fees, which may have to be paid at a time in the year before annual dues are invoiced and collected, may be paid in part or in whole from this fund but the security fee payment must be completely restored to the fund within 1 year from dues collected during this period as approved by the Board.

After a total amount of the reserve fund determined by the Board is reached, additional contributions may be set aside and used to defray in whole or in part the annual dues. This limiting amount may be changed by the Board at its discretion but shall not be used to reduce the reserve fund, only to apply to additional funds received above the limit.

**Sec. 4- Voting to Expend funds and Recording of the Vote**  
Any circumstance requiring a vote to expend unbudgeted Association funds must be recorded in the minutes of the Executive Committee or the Board of Directors, indicating those favoring and those opposing the expenditure and those absenting themselves.

### **Sec. 5- Unbudgeted Expenses**

The Executive Committee is not authorized to commit or expend unbudgeted expenses, nor is it authorized to commit or expend funds from reserves except as authorized in Section 6, next. The Executive Committee will include in the Budget an item for contingencies to address unanticipated expenses. Unbudgeted expenses payable solely from current annual dues receipts during the current fiscal year shall require approval of the Board. The Executive Committee may include within the budget a specific item such as "Donations" with a total amount generally not to exceed \$1000 to cover a variety of separate donations to charitable or non-profit entities deemed of direct or indirect interest to the entire subdivision.

### **Sec. 6- Disbursements from Reserves**

Disbursements from reserves, other than temporary borrowing to pay a security fee or assessment for the Association prior to receipt of sufficient dues per Section 3, above, such as legal expenses, requires approval from the Board of Directors.

### **Sec. 7- Borrowing**

Neither the Executive Committee nor the Board of Directors



is authorized to borrow funds or to make loans. Should any requirement develop to borrow funds, approval by a majority of the entire membership of the Association by mailed ballot is required.

Sec. 8- Marilyn Estates Recreation Association, a private organization not affiliated with the Marilyn Estates Association

Recognizing that the Marilyn Estates Recreation Association or its successor(s) is a private organization separate from, and independent of, the Marilyn Estates Association, and recognizing and re-iterating previous agreements, dating back to 2005, the Marilyn Estates Association affirms that it has no obligation or responsibility in any manner whatsoever to the Marilyn Estates Recreation Association. With the two exceptions of (1) renting or leasing the property for a few hours at a time for social purposes at the then prevailing same, reasonable rental or lease rates available to other organizations, or (2) of acquiring the entire right and title of properties and other assets of the Marilyn Estates Recreation Association, any conveyance by any means of funds or other assets of the Marilyn Estates Association to the Marilyn Estates Recreation Association is prohibited.

Subject to the above, neither the Executive Committee nor the Board of Directors has the authority on its own to authorize or convey any of the funds or assets of the Marilyn Estates Association to the Marilyn Estates Recreation Association. The authority for such action resides solely with an affirmative vote of a majority of property owners of the Marilyn Estates Subdivision.

Further, aside from these two exceptions, any Officer or Director of the Executive Committee or the Board of Directors of the Marilyn Estates Association whose favorable vote results in the conveyance of funds or assets of the Marilyn Estates Association to the Marilyn Estates Recreation Association becomes immediately personally liable to restore such funds or assets in like amount to the Marilyn Estates Association. Such votes must be recorded. Should a vote by a majority of the property owners of Marilyn Estates approve providing an annual contribution, other funding, or acquiring the entire right and title to the Marilyn Estates Recreation Association, then this section will become null and void.

If there is any conflict between the provisions of this section (ARTICLE XVIII Section 8) and those of any other portion of these By-Laws, the provisions of this section will prevail.

## Article XIX. LIABILITY

Sec. 1 -

The members of the Board of Directors shall be held blameless for all actions of the Board of Directors when taken in good faith and for the benefit of the Subdivision as a whole. The Association shall indemnify the members against any action for official acts of the Board.

Sec. 2-

Any issue, in which an officer may directly or indirectly personally benefit, will be construed as a conflict of interest and the officer must recuse themselves from any deliberations or votes. Participation in votes involving a conflict of interest renders the individual personally liable if their vote determines the outcome.

## Article XX. DISSOLUTION

Sec. 1 -

In the event that the Marilyn Estates Association is to be dissolved, this will require a written ballot as specified elsewhere in these By-Laws and a simple majority vote of approval of the property owners. After all legitimate obligations and claims have been paid, the Board of Directors may disburse any remaining funds by any one of the three following procedures:

- (1) Convey to a successor organization of like objectives for the benefit of the property owners of the Marilyn Estates Subdivision.  
- or -
- (2) Divide evenly according to the properties owned in the Subdivision, payable to the respective current owner(s), less, for each property, any unpaid dues, existing liens, or any other encumbrances to the Association.  
- or -
- (3) Convey to a non-profit entity constituted for the general benefit of a large group of citizens of the City of Houston or the County of Harris. Within the context of this requirement, entities such as the following illustrate the acceptable intent: City of Houston, Houston Independent School District, Harris County Hospital District, American Red Cross, United Fund, Food Bank, Jewish Community Center, etc.

Other than as specified above, in no event and under no circumstances can any funds be disbursed in any other manner.

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