

**2017 AMENDED BY-LAWS OF
FRIO CANYON ESTATES ASSOCIATION, INC.**

ARTICLE 1 - NAME AND OFFICE

1. Name. The name of the corporation is FRIO CANYON ESTATES ASSOCIATION, INC., hereinafter referred to as the “Association.”
2. Principal Office. The principal office of the Association shall be located in or near Concan, Uvalde County, Texas. The Association may have such other offices within the State of Texas as the Board of Directors may determine or as the affairs of the Association may require from time to time.
3. Registered Office; Registered Agent. The Association shall have and continuously maintain in the State of Texas a registered office and a registered agent whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be, identical with the principal office of the Association. The Board of Directors may change the address of the registered office of the Association from time to time.
4. Purpose of Association. In addition to the purposes set forth in the Articles of Incorporation and/or Certificate of Formation for the Association, the purposes for which the Association is organized, subject to any Texas law providing otherwise, are:
 - (a) To be a property owners association as defined by the Texas Property Code, and shall discharge the duties and obligations of a property owners association in interpreting and enforcing the Restrictions applicable to the Subdivision, according to the plats of said subdivision recorded in the Map Records of the County Clerk; and the entire income and principal of the endowment and assets of this corporation shall be held and distributed solely for such purposes, except for the modest amount needed for the expenses of administration of this corporation in order to effectuate the said purposes; and the making of distributions to organizations having the same purpose qualifying as exempt organizations under Section 501 (c) (3) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue law);
 - (b) To promote the safety, welfare and enjoyment of the residents of and owners of property within the Subdivision;
 - (c) To the extent authorized by the Restrictions, to compute, assess, collect and enforce the payment of all charges to which the property within the Subdivision is subjected or may be subjected hereby and/or under or by virtue of any reservations, restrictions and covenants applicable to the Subdivision on file in the Official Records of the County Clerk;
 - (d) To operate, maintain, supervise and protect all areas and facilities owned by or conveyed to the corporation from time to time for the common use of its members,

and to install or construct improvements upon such areas and facilities;

(e) To the extent authorized by the Restrictions, to approve or disapprove plans, specifications and elevations for any building, structure or improvement and for any structural alterations or additions, or other alterations or additions affecting exterior appearance, in or to any building, fence, structure or other improvement within the Subdivision, and to establish design and construction criteria and requirements in connection therewith;

(f) To exercise and perform any and all other rights, powers, duties and remedies granted to or imposed upon the corporation by the Restrictions, by any easement granted to the corporation, or by any other instrument granted to or for the benefit of the corporation; and

(g) To do or cause to be done all things and acts permitted by the laws of the State of Texas incident to, necessary, or proper to carry out the purposes for which non-profit corporations may be formed and to have all the powers enumerated in the Texas Property Code for property owners associations and in the Texas Business Organizations Code for non-profit corporations, including but not limited to for any lawful purpose or purposes not expressly prohibited under chapters 2 or 22 of the Texas Business Organizations Code, including any purpose described by section 2.002 of the Code.

5. Texas Tax Code Statement. Pursuant to Texas Tax Code Section 171.082, and in extension of and not limitation of the purposes set forth in the Certificate of Formation for the Corporation, (1) the corporation is organized and operated primarily to obtain, manage, construct, and maintain the property in or of a residential condominium or residential real estate development; and (2) the owners of individual lots, residences, or residential units control at least 51 percent of the votes of the corporation and that voting control, however acquired, is not held by: (A) a single individual or family; or (B) one or more developers, declarants, banks, investors, or other similar parties;
6. Limitations on Distributions and Activities. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its members, Directors, Officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in the furtherance of the purposes set forth in Article Four hereof. No substantial part of the activities of the corporation shall be the carrying on of propaganda or otherwise attempting to influence Legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provisions of these Articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by an organization exempt from Federal Income Tax under Section 501 (c) (3) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue law) or (b) by an organization, contributions to which are deductible under Section 170 of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue law).

7. Mortgage of Association Properties. The Association shall have power to mortgage its properties with the assent of two-thirds of the votes of the Members who are voting in person or by proxy at a meeting called for such purpose, written notice of which shall be mailed to all Members as least thirty (30) days in advance and shall set forth the purpose of the meeting.

ARTICLE 2 – DEFINITIONS

1. Association. “Association” shall mean and refer to the FRIO CANYON ESTATES ASSOCIATION, INC., a non profit corporation organized under the laws of Texas, its successors and assigns.
2. Board of Directors. “Board of Directors” shall refer to the board of directors elected by the members of the Association.
3. Common Area. “Common Area” means all property owned by the Association for the common use and benefit of the Owners, together with any improvements thereon, including but not limited to the land designated as “Reserve Area” on the map or plat of Frio Canyon Estates filed of record in Volume 3, Page 91 of the Map Records of Uvalde County, Texas, as currently existing or as subsequently amended, revised or restated. “Common Area” shall mean all property shown or designated on the Plat for the common use and benefit of the Owners, together with any improvements thereon, including but not limited to the land designated as “Reserve Area” on the Plat and the roads shown on the Plat or any replat. “Common Area” includes the Frio Canyon Estates River Access Area, approximately 6.5 acres of land located approximately one-half (½) mile south of the Subdivision.
4. County Clerk. “County Clerk” shall mean the County Clerk of Uvalde County, Texas.
5. Declarations and/or Restrictions. “Declaration” means and refers to the instrument entitled “Restrictions Governing The Use Of And Construction Of improvements In Frio Canyon Estates Unit #1” dated August 26, 1981, filed of record at Book 237, Page 164 of the Deed Records of Uvalde County, Texas, as such instrument currently exists or as subsequently amended, revised or restated.
6. Dedictory Instrument. “Dedictory Instrument” shall mean each instrument governing the establishment, maintenance, and operation of the FRIO CANYON ESTATES ASSOCIATION, INC., and includes a declaration or similar instrument subjecting real property to restrictive covenants, certificate of formation, bylaws, or similar instruments governing the administration or operation of a property owners association, to properly adopted rules and regulations of the property owners' association, or to all lawful amendments to the covenants, bylaws, instruments, rules, or regulations, including but not limited to those identified above under “Declaration”. Dedictory Instrument further shall mean the Articles of Incorporation (now known as Certificate of Formation), Bylaws, and other rules, regulations, and resolutions filed of record with the County Clerk.

7. Directors. “Directors” shall mean and refer to any duly elected or appointed member of the Board of Directors.
8. Electronic ballot. “Electronic ballot” means a ballot: (a) given by: (1) e-mail; (2) facsimile; or (3) posting on an Internet website; (b) for which the identity of the property owner submitting the ballot can be confirmed; and (c) for which the property owner may receive a receipt of the electronic transmission and receipt of the owner’s ballot. (Source: Section 209.00592 (d), Texas Property Code).
9. Lot. “Lot” means and refers to each numbered tract or lot shown or designated on the Plat, including any additional lot(s) shown or designated upon any subsequent replat of Frio Canyon Estates and/or of any lot shown on the Plat.
10. Maintenance Charge. “Maintenance Charge” shall mean the periodic charge collected by the Association, (also known as maintenance fee) for each Lot in the Subdivision for the purpose of maintaining and improving the Subdivision.
11. Maintenance Fund. “Maintenance Fund” shall mean the amounts collected from time to time by the Association, upon payment of Maintenance Charges by the Owners.
12. Member. “Member” means and refers to those persons entitled to membership in the Association.
13. Owner. “Owner” means and refers to the record owner, whether on or more persons or entities, of the fee simple title to any Lot, including contract seller(s), but excluding those persons or entities having such interest merely as security for the performance of an obligation.
14. Plat. “Plat” means and refers to that certain map or plat of Frio Canyon Estates, a subdivision in Uvalde County, Texas, according to the map or plat of said subdivision filed of record in Volume 3, Page 91 of the Map Records of Uvalde County, Texas, as currently existing or as subsequently amended, revised or restated.
15. Record Date. “Record Date” shall be the business date preceding the date on which notice any annual or special meeting is mailed.
16. Regular Assessment. “Regular Assessment” and/or “Annual Charge” shall mean the annual amount that each owner of property within a residential subdivision is required to pay to the Association, which is designated for use by the Association for the benefit of the property owners of the Subdivision, as provided by the Restrictions, and include maintenance charges and maintenance fees.
17. Special Assessment. “Special Assessment” shall mean any fee and/or due, other than a regular assessment, that each Member is required to pay to the Association, as established

by the Members at an annual or special meeting of the members of the Association at which a quorum is present and at which at least thirty (30) days notice is given of the intent to establish a Special Assessment and which action of the Members authorizes the Association to charge for:

- (a) Defraying, in whole or in part, the cost, whether incurred before or after the assessment, of any construction or reconstruction, repair, or replacement of a capital improvement in the Common Areas owned by the Association, including the necessary fixtures and personal property related to such Common Areas, to the extent such expense is not sufficiently provided for with Regular Assessment funds;
- (b) Maintenance and improvement of Common Areas owned by the Association; and/or
- (c) Such other purposes of the property owners' association as stated in the Association's Certificate of Formation or the dedicatory instrument for the Subdivision.

18. Subdivision. "Subdivision" shall mean the Frio Canyon Estates Subdivision, Uvalde County, Texas, as shown on the respective Plats on file with the County Clerk's office.
19. Other terms and phrases as used herein shall have the same meaning as in the Declaration.

ARTICLE 3 - MEMBERS AND VOTING RIGHTS

1. Members. Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot shall be a member of the Association. The foregoing is not intended to include persons or entities that hold an interest merely as security for the performance of an obligation. Ownership of such Lot shall be the sole qualification for membership. Membership shall be appurtenant to and may not be separated from ownership of a Lot.
2. Voting Rights. The Association shall have one class of voting membership. Each Owner of a Lot shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such interest-holders shall be Members and the vote for such Lot shall be exercised as such interest-holders determine; provided, however, that in no event shall more than one vote be cast with respect to any one Lot. Holders of future interests not entitled to present possession shall not be considered as Owners for the purposes of voting hereunder.
3. Combined Lots. Notwithstanding the above, an Owner of two (2) or more Lots may elect to combine all such Lots into one "Lot" (herein sometimes call a "Combined Lot") for the purpose of voting rights and assessments under the Declaration. Election shall be made by written request to the Association, with proof of ownership to each adjoining Lot in the name of Owner. Once accepted by the Association, the Combined Lot thereafter shall be limited to one vote and shall be subject to assessment as if the Combined Lot was only one (1) Lot. Thereafter, should one or more Lots comprising such Combined Lot be transferred to another Owner, the status of the transferred Lot(s) and other Lot(s) for voting and assessments thereafter will cease to be a Combined Lot. If a Combined Lot is created, the change in

voting rights and assessment obligations to a Combined Lot basis shall not become effective until January 1 of the calendar year following acceptance by the Association.

4. Membership Rights Dependent on being in Good Standing. Subject to any Texas law to the contrary, the rights of membership are subject to the payment of assessments and special assessments required by the Restrictions and/or as may be levied by the Association. The obligation of payments thereof is imposed against each Owner and becomes a lien upon the property against which such assessments are made as provided in the Restrictions.
5. Suspension of Membership Rights. Except as otherwise provided by Texas law, the membership rights of any person whose interest in the Subdivision is subject to assessments under the Restrictions may be suspended by action of the Board of Directors during the period when the assessments remain unpaid; but, upon payment of such assessments, such member's rights and privileges shall be automatically restored.
6. Voting Rights of Members. Subject to the provisions of Section 209.0059, Texas Property Code, a property owner has the right to vote on election of board members or any matter concerning the rights or responsibilities of the owner, regardless of whether or not the property owner is current on his/her maintenance fees.
7. Right to use Common Area. Each Member shall be entitled to the use and enjoyment of the Common Area, subject to the Restrictions and any rules and regulations governing the use of the Common Area.
8. Delegation of Rights of Enjoyment. Any member's right of enjoyment in the Common Area may be delegated to the members of his/her family who reside in the Subdivision and such guests as are allowed by any rules and regulations of the Association concerning such rights of enjoyment. Such Member shall notify the Secretary in writing of the name of any such person and of the relationship of the Member to such person. The rights and privileges of such person are subject to suspension as provided for by these Bylaws, to the same extent as those of the Member.

ARTICLE 4 – MEETING OF MEMBERS

1. Annual Meeting. The annual meeting of the Members shall be held between May 15 and June 21 for the purpose of electing Directors and for the transaction of other business as may come before the meeting. If the day fixed for the annual meeting shall be on a legal holiday in the State of Texas, such meeting shall be held on the next succeeding business day. If the election of Directors shall not be held on the day designated herein for any annual meeting, or any adjournment thereof, the Board of Directors shall cause the election to be held at a Special meeting of the Members as soon thereafter as possible.

2. Special Meetings. The President, the Board of Directors, or by any two (2) or more Members of the Board of Directors , or upon written request of the Members who have a right to vote one-tenth (1/10th) of all of the votes of the entire membership may call a special meeting of the Members.
3. Place of Meeting. The Board of Directors designates the pavilion at the River Park, or any suitable place in Uvalde County or Real County, Texas, as the place of meeting for any annual or special meeting of the Members. If no designation is made or if a special meeting is otherwise called, the place of meeting shall be the registered office of the Association in the State of Texas; but if all of the Members shall meet at any time and place, either within or without the State, and consent to the holding of a meeting, such meeting shall be valid without call or notice and any corporate action may be taken at such meeting.
4. Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of Members shall be delivered, either personally or by mail, to include electronic mail, to each Member entitled to vote at such meeting, not less than ten (10) nor more than sixty (60) days before the date of such meeting, by or at the direction of the President, the Secretary, or the persons calling the meeting. In case of a special meeting or when required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his or her address as it appears on the records of the Association, with postage thereon prepaid.
5. Type of Notice. Whenever under the provisions of the statute, the Articles of Incorporation, these Bylaws or the Restrictions, notice is required to be given to any Directors or Member and no provision is made as to how such notice shall be given, it shall not be construed to mean personal notice, but any such notice may be given in writing, electronic message (i.e. e-mail), by mail, postage prepaid, addressed to such Directors or Member at such address as appears on the records of the Association. Any notice required or permitted to be given by mail shall be deemed to be given at the time the same is deposited in the United States mail as aforesaid.
6. Waiver of Notice. Whenever any notice is required to be given to any Member or Directors of the Association under the provisions of any applicable statute, the Articles of Incorporation, these Bylaws of the Restrictions, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated in such notice, shall be deemed equivalent to the giving of such notice. Attendance at a meeting shall constitute a waiver of notice, except where the person attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.
7. Member Contact Information. Each member shall register his address with the secretary, and notices of meetings, regular or special, shall be mailed to him at such address. It is the responsibility of the Member to provide the Association with current mailing and email

addresses, and the Association assumes no responsibility should any notices not be received by the Member provided that the Association forwards such notice to the address provided the Association by the Member.

8. Notice by e-mail. Any Member may request that notice be transmitted electronically by providing the Association's Secretary a valid e-mail address. Upon providing such e-mail address the Association may transmit any and all notices to such member at such e-mail address. Members are encouraged to provide an e-mail address to help reduce the operational cost of postage and mail-out required by these Bylaws and Texas Law.
9. Quorum. The presence at a meeting of Members entitled to cast, or of proxies entitled to cast, twenty-five percent (25%) of the votes of Membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote at such meeting shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.
10. Action Required. At a meeting at which a quorum is present, the vote of the majority of the members in person or represented by proxy shall decide any question brought before the meeting, unless the question is one upon which the vote of a greater number is required by law, the Articles of Incorporation, or these Bylaws. The members present or represented at a meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.
11. Failure to Hold Annual Meeting. The following Bylaw is intended to comply with Section 209.014, Texas Property Code.
 1. In the event the Board of Directors does not call an annual meeting of the association members, an owner may demand that a meeting of the association members be called not later than the 30th day after the date of the owner's demand.
 2. The owner's demand must be made in writing and sent by certified mail, return receipt requested, to the registered agent of the property owners' association and to the association at the address for the association according to the most recently filed management certificate. A copy of the notice must be sent to each property owner who is a member of the association.
 3. If the board does not call a meeting of the members of the property owners' association on or before the 30th day after the date of a demand under Subsection (b), three or more owners may form an election committee. The election committee shall file written notice of the committee's formation with the county clerk of each county in which the subdivision is located.
 4. A notice filed by an election committee must contain:
 - (1) A statement that an election committee has been formed to call a meeting of owners who are members of the property owners' association for the sole purpose of electing board members;

- (2) the name and residential address of each committee member; and
- (3) the name of the subdivision over which the property owners' association has jurisdiction under a dedicatory instrument.
- (e) Each committee member must sign and acknowledge the notice before a notary or other official authorized to take acknowledgments.
- (f) The county clerk shall enter on the notice the date the notice is filed and record the notice in the county's real property records.
- (g) Only one committee in a subdivision may operate under this section at one time. If more than one committee in a subdivision files a notice, the first committee that files a notice, after having complied with all other requirements of this section, is the committee with the power to act under this section. A committee that does not hold or conduct a successful election within four months after the date the notice is filed with the county clerk is dissolved by operation of law. An election held or conducted by a dissolved committee is ineffective for any purpose under this section.
- (i) The election committee may call meetings of the owners who are members of the property owners' association for the sole purpose of electing board members. Notice, quorum, and voting provisions contained in the bylaws of the property owners' association apply to any meeting called by the election committee. (Source: Section 209.014, Texas Property Code).

12. Ballots.

- (a) Any vote cast in an election or vote by a member of a property owners' association must be in writing and signed by the member or by the member's proxy.
- (b) Electronic votes cast as provided by these Bylaws (required under Section 209.00593, Texas Property Code), constitute written and signed ballots.
- (c) In an association-wide election, written and signed ballots are not required for uncontested races. (Source: Section 209.0058, Texas Property Code).
- (d) When ballots are used, the ballot shall be printed, and shall clearly describe the office, position, or vacancies for which the candidates are running, and the names of the candidates to be voted upon. No ballot will be considered which is not received at the office of the Association prior to seven o'clock p.m. of the election day. Ballots received by said time, either by mail or in person, shall be counted, subject to voter and candidate eligibility; all other ballots shall be declared void. Election to the Board of Directors shall be written ballot; the ballots shall show the name of the member voting and the number of lots to be voted. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to cast under the provisions of these Bylaws. The person receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted. If any director position is uncontested, a ballot is not required and the director is automatically elected to the position in question.

13. Number of Votes. Every member shall have the right to cast one (1) vote for each Lot in the Subdivision in which they hold the interest required for membership by these Restrictions notwithstanding cumulative lots. Either the husband, wife, or bona fide head of the

household may cast the vote(s) to which the Member is entitled to vote. Proxy votes may be cast pursuant to the provisions concerning same delineated in these Bylaws.

14. Record Date. For the purpose of determining members entitled to notice or to vote at any meeting of the members or any adjournment thereof, the Record Date shall be the business date preceding the date on which notice of the meeting is mailed. (Source: Section 6.101, Texas Business Organizations Code).
15. Voting by in Person or by Proxy. Subject to the provisions of Section 209.00592, Texas Property Code, the voting rights of a member may be cast or given:
 - (a) in person or by proxy at a meeting of the property owners' association;
 2. by absentee ballot in accordance with these Bylaws;
 3. by electronic ballot in accordance with these Bylaws; or
 4. by any method of representative or delegated voting provided by a dedicatory instrument. (Source: Section 209.00592 (a), Texas Property Code).
16. Absentee or electronic ballot. An absentee or electronic ballot:
 1. may be counted as an owner present and voting for the purpose of establishing a quorum only for items appearing on the ballot;
 2. may not be counted, even if properly delivered, if the owner attends any meeting to vote in person, so that any vote cast at a meeting by a property owner supersedes any vote submitted by absentee or electronic ballot previously submitted for that proposal; and
 3. may not be counted on the final vote of a proposal if the motion was amended at the meeting to be different from the exact language on the absentee or electronic ballot. (Source: Section 209.00592 (b), Texas Property Code).
17. Solicitation for votes by absentee ballot. A solicitation for votes by absentee ballot must include:
 1. an absentee ballot that contains each proposed action and provides an opportunity to vote for or against each proposed action;
 2. instructions for delivery of the completed absentee ballot, including the delivery location; and
 3. the following language: "By casting your vote via absentee ballot you will forgo the opportunity to consider and vote on any action from the floor on these proposals, if a meeting is held. This means that if there are amendments to these proposals your votes will not be counted on the final vote on these measures. If you desire to retain this ability, please attend any meeting in person. You may submit an absentee ballot and later choose to attend any meeting in person, in which case any in-person vote will prevail." (Source: Section 209.00592 (c), Texas Property Code).
18. If an electronic ballot is posted on an official Internet website of the Association, a notice of the posting shall be sent to each owner that contains instructions on obtaining access to the posting on the website. (Source: Section 209.00592 (e), Texas Property Code).

19. Voting by Facsimile Transmission. If authorized by resolution of the Board of Directors for any specific matter that can be voted on, a member vote on any matter may be conducted by facsimile transmission.
20. Tabulation of and Access to Ballots.
- (a) A person who is a candidate in a property owners' association election or who is otherwise the subject of an association vote, or a person related to that person within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code, may not tabulate or otherwise be given access to the ballots cast in that election or vote except as provided by this section;
 - (b) A person other than a person described by Subsection (a) may tabulate votes in an association election or vote but may not disclose to any other person how an individual voted.
 - (c) Notwithstanding any other provision of this chapter or any other law, a person other than a person who tabulates votes under Subsection (b), including a person described by Subsection (a), may be given access to the ballots case in the election or vote only as part of a recount process authorized by law. (Source: Section 209.00594, Texas Property Code).
21. Notice of Election of Association Vote.
- (a) Not later than the 10th day or earlier than the 60th day before the date of an election or vote, a property owners' association shall give written notice of the election or vote to:
 - (1) each owner of property in the property owners' association, for purposes of an association-wide election or vote; or
 - (2) each owner of property in the property owners' association entitled under the dedicatory instruments to vote in a particular representative election, for purposes of a vote in a particular representative election, for purposes of a vote that involves election of representatives of the association who are vested under the dedicatory instruments of the property owners' association with the authority to elect or appoint board members of the property owners' association. (Source: Section 209.0056, Texas Property Code).
22. Recount of Votes.
- (a) Any owner may, not later then the 15th day after the date of the meeting at which the election was held, require a recount of the votes. A demand for a recount must be submitted in writing either:
 - (1) by certified mail, return receipt requested, or by delivery by the United States Postal Service with signature confirmation to the property owners' association's mailing address as reflected on the latest management certificate filed under Section 209.004, Texas Property Code; or
 - (2) in person to the property owners' association's managing agent as reflected on the latest management certificate filed under Section 209.0041, Texas Property Code, or to the address to which absentee and proxy ballots are

mailed.

- (b) The property owners' association shall, at the expense of the owner requesting the recount, retain for the purpose of performing the recount, the services of a person qualified to tabulate votes under this Subsection. The association shall enter into a contract for the services of a person who:
 - (1) is not a member of the association or related to a member of the association board within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code; and
 - (2) is:
 - (A) a current or former:
 - (I) county judge;
 - (II) county elections administrator;
 - (III) justice of the peace; or
 - (IV) county voter registrar; or
 - (B) a person agreed on by the association and the persons requesting the recount.
- (c) Any recount under this Bylaw must be performed on or before the 30th day after the date of receipt of a request and payment for a recount in accordance with this Bylaw. If the recount changes the results of the election, the property owners' association shall reimburse the requesting owner for the cost of the recount. The property owners' association shall provide the results of the recount to each owner who requested the recount. Any action taken by the board in the period between the initial election vote tally and the completion of the recount is not affected by any recount. (Source: Section 209.0057, Texas Property Code).

- 23. Proxies. At any meeting of Members, a Member entitled to vote may vote by proxy executed in writing by the Member or by his or her duly authorized attorney-in-fact. No proxy shall be valid after six (6) months from the date of its execution, unless otherwise provided in the proxy. Each proxy is revocable. Each proxy with respect to a Lot shall automatically cease upon any sale, transfer or other conveyance by the Member of his or her ownership interest in such Lot.
- 24. Denial of Cumulative Voting. At each election for Directors, every Member entitled to vote at such election shall have the right to vote, in person or by proxy, for as many persons as there are Directors to be elected and for whose election he or she has a right to vote; provided, however, that no Member may cumulate his or her votes by giving one candidate as many votes as the number of such Directors multiplied by his or her vote shall equal by distributing such votes on the same principle among any number of such candidates.

ARTICLE 5 – BOARD OF DIRECTORS

1. General Powers. The business and affairs of the Association shall be managed by its Board of Directors which may exercise all such powers of the Association and do all such lawful acts and things as are allowed by statute, the Articles of Incorporation, these Bylaws or the Restrictions directed or required to be exercised or done by the Members. Notwithstanding anything seemingly to the contrary contained in any provision of these Bylaws, the Association shall act through its Board of Directors, which shall manage the affairs of the Association. By way of illustration, but not in limitation, the Board of Directors shall have the power, subject to any Texas law providing otherwise, to:
 - a. Adopt and publish rules and regulations governing use of the common area and facilities, including but not limited to solar panels, roofing, architectural control matters, and the personal conduct of the members and their guests thereon, and to establish penalties for infraction 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, as hereinbefore stated. Such rights may also be suspended after notice and hearing, for a period not to exceed one hundred and twenty (120) days for infraction 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 each such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
 - e. Employ a manager, secretary, attorneys, independent contractors, and/or such other employees as they deem necessary, and to prescribe and oversee their duties.
3. Number and Tenure. The number of Directors shall be five (5). The number of Directors may be increased from time to time by amendment to these By-Laws; provided, however, that the number of Directors of the Association shall not be less than three (3). The Directors, whose terms are expiring, shall be elected for new three (3) year term or two (2) year term, the length of the term to be determined by the position available, by the Members at the annual meeting of the Members. If the election of Directors shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be possible. All Directors shall continue to hold office until his or her successor has been elected and qualified. The board members initially elected by the members shall appoint three (3) of the directors to serve for a term of three (3) years and two of the directors to serve for a term of two (2) years.
4. Removal of Director.
 - (a) Except as hereinafter provided in Section 4(b), any Directors may be removed either for or without cause, at any special meeting of the Members of the Association by the

affirmative vote of a majority in number of votes present in person or by proxy at such meeting and entitled to vote for the election of Directors, if notice of the intention to act upon such matter shall have been given in the notice calling such meeting.

- (b) If the Board of Directors is presented with written, documented evidence from a database or other record maintained by a governmental law enforcement authority that a board member has been convicted of a felony or crime involving moral turpitude, the board member is immediately ineligible to serve on the board of the Association, automatically considered removed from the board, and prohibited from future service on the board. (Source: Section 209.00591, Texas Property Code).
5. Vacancies. Any vacancy occurring in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining Directors even though less than a quorum of the Board of Directors. A Director appointed or elected to fill a vacancy shall serve the unexpired term of his or her predecessor in office. Any Directorship to be filled by reason of an increase in the number of Directors shall be filled at an annual meeting or at a special meeting of the Members called for that purpose. If at any time any Director shall at any time sell or otherwise dispose of his or her ownership interest in a Lot or voluntarily or involuntarily cease to be an Owner during his or her term of office, then upon such termination or cessation of his or her ownership interest, such Director shall automatically be deemed to have effectively resigned from the Board of Directors and he or she shall automatically be removed therefrom. Notwithstanding any provision in a dedicatory instrument, any board member whose term has expired must be elected by owners who are members of the association. (Source: Section 209.00593 (a), Texas Property Code, as amended 2013).
6. Regular Meetings. An annual meeting of the Board of Directors shall be held without other notice immediately after, and at the same place as, the annual meeting of Members. The Board of Directors may provide by resolution the time and place in Uvalde County, Texas, for the holding of additional regular meetings of the Board of Directors without other notice than such resolution. No action at such annual meeting, other than the election of officers, shall take place unless notice of such additional action is given as required by Section 209.0051, Texas Property Code.
7. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) Directors, on three (3) days' notice to each Director, either personally or by mail, electronic message (i.e. e-mail), or by telegram; special meetings shall be called by the President or Secretary in like manner and on like notices on the written request of two (2) Directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place in Uvalde County, Texas, as the place for holding any special meeting of the Board of Directors called by them.
8. Place of Meeting. The Directors of the Association shall hold their meetings, both regular and special, within the State of Texas.

9. Notice. Notice of any special meeting of the Board of Directors shall be given at least five (5) days previously thereto by written notice delivered personally or sent by mail or fax to each Director at his or her address as shown on the records of the Association. If mailed, such notice shall be deemed to be delivered to a Director when deposited in the United States mail so addressed to the Director with postage thereon prepaid. If faxed, such notice shall be deemed to be delivered to a Director when transmitted to the fax number of record for the Director in the Association's records. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular meeting of the Directors need to be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these By-Laws. All notices of special meetings shall specify the business to be transacted at such meeting and no other business not so specified shall be acted upon at any special meeting.
10. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors; but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting, until a quorum shall be present.
11. Manner of Acting. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these By-Laws. A Director may vote in person or by proxy executed in writing by the Director. No proxy shall be valid after three (3) months from the date of its execution. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and unless otherwise made irrevocable by law. Directors present by proxy may not be counted toward a quorum.
12. Compensation. Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board of Directors; but nothing herein contained shall be construed to preclude any Director from serving the Association in any other capacity and receiving compensation therefore. Upon resolution by the Board of Directors, any Director may be reimbursed for any out of pocket expenses approved by the Board of Directors; the Director to whom such reimbursement is to be made shall recuse himself or herself and abstaining from any vote on such reimbursement of out of pocket expenses.
13. Informal Action by Directors. Any action required by law to be taken at a meeting of Directors, or any action which may be taken at a meeting 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 Directors, which action otherwise complies with Section 209.0051, Texas Property Code.

Such approval in writing may be evidenced by the original signature of a Director, a facsimile thereof transmitted to the Board of Directors, an e-mail transmission from a Director, or any combination thereof. Such approvals may be in multiple counterparts that shall be attached to the minutes of the Informal Action taken by the Directors.

14. Budget. The Board of Directors shall adopt an annual budget for the Association's estimated corporate expenses each year and shall provide the manner of assessing and collecting from the Members their respective shares of such estimated expenses, subject to any limitations contained in the Declaration. The annual budget as estimated by the Board of Directors for each fiscal year shall be approved by the Board of Directors, and copies thereof shall be furnished to each Member at least thirty (30) days prior to the annual meeting of the Members.
15. Indemnity. The Association shall indemnify, hold harmless and reimburse any person who serves as a director, officer, agent or employee of the Association against expenses actually and necessarily incurred by such person, and against any amount paid in satisfaction of judgment in connection with any action, suit, or proceeding in which he or she is made a party by reason of being or having been such a director, officer, agent or employee to the fullest extent allowed by applicable law; subject to and in accordance with the laws of the State of Texas with respect thereto. Nothing set forth in these By-Laws shall limit, waive, amend, or otherwise modify any indemnity obligation of the Association set forth in the Association's Articles of Incorporation or the Declaration.
16. Limitation of Liability. No person shall be liable to the Association for any loss or damage suffered by any other person resulting from any action taken or omitted to be taken by a director or officer of the Association in good faith if such director or officer exercised or used the same degree of care and skill as a prudent man would have exercised or used in the same or similar circumstances in the conduct of his or her own affairs.
17. Open Board Meetings.
 - (a) "Board Meeting" (1) means a deliberation between a quorum of the voting board of the Association, or between a quorum of the voting Board of Directors and another person, during which the Association's business is considered and the Board of Directors takes formal action; and (2) does not include the gathering of a quorum of the Board of Directors at a social function unrelated to the business of the Association or attendance by a quorum of the Board of Directors at a regional, state, or national convention, ceremonial event, or press conference, if formal action is not taken and any discussion of association business is incidental to the social function, convention, ceremonial event, or press conference.
 - (b) Regular and special meetings of the Board of Directors must be open to owners, subject to the right of the Board of Directors to adjourn a Board of Directors meeting and reconvene in closed executive session to consider actions involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, confidential communications with the property owners' association's attorney,

matters that are to remain confidential by request of the affected parties and agreement of the Board of Directors. Following an executive session, any decision made in the executive session must be summarized orally and placed in the minutes, in general terms, without breaching the privacy of individual owners, violating any privilege, or disclosing information that was to remain confidential at the request of the affected parties. The oral summary must include a general explanation of expenditures approved in executive session.

- (c) Except for a meeting held by electronic or telephonic means under Subsection (h), a Board of Directors meeting must be held in a county in which all or part of the property in the subdivision is located or in a county adjacent to that county.
- (d) The Board of Directors shall keep a record of each regular or special Board of Directors meeting in the form of written minutes of the meeting. The Board of Directors shall make meeting records, including approved minutes, available to a member for inspection and copying on the member's written request to the property owners' association's managing agent at the address appearing on the most recently filed management certificate or, if there is not a managing agent, to the Board of Directors.
- (e) Members shall be given notice of the date, hour, place, and general subject of a regular or special Board of Directors meeting, including a general description of any matter to be brought up for deliberation in executive session. The notice shall be:
 - (1) mailed to each property owner not later than the 10th day or earlier than the 60th day before the date of the meeting; or
 - (2) provided at least 72 hours before the start of the meeting by:
 - (A) posting the notice in a conspicuous manner reasonably designed to provide notice to property owners' association members:
 - (i) in a place located on the association's common property or, with the property owner's consent, on other conspicuously located privately owned property within the subdivision; or
 - (ii) on any Internet website maintained by the association or other Internet media; and
 - (B) sending the notice by e-mail to each owner who has registered an e-mail address with the association.
- (f) It is an owner's duty to keep an updated e-mail address registered with the property owners' association under Subsection (e) (2) (B).
- (g) If the Board of Directors recesses a regular or special Board of Directors meeting to continue the following regular business day, the Board of Directors is not required to post notice of the continued meeting if the recess is taken in good faith and not to circumvent this section. If a regular or special Board of Directors meeting is continued to the following regular business day, and on that following day the Board of Directors continues the meeting to another day, the Board of Directors shall give notice of the continuation in at least one manner prescribed by Subsection (e) (2) (A) within two hours after adjourning the meeting being continued.
- (h) A Board of Directors may meet by any method of communication, including electronic and telephonic, without prior notice to owners under Subsection (e), if

each director may hear and be heard by every other director, or the Board of Directors may take action by unanimous written consent to consider routine and administrative matters or a reasonably unforeseen emergency or urgent necessity that requires immediate Board of Directors action. Any action taken without notice to owners under Subsection (e) must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting, and documented in the minutes of the next regular or special Board of Directors meeting. The Board of Directors may not, without prior notice to owners under Subsection (e), consider or vote on:

- (1) fines;
- (2) damage assessments;
- (3) initiation of foreclosure actions;
- (4) initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety;
- (5) increases in assessments;
- (6) levying of special assessments;
- (7) appeals from a denial of architectural control approval; or
- (8) a suspension of a right of a particular owner before the owner has an opportunity to attend a Board of Directors meeting to present the owner's position, including any defense, on the issue.

(Source: Section 209.0051, Texas Property Code).

ARTICLE 6 – OFFICERS

1. Officers. The Officers of the Association shall be a President, a Vice President, a Secretary, a Treasurer, and such other Officers as may be elected shall be elected by the Directors in accordance with the provisions of this Article. The Board of Directors may elect or appoint such other Officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such Officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary.
2. Election and Term of Office. The Officers of the Association shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of Officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be possible. New offices may be created and filled at any meeting of the Board of Directors. Each officer of the Association shall hold office until the annual meeting of the Board of Directors next following his election and thereafter until his successor is chosen and qualified in his stead or until his death or until his resignation or removal from office. Each Officer shall hold office until his or her successor shall have been duly elected and shall have qualified.

3. Removal. Any Officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Association would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.
4. Vacancies. A vacancy in any office because of death, resignation, disqualification or otherwise may be filled by the Board of Directors for the unexpired portion of the term of such office.
5. The President. The President shall be the principal Executive Officer of the Association and shall in general supervise and control all of the business and affairs of the Association. The President shall preside at all meetings of the Members and of the Board of Directors. The President may sign, with the Secretary or any other proper Officer of the Association authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed; except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws or by statute to some other Officer or agent of the Association; and in general he or she shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.
6. Vice President. In the absence of the President or in the event of his or her inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Vice-President shall perform such other duties as from time to time may be assigned to him or her by the President or Board of Directors.
7. Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for money due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of these By-Laws; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.
8. Secretary. The Secretary shall keep the minutes of the meetings of the Members and of the Board of Directors in one or more books provided for that purpose; give all notices in accordance with the provisions of these By-Laws or as required by law; be custodian of the corporate records of the Association; keep a register of the post office address of each Member, which shall be furnished to the Secretary by each Member; and, in general, perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to him or her by the President or the Board of Directors.

9. Additional Officers and Agents. The Board of Directors may appoint such other officers and agents as it shall deem necessary, who shall be appointed for such terms and shall exercise powers and perform such duties as shall be determined from time to time by the Board of Directors.
10. Compensation. Any Officer may receive compensation for his or her services if and to the extent approved by resolution of the Board of Directors. The salaries (if any) of all officers and agents of the Association shall be fixed by the Board of Directors.

ARTICLE 7 – COMMITTEES

1. A majority of the Directors present at a meeting at which a quorum is present may by resolution passed by a majority of the entire board designate one or more committees to report to the Board of Directors and to carry out certain duties on behalf of the Board of Directors. Except as otherwise provided in such resolution, members of each such Committee shall be Members of the Association. Any member of a committee may be removed by the Board of Directors whenever, in the judgment of the Board of Directors, the best interest of the Association shall be served by such removal. The resolution designating such committee shall set forth the term of office of the members of the committee and the procedures for designation of the committee chairperson, method of filling vacancies, designating a quorum and establishing rules for its own government not inconsistent with these By-Laws, statutory law or with rules adopted by the Board of Directors
2. The Architectural Control Committee shall consist of five (5) persons subject to the appointment and removal by the Board of Directors. Submissions for approval by the Architectural Control Committee must be sent to the Association's principal office by certified mail. The Committee has 30 days to provide written notice of its decision.
3. Appointment of Committees Not Limited to Directors or Members. Other committees not having and exercising the authority of the Board of Directors in the management of the affairs of the Association may be designated and appointed by a resolution adopted by a majority of the Directors at a meeting at which a quorum is present, or by like resolution of the Board of Directors. Membership on such committee, may, but need not be, limited to Directors or members of the Association.
4. Minutes of Committee Proceeding All committees shall keep regular minutes of their proceedings and shall report the same to the Board of Directors when required.
5. Employment of Management Agent. The Board of Directors may employ for the Association a management agent at a compensation established by the Board of Directors and such management agents shall perform such duties and services as the Board of Directors shall authorize. The Board of Directors may employ as management agent the Developer, its subsidiaries or affiliates, provided that the compensation to the Developer, its subsidiaries

or affiliates shall not exceed the fair market rate for such services.

ARTICLE 8 – CONTRACTS, CHECKS, DEPOSITS, AND FUNDS

1. Contracts.

- (a) These Bylaws are intended to comply with Section 209.0052 of the Texas Property Code.
- (b) Except as otherwise provided by these Bylaws, the Board of Directors may authorize any other Director or Directors, Officer or Officers, agent or agents of the Association, in addition to the Officers so authorized by these By-Laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association. Such authority may be general or confined to specific instances.
- (c) The following conditions control any transactions between the Association and any of these: (1) a current director (2) a person related to a current director by consanguinity or affinity within three degrees (3) a company in which a current director has a 51% share of the profits (4) a company in which a director's third degree relative has a 51% share of the profits.
- (d) The Association may enter into an enforceable contract with a current association board member, a person related to a current association board member within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code, a company in which a current association board member has a financial interest in at least 51 percent of profits, or a company in which a person related to a current association board member within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code, has a financial interest in at least 51 percent of profits only if the following conditions are satisfied: (1) the board must receive at least 2 other bids from disinterested bidders for the contract from persons not associated with the board member, relative, or company, (if reasonably available in that market); (2) the interested director does not have access to the other bids and does not participate in discussion or voting; (3) the material facts regarding the relationship or interest with respect to the proposed contract are disclosed to or known by the association board; (4) the board, in good faith and with ordinary care, authorizes the contract by an affirmative vote of the majority of the board members who do not have an interest governed by this subsection; and (5) a resolution certifying that the conditions required by Section 209.0052 have been fulfilled is approved by a majority of disinterested directors.
- (e) The following is a summary regarding what the degrees of consanguinity (blood) and affinity (marriage) mean:
 - (1) **First Degree by consanguinity:** parents; children;

- (2) **First Degree by affinity:** Spouses of relatives listed above; spouse; spouse's parents; spouse's children; stepparents; stepchildren;
 - (3) **Second Degree by consanguinity:** Grandparents; grandchildren; brothers & sisters;
 - (4) **Second Degree by affinity:** Spouses of relatives listed above; spouse's grandparents; spouse's grandchildren; spouse's brothers & sisters;
 - (5) **Third Degree by consanguinity:** Great grandparents; great grandchildren; nieces & nephews; aunts & uncles; and
 - (6) **Third Degree by affinity:** Spouses of relatives listed above; spouse's great grandparents; spouse's great grandchildren; spouse's nieces & nephews; spouse's aunts & uncles.
2. Checks and Drafts. All checks, drafts or orders for the payment of money, notices, or other evidences of indebtedness issued in the name of the Association shall be signed by such Officer(s) or agent(s) of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer and countersigned by the President of the Association. All checks written will require two (2) signatures of designated members of the Board of Directors.
3. Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board of Directors may select.
4. Gifts. The Board of Directors may accept on behalf of the Association any contribution, gift, bequest, or devise for the general purpose of any special purpose of the Association.

ARTICLE 9 – BOOKS AND RECORDS

- 1. The Association adopts this Article XIV of these Bylaws to comply with Section 209.005, Texas Property Code. In the event of a conflict between this Article XIV and Section 209.005, Section 209.005 shall control.
- 2. The Association shall make the books and records of the Association, including financial records, open to and reasonably available for examination by an owner, or a person designated in writing signed by the owner or the owner's agent, attorney, or certified public accountant, in accordance with this section. An owner is entitled to obtain from the Association copies of information contained in the books and records, except as provided herein.
- 3. An attorney's files and records relating to the Property Owner's Association, excluding invoices requested by an owner under Section 209.008 (d) of the Texas Property Code, are not records of the Association and are not subject to inspection by the owner; or production in a legal proceeding. If a document in an attorney's files and records relating to the

Association would be responsive to a legally authorized request to inspect or copy Association documents, the document shall be produced by using the copy from the attorney's files and records if the Association has not maintained a separate copy of the document. This Bylaw does not require production of a document that constitutes attorney work product or that is privileged as an attorney-client communication.

4. An owner or the owner's authorized representative described by Section 2 of this Bylaw must submit a written request for access or information under Section 2 by certified mail, with sufficient detail describing the property owners' Association's books and records requested, to the mailing address of the Association or authorized representative as reflected on the most current management certificate filed with the County Clerk. The request must contain an election either to inspect the books and records before obtaining copies or have the property owners' Association forward copies of the requested books and records. If an inspection is requested, the Association, on or before the 10th business day after the date the Association receives the request, shall send written notice of dates during normal business hours that the owner may inspect the requested books and records to the extent those books and records are in the possession, custody, or control of the Association. If copies of identified books and record are requested, the Association shall, to the extent those books and records are in the possession, custody, or control of the Association, produce the requested books and records for the requesting party on or before the 10th business day after the date the association receives the request, except as otherwise provided by Section 209.005 of the Texas Property Code.
5. If the Association is unable to produce the books or records requested under Article XIV, Section 4 on or before the 10th business day after the date the Association receives the request, the Association will provide to the requestor written notice that:
 - (a) informs the requestor that the Association is unable to produce the information on or before the 10th business day after the date the Association received the request; and
 - (b) states a date by which the information will be sent or made available for inspection to the requesting party that is not later than the 15th business day after the date notice under this subsection is given.
6. If an inspection is requested or required, the inspection shall take place at a mutually agreed on time, and the requesting party shall identify the books and records for the Property Owners' Association to copy and forward to the requesting party.
7. The Association may produce books and records requested under this section in hard copy, electronic, or other format reasonably available to the Association.
8. The Board of Directors shall adopt a records production and copying policy that prescribes the costs the Association will charge for the compilation, production, and reproduction of information requested under this section. The prescribed charges may include all reasonable costs of materials, labor, and overhead but may not exceed costs that would be applicable for an item under 1 T.A.C. Section 70.3. The policy required by this subsection shall be recorded

as a dedicatory instrument in accordance with Section 202.006, Texas Property Code. The Association may not charge an owner for the compilation, production, or reproduction of information requested under this section unless the policy prescribing those costs has been recorded as required by the Association's Records Policy filed with the County Clerk. An owner is responsible for costs related to the compilation, production, and reproduction of the requested information in the amounts prescribed by the policy adopted under this Bylaw. The Association may require advance payment of the estimated costs of compilation, production, and reproduction of the requested information. If the estimated costs are lesser or greater than the actual costs, the Association shall submit a final invoice to the owner on or before the 30th business day after the date the information is delivered. If the final invoice includes additional amounts due from the owner, the additional amounts, if not reimbursed to the Association before the 30th business day after the date the invoice is sent to the owner, may be added to the owner's account as an assessment. If the estimated costs exceeded the final invoice amount, the owner is entitled to a refund, and the refund shall be issued to the owner not later than the 30th business day after the date the invoice is sent to the owner.

9. A Property Owners' Association must estimate costs under this section using amounts prescribed by the policy adopted under Section 8 of this Article XIV.
10. Except as provided by this Article XIV, and to the extent the information is provided in the meeting minutes, the Association is not required to release or allow inspection of any books or records that identify the dedicatory instrument violation history of an individual owner of an association, an owner's personal financial information, including records of payment or nonpayment of amounts due to the Association, an owner's contact information, other than the owner's address, or information related to an employee of the Association, including personnel files. Information may be released in an aggregate or summary manner that would not identify an individual property owner.
11. The books and records described by Section 10 of this Article XIV shall be released or made available for inspection if:
 - (a) the express written approval of the owner whose records are the subject of the request for inspection is provided to the property owners' Association; or
 - (b) a court orders the release of the books and records or orders that the books and records be made available for inspection.
12. The Board shall adopt and comply with a document retention policy that includes, at a minimum, the following requirements:
 - (a) certificates of formation, bylaws, restrictive covenants, and all amendments to the certificates of formation, bylaws, and covenants shall be retained permanently;
 - (b) financial books and records shall be retained for seven years;
 - (c) account records of current owners shall be retained for five years;
 - (d) contracts with a term of one year or more shall be retained for four years after the expiration of the contract term;
 - (e) minutes of meetings of the owners and the board shall be retained for seven years;

- and
- (f) tax returns and audit records shall be retained for seven years.
13. A member of the Association who is denied access to or copies of Association books or records to which the member is entitled under this Article XIV of these Bylaws may file a petition with the justice of the peace of a justice precinct in which all or part of the property that is governed by the Association is located requesting relief in accordance with Article XIV of these Bylaws. If the justice of the peace finds that the member is entitled to access to or copies of the records, the justice of the peace may grant one or more of the following remedies:
- (a) a judgment ordering the Property Owners' Association to release or allow access to the books or records;
 - (b) a judgment against the Property Owners' Association for court costs and attorney's fees incurred in connection with seeking a remedy under this section; or
 - (c) a judgment authorizing the owner or the owner's assignee to deduct the amounts awarded under Subdivision (2) from any future regular or special assessments payable to the Property Owners' Association.
14. If the Property Owners' Association prevails in an action under Section 13 of this Article XIV of the Bylaws, the Association is entitled to a judgment for court costs and attorney's fees incurred by the Association in connection with the action.
15. On or before the 10th business day before the date a person brings an action against the Association under this section, the person must send written notice to the Association of the person's intent to bring the action. The notice must:
- (a) be sent certified mail, return receipt requested, or delivered by the United States Postal Service with signature confirmation service to the mailing address of the Association or authorized representative as reflected on the most current management certificate filed under Section 209.004; and
 - (b) describe with sufficient detail the books and records being requested.
16. For the purposes of this Article XIV of these Bylaws, "business day" means a day other than Saturday, Sunday, or a state or federal holiday. (Source: Section 209.005, Texas Property Code).

ARTICLE 10 – ASSESSMENTS, EXPENSES AND ENFORCEMENT

1. As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments that are secured by a continuing lien upon the Lot against which the assessment is made. Any assessment that is not paid when due shall be delinquent. If an assessment is not paid within fifteen (15) days after the due date, it shall incur a one-time late charge of ten percent (10%) of the past due amount. Any assessment not paid within thirty (30) days after its due date shall bear interest from such thirtieth (30th)

date until paid at the rate of twelve percent (12%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the assessment or foreclose the lien against the Lot involved. Interest, late fees, costs, and reasonable attorney's fees shall be added to and become a part of such assessment and/or lien. No Owner may waive or otherwise escape liability for any assessment provided for herein by non-use of the Common Area or abandonment of his or her Lot.

2. The Association, acting through its Board of Directors, or a committee appointed and authorized by the same, shall have the authority to have certain vehicles towed from Common Areas within the subdivision, and impounded. The costs and expenses associated with such towing and impoundment shall be the sole responsibility of the vehicle owner, and the Association shall not be liable to any person or entity for the enforcement of this provision. Vehicles which are subject to this provision are:
 - 1) Any Recreational Vehicle which is parked on any Common Area other than the River Park of the Frio Canyon Estates subdivision; or
 - 2) Any Recreational Vehicle which is parked within the River Park but has not been registered with the Secretary of the Association as required by the Board of Directors; or
 - 3) Any Recreational Vehicle which is parked on any Common Area other than the River Park that is registered with the Association, but is parked in a space other than the space specifically assigned for said vehicle; or
3. Any Recreational Vehicle which is parked in the Common Area of the River Park and not in the designated storage area, shall not be left unattended for more than twenty-four (24) hours, unless granted permission by special request from the Board of Directors. Pre-parking of Recreational Vehicles in designated camping sites without occupancy, even for a period of twenty-four (24) hours, is not permitted. The Association shall have any such Recreational Vehicle towed to the storage area at owner's expense.
4. For the purposes of this section, the term "Recreational Vehicle" shall include, without limitations, motor homes and travel trailers.

ARTICLE 11 - USE OF ADJACENT LOTS

1. This Article is intended to comply with Section 209.015 , Texas Property Code, and the Board of Directors is authorized to adopt such rules, regulations and resolutions to effect the intend of this Article.
2. As used in this Bylaws, "Adjacent lot" means: (A) A a lot that is contiguous to another lot that fronts on the same street; (B) with respect to a corner lot, a lot that is contiguous to the corner lot by either a side property line or a back property line; and/or (C) if permitted by the dedicatory instrument, any lot that is contiguous to another lot at the back property line.

3. As used in these Bylaws, "Residential purpose" with respect to the use of a lot: (A) means the location on the lot of any building, structure, or other improvement customarily appurtenant to a residence, as opposed to use for a business or commercial purpose; and (B) includes the location on the lot of a garage, sidewalk, driveway, parking area, children's swing or playscape, fence, septic system, swimming pool, utility line, or water well and, if otherwise specifically permitted by the dedicatory instrument, the parking or storage of a recreational vehicle.
4. An owner must obtain the approval of the Architectural Control Committee, based on criteria prescribed by the dedicatory instruments specific to the use of a lot for residential purposes, including reasonable restrictions regarding size, location, shielding, and aesthetics of the residential purpose, before the owner begins the construction, placement, or erection of a building, structure, or other improvement for the residential purpose on an adjacent lot.
5. An owner who elects to use an adjacent lot for residential purposes under this section shall, on the sale or transfer of the lot containing the residence: (a) include the adjacent lot in the sales agreement and transfer the lot to the new owner under the same dedicatory conditions; or (b) restore the adjacent lot to the original condition before the addition of the improvements allowed under this section to the extent that the lot would again be suitable for the construction of a separate residence as originally platted and provided for in the conveyance to the owner.
6. An owner may sell the adjacent lot separately only for the purpose of the construction of a new residence that complies with existing requirements in the dedicatory instrument unless the lot has been restored as described by Subsection (5)(b) of this Article.
7. The Association may not adopt or enforce a provision in a dedicatory instrument that prohibits or restricts the owner of a lot on which a residence is located from using for residential purposes an adjacent lot owned by the property owner.

ARTICLE 12 - MISCELLANEOUS; FISCAL MATTERS

1. Charges. The Board of Directors shall compute, assess, collect and enforce the payment of all charges to which the Subdivision is subjected or may be subjected under or by virtue of the Restrictions and Bylaws.
2. Dividends. No dividends shall be paid and no part of the income of the Association shall be disbursed to its Members, Directors, or Officers. The Association may pay compensation in a reasonable amount to its Members or Officers for services rendered, but only as permitted by the applicable statutes.
3. Fiscal Year. The fiscal year of the Association shall begin on June 1 of each year and end on May 31 of the following year.

4. Seal. The Association shall not be required to have a corporate seal.
5. Indemnification. Except as may otherwise be provided by Article 1396-2.22A, Texas Non-Profit Corporations Act, and/or Section 8.051, Texas Business Organizations Code, or as may be ordered by a court pursuant to Section 8.052, Texas Business Organizations Code, or by Article 1396-2.22A, Texas Non-Profit Corporations Act, the Association shall indemnify any Director, Officer, or employee of the Association, against expenses actually and necessarily incurred by him and any amount paid in satisfaction of judgements in connection with any action, suit or proceedings, whether civil or criminal in nature, in which he is made a party by reason of being or having been such a Director, Officer, or employee (whether or not a Director, Officer, or employee at the time such costs or expenses are incurred by or imposed upon him) except in relation to matters as to which he shall be judged in such action, suit, or proceedings to be liable for gross negligence or willful misconduct in the performance of duty. The Association may also reimburse to any Director, Officer or employee the reasonable costs of settlement of any such action, suit or proceedings, if it shall be found by a majority of a committee of the Directors not involved in the matter in controversy, whether or not a quorum, that it was in the interest of the Association that such settlement be made and that such Director, Officer or employee was not guilty of gross negligence or willful misconduct. Such rights of indemnification and reimbursement shall not be deemed exclusive of any other rights to which such Director, Officer, or employee may be entitled by law or under any Bylaw, agreement, vote of Members or otherwise. Nothing in this Section shall prevent permissive indemnification as authorized by Section 8.01 through 8.152, Texas Business Organizations Code, or by Article 1396-2.22A, Texas Non-Profit Corporations Act.
6. Online Subdivision Information. The Association shall make dedicatory instruments relating to the association or subdivision and filed with the County Clerk records available on a website if the association has, or a management company on behalf of the association maintains, a publicly accessible website. (Source: Section 207.006, Texas Property Code).
7. Waiver of Notice. Whenever any notice is required to be given under the provisions of the Texas Non-Profit Corporation Act or under the provisions of the Association's Articles of Incorporation or By-Laws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.
8. Texas Property Code Controls. To the extent that any of these Bylaws conflict with the provisions of the Texas Property Code and/or the Texas Non-Profit Corporations Act and/or the Texas Business Organizations Code, as may be amended from time to time by the Texas Legislature, the Texas Property Code and/or the Texas Non-Profit Corporations Act and/or the Texas Business Organizations Code shall control.

ARTICLE 13 - SPECIAL ASSESSMENTS

1. Establishment of Special Assessment for Capital Projects. In addition to the Maintenance Fee assessment set forth in the Restrictions, the members of the Association may adopt a special assessment for capital projects, in such amount as may be established by the Association at a special or annual meeting at which notice for an election for the assessment of said Special Assessment is given. Should the special assessment be approved by a two-third (2/3) vote of the members, represented in person or by proxy, of the Association at the annual meeting of the Association, then the Special Assessment shall become effective on the date noticed, with the proceeds from such special assessment being ear-marked for the specific purpose set forth in the notice of such election. Said Special Assessment shall be secured by a lien against said lot, and failure to pay said Special Assessment shall constitute a foreclosure lien against said lot. This lien is in the form of an assessment to run with the ownership of said lots. The Special Assessment shall be deemed delinquent if not paid within thirty (30) days of the date set forth in the notice as being the date the Special Assessment is due.

2. Purpose of Special Assessment. The Special Assessment shall be used for only the following purposes:
 - (a) To defray, in whole or in part, the cost, whether incurred before or after the assessment, of any construction or reconstruction, repair, or replacement of a capital improvement in the Common Areas, including but not limited to the streets and roads in the Subdivision, owned by the Association, including the necessary fixtures and personal property related to such Common Areas, to the extent such expense is not sufficiently provided for with Regular Assessment funds;
 - (b) For maintenance and improvement of Common Areas owned by the Association; and/or
 - (c) For such other purposes of the property owners' association as stated in the Association's Certificate of Formation or the dedicatory instrument for the Subdivision.

ARTICLE 14 - AMENDMENTS TO BY-LAWS

The power to alter, amend, or repeal these By-Laws or to adopt new By-Laws shall be vested in the Members and these By-Laws may be altered, mended, or repealed and new By-Laws may be adopted at a regular or special meeting of the Members call for that purpose by a majority vote of a quorum of Members present on person or by proxy, unless a greater quorum or vote is required by the Declaration. Notice of all such meetings of the Members shall be given as provided in these By-Laws and shall specify the section or sections of the By-Laws proposed to be altered, amended, or repealed.

THESE BYLAWS have been voted on and adopted by a majority vote at which a quorum was had by the Members of the Association at a meeting of the Association held on _____, 2017.

FRIO CANYON ESTATES ASSOCIATION, INC.

By: _____, President

ATTEST:

Secretary

STATE OF TEXAS *

COUNTY OF _____ *

This instrument was acknowledged before me on the ____ day of _____, 2017 by _____, President, FRIO CANYON ESTATES ASSOCIATION, INC., a Texas non-profit corporation on behalf of said corporation.

NOTARY PUBLIC, STATE OF TEXAS

After filing return to:
Travis E. Kitchens, Jr.
Lawyer
P. O. Box 1629
Onalaska, Texas 77360

TEXAS PROPERTY CODE

Sec. 209.0052. ASSOCIATION CONTRACTS.

- (a) This section does not apply to a contract entered into by an association during the development period.
- (b) An association may enter into an enforceable contract with a current association board member, a person related to a current association board member within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code, a company in which a current association board member has a financial interest in at least 51 percent of profits, or a company in which a person related to a current association board member within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code, has a financial interest in at least 51 percent of profits only if the following conditions are satisfied:
 - (1) the board member, relative, or company bids on the proposed contract and the association has received at least two other bids for the contract from persons not associated with the board member, relative, or company, if reasonably available in the community;
 - (2) the board member:
 - (A) is not given access to the other bids;
 - (B) does not participate in any board discussion regarding the contract; and
 - (C) does not vote on the award of the contract;
 - (3) the material facts regarding the relationship or interest with respect to the proposed contract are disclosed to or known by the association board and the board, in good faith and with ordinary care, authorizes the contract by an affirmative vote of the majority of the board members who do not have an interest governed by this subsection; and
 - (4) the association board certifies that the other requirements of this subsection have been satisfied by a resolution approved by an affirmative vote of the majority of the board members who do not have an interest governed by this subsection.

Added by Acts 2013, 83rd Leg., R.S., Ch. 863 (H.B. 503), Sec. 2, eff. September 1, 2013.