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In the Office of the  
Secretary of State of Texas

OCT 5 1972

*Bill King*  
Director, Corporate Division

ARTICLES OF INCORPORATION  
OF  
SPANISH GRANT CIVIC ASSOCIATION

WE, the undersigned natural persons of the age of twenty-one ~~or~~ years  
or more, at least two of whom are citizens of the State of Texas, acting as incor-  
porators of a corporation under the Texas Non-Profit Corporation Act, do hereby  
adopt the following articles of incorporation for such corporation

ARTICLE I

The name of the Corporation is SPANISH GRANT CIVIC ASSOCIATION.

ARTICLE II

The Corporation is a non-profit corporation

ARTICLE III

The period of its duration is perpetual

ARTICLE IV

The purposes for which the Corporation is organized are To provide for  
maintenance, protection, health, safety, recreation and welfare of the homeowners  
and/or residents within said Spanish Grant Subdivision in Galveston, County, Texas,  
as more particularly described in a Plat recorded in the Map Records of Galveston  
County, Texas, reference to which record is hereby made for all purposes.

This Corporation is operated and organized exclusively for the purposes  
above described and other non-profit purposes and no part of any net earnings shall  
inure to the benefit of any private member or shareholder

ARTICLE V

The street address of the initial registered office of the Corporation is  
1300 Texas Avenue, Room 206, Houston, Texas 77002, and the name of its initial regis-  
tered agent at such address is T. D. Smith

ARTICLE VI

The number of trustees constituting the initial board of the corporation is  
three (3) and the names and addresses of such initial trustees are as follows:

- |                 |                |
|-----------------|----------------|
| James G. Kinser | Houston, Texas |
| Mary Lee Redden | Houston, Texas |
| T. D. Smith     | Houston, Texas |

EXHIBIT

" A "

ARTICLE VII

The name and street address of each incorporator is as follows

James G. Kinser	1300 Texas Avenue, Houston, Texas
Mary Lee Redden	1300 Texas Avenue, Houston, Texas
T. D. Smith	1300 Texas Avenue, Houston, Texas

ARTICLE VIII.

Each and every person, firm, corporation or other entity who may now or at any time hereafter be the record owner of any lot, or any fee interest therein, whether improved or unimproved, within the property now constituting or at any time hereafter added or annexed as a part of Spanish Grant Subdivision in Galveston County, Texas, shall automatically be a member of the association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership in the association shall be appurtenant to and may not be separated from membership of any lot. It shall be the duty and obligation of each member to notify the association in writing of his name, ownership and address so that the same may be recorded on the membership roll of the association.

WITNESS OUR RESPECTIVE SIGNATURES, this the 29<sup>th</sup> day of September, 1972.

James G. Kinser  
 JAMES G. KINSER

Mary Lee Redden  
 MARY LEE REDDEN

T. D. Smith  
 T. D. SMITH

THE STATE OF TEXAS    I  
 COUNTY OF Harris    I

BEFORE ME, the undersigned authority, on this day personally appeared James G. Kinser, Mary Lee Redden, and T. D. Smith, who, each being by me duly sworn, on oath stated that they are the persons who signed the foregoing document as incorporators, and that the statements therein contained are true

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 29<sup>th</sup> day of September, 1972.

Salvador G. Becerra  
 Notary Public in and for Harris County, Texas

## BY-LAWS

## SPANISH GRANT CIVIC ASSOCIATION

## ARTICLE I

NAME AND LOCATION. The name of the Corporation is SPANISH GRANT CIVIC ASSOCIATION, hereinafter referred to as the "Association". The principal office of the corporation shall be located in 1300 Texas Ave., Suite 206, but meetings of members and directors may be held at such places within the State of Texas, County of Harris, as may be designated by the Board of Directors.

## ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to SPANISH GRANT CIVIC ASSOCIATION, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area and commercial reserves excluded from the scope of the Restrictions.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of any obligation.

Section 6. "Declarant" shall mean and refer to SPANISH GRANT CIVIC ASSOCIATION, its successors and assigns if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.

Section 7. "Restrictions" shall mean and refer to the restrictions applicable to the Properties recorded in the Office of the County Clerk, Galveston County, Texas, and any amendments thereafter or such other restrictions created by additional properties dedicated to the subdivision.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Restrictions and Articles of Incorporation.

①

EXHIBIT  
"B"

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held on the 15th day of May, 1973, and subsequent meetings shall be held in Galveston in May at a time and place to be established by the Board of Directors in each succeeding year. (Per Annual Meeting 5/20/78)

Section 2. Special Meetings. Special Meetings of the members may be called at any time by the President or Board of Directors, or upon written request of the members who are entitled to vote one-fourth of all of the votes of the Class A membership.

Section 3. Notice of Meetings. No written notice will be required for the Annual Meetings of the members. Written notice of each Special Meeting of the members shall be given by the Secretary or person authorized to call the meeting. Notice shall be mailed, postage prepaid, at least 15 days before such meeting to each member entitled to vote. Notice shall be 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, date, hour, and purpose of the meeting.

Section 4. Quorum. The presence at the meeting of the members entitled to cast, or of proxies entitled to cast, one-third of the vote of the membership shall constitute a quorum for any action, except as otherwise provided in the Articles of Incorporation, Restrictions or these By-Laws. If, however, a quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time without notice of other than an announcement at the meeting until a quorum shall be present or represented.

Section 5. Proxies. At all meetings, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION AND TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of Five (5) Directors, who need not be members of the Association.

Section 2. Term of Office. At the first annual meeting and at each annual meeting thereafter, the members shall elect five directors for a term of one year.

Section 3. 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 the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association.

Section 5. 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 and consent 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 AND ELECTION OF DIRECTORS

Section 1. 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. Such nominations may be made from among members or non-members.

Section 2. 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 Articles of Incorporation and Restrictions. The persons receiving the largest number of votes shall be elected.

## ARTICLE VI

### MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly without notice, at such place and hour as may be fixed from time to time by 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.

Section 2. 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.

Section 3. 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 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, AND RESTRICTIONS OF THE BOARD OF DIRECTORS (5/79)

Section 1. Powers. The Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for infractions thereof;
- (b) 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 Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infractions of published rules and regulations;
- (c) 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 By-Laws or the Articles of Incorporation or the Restrictions;
- (d) 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
- (e) employ a manager, and independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) 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 a majority of the members who are entitled to vote;
- (b) supervise all officers, agents and employees of this Association, and see that their duties are properly performed;
- (c) as more fully provided in the Restrictions, to:
  - (1) fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period;
  - (2) send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period;
  - (3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after the due date or to bring an action at law against the owner personally obligated to pay the same, if in the judgement of the Association it is necessary;

(d) issue, or to 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 before the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) to procure and maintain adequate liability and hazard insurance on the property owned by the Association;

(f) to cause all officers or employees having fiscal responsibilities to be bonded, as the Board may deem appropriate;

(g) to cause the Common Area to be maintained; and

(h) to cause the exterior of the dwellings and landscaping viewable from the public street to be maintained.

Section 3. Restrictions. (5/79) The Board of Directors are restricted from:

(a) spending funds on any one project totaling to more than sixty (60) percent of the cash possessed by the Association on January 1 of the year in which they take office. If any project planned by the Board is expected to exceed this limitation then the Board will need approval of a majority of the voting membership;

(b) purchasing any real property in the name of the Association without the approval of a majority of the voting membership; and

(c) signing in the name of the Association any commercial paper placing the Association in debt without the approval of a majority of the voting membership.

## ARTICLE VIII

### OFFICERS AND THEIR DUTIES

Section 1. 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, a Treasurer, and such other officers as the Board, from time to time, by resolution create.

Section 2. 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.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, be removed, or otherwise be disqualified to serve.

Section 4. 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.

Section 5. Resignation and 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 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.

Section 6. 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.

Section 7. 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 Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) 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.

Vice President

(b) The vice president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) 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 upon the minutes of the meetings of the Board of Directors and members and upon all other papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate records showing the members of the Association together with their addresses; and perform such other duties as required by the Board.



Treasurer

(d) 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 a report of the Association's 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 presented to the membership at its regular annual meeting. Copies of these documents shall be available for purchase at a reasonable cost.

## ARTICLE IX

COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Restrictions, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes.

## ARTICLE X

BOOKS AND 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 Articles of Incorporation, By-Laws of the Association, and Restrictive Covenants shall be available for inspection by any member at the principal office of the Association where copies may be purchased at a reasonable cost.

## ARTICLE XI

REMEDIES FOR NON-PAYMENT OF ASSESSMENT

As more fully provided in the Restrictions 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 thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 10 percent (10%) 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 shall have a seal in circular form having within its circumference the words: SPANISH GRANT CIVIC ASSOCIATION

## ARTICLE XIII

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a majority of the votes of a quorum of voters present in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Restrictions and these By-Laws, the Restrictions shall control.

## ARTICLE XIV

FISCAL YEAR

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.

## ARTICLE XV

In the event that the Association pays water and sewer charges for the owners and prorates each owner's portion of the total fee, such fees collected for this purpose shall not be comingled with other funds.

FILED AND RECORDED  
OFFICIAL PUBLIC RECORDS OF REAL PROPERTY

*Patricia Ritchie*

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DETABL\_R \$31.00  
Patricia Ritchie, COUNTY CLERK  
GALVESTON, TEXAS