

**BYLAWS OF
HILLS OF BANDERA RANCH
PROPERTY OWNERS ASSOCIATION, INC.**

**ARTICLE 1
Definitions**

Property Defined

1.01. *Property* shall mean the lots in the platted units of the following real property located in Bandera and Medina Counties, Texas, to be known as Hills of Bandera Ranch subdivision, including the land; all improvements and structures on the land; and all easements, rights, and appurtenances to the land, more particularly described in Exhibit "A" attached hereto and made a part hereof.

Also, Property shall mean and refer to that certain real property herein before described and such additions thereto as may hereafter be brought within the jurisdiction of the Property Association as hereinafter defined.

Declarations Defined

1.02. *Declarations* shall mean the Declaration of Covenants, Conditions, Easements and Restrictions of Hills of Bandera Ranch and filed and recorded in the Official Public Records of Bandera County, Texas, on June 28, 2007, in Volume 7, Pages 10-16 and filed and recorded in the Official Public Records of Medina County, Texas on June 28, 2007, in Volume 10, Pages 56-62, including any amendments to the Declaration as may be made from time to time in accordance with the terms of the Declaration and any declarations of restrictive covenants, conditions, and restrictions on the Property filed and recorded for each platted unit of the Property.

Other Terms Defined

1.03. "Notice" shall include Notices in writing mailed using the United States Postal Service or other similar postal service; hand-delivered; or via electronic mail.

1.04. Other terms used in these Bylaws shall have the meaning given them in the Declaration, incorporated by reference and made a part of these Bylaws.

**ARTICLE 2
Applicability of Bylaws**

Corporation

2.01. The provisions of these Bylaws constitute the Bylaws of the nonprofit corporation known as **Hills of Bandera Ranch Property Owners Association, Inc.** referred to as the "Association".

5.01. The membership of the Association shall consist of all of the Owners of the Property and may not be separated from ownership of a Lot(s).

Membership

**ARTICLE 5
Qualifications for Membership**

4.01. The Association's operations shall be confined to the purpose set forth in the Articles of Incorporation of the Corporation.

Operations

**ARTICLE 4
Activities**

3.02. The Association shall have and shall continuously maintain in the State of Texas a registered office and a registered agent, whose office shall be identical with the registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be, identical with the principal office of the Association, and the Board of Directors may change the address of the registered office from time to time.

Registered Office and Registered Agent

3.01. The temporary principal office of the Association shall be located in Bandera County, Texas at 810 Mustang Pass, Bandera, TX 78003. The Association may have other offices.

Principal Office

**ARTICLE 3
Offices**

2.03. All present or future owners, their employees, or other persons that use the Property in any manner are subject to the regulations set forth in these Bylaws. The acquisition or rental of any of the Property, or the act of occupancy of any of the Property, will signify that these Bylaws are accepted and ratified and will be complied with by the purchaser, tenant, or occupant.

Personal Application

2.02. The provisions of these Bylaws are applicable to the Property as defined in Paragraph 1.01 of these Bylaws.

Property Applicability

Proof of Membership

5.02. The rights of membership shall not be exercised by any person until satisfactory proof has been furnished to the Secretary of the Association that the person is qualified as a Member. Such proof may consist of a copy of a duly executed and acknowledged deed or title insurance policy evidencing ownership of some part of the Property. Such deed or policy shall be deemed conclusive in the absence of a conflicting claim based on a later deed or policy.

No Additional Qualifications

5.03. The sole qualification for membership shall be the ownership of a part of the Property. No initiation fees, costs, or dues shall be assessed against any person as a condition of membership except such assessments, levies, and charges as are specifically authorized under the Articles of Incorporation or the Declaration.

Certificates of Membership

5.04. The Board of Directors may provide for the issuance of certificates evidencing membership in the Association that shall be in such form as may be determined by the Board. All certificates evidencing membership shall be consecutively numbered. The name and address of each Member and the date of issuance of the certificate shall be entered on the records of the Association and maintained by the Secretary at the registered office of the Association.

**ARTICLE 6
Voting Rights**

Voting

6.01. Each Member of the Association shall be entitled to one vote for each Lot in which he holds the interest required for membership. When more than one person is an Owner, each is a Member, but only one vote may be cast for a Lot.

6.02. Members may cast their vote via electronic mail sent to the Secretary of the Board of Directors.

Proxies

6.02. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing or submitted by electronic survey distributed by the Association and filed or electronically logged with the Secretary of the Association. Every proxy shall be revocable and shall automatically cease on conveyance by the Member of the Member's Property interest or on receipt of notice by the Secretary of the death or judicially declared incompetence of such Member. No proxy shall be valid after twelve (12) months from the date of its execution, unless otherwise specifically provided in the proxy.

Quorum

6.04. The presence, either in person or by proxy, at any meeting, of 15 (fifteen) unique Members entitled to cast a vote constitutes a quorum for any action, except as otherwise provided in the Articles of Incorporation, the Declaration and these Bylaws (the "Governing Instruments"). In the absence of a quorum at a meeting of Members, a majority of those Members present in person or by proxy may adjourn the meeting to a time not less than five (5) days or more than thirty (30) days from the meeting date.

Required Vote

6.05. The vote of the majority of the votes entitled to be cast by the Members present, or represented by proxy, at a meeting at which a quorum is present shall be the act of the meeting of Members, unless the vote of a greater number is required by statute or by the Governing Instruments.

**ARTICLE 7
Assessments**

Annual Assessments

7.01 Each Lot is subject to an annual assessment on the basis of the time and terms set forth in the Declaration.

Special Assessments

7.02 Special assessments may be approved on the basis of the terms set forth in the Declaration.

Uniform Assessments

7.03 Applying uniform rates of assessments, for both annual and special assessments, as well as separate assessments are more fully described in the Declaration.

**ARTICLE 8
Meetings of Members**

Annual Meetings

8.01. The first meeting of the Members of the Association was held July 13, 2013, and annually thereafter on January 2 of each year or within ten (10) days thereafter. If the day for the annual meeting of the Members is a legal holiday, the meeting shall be held at the same hour on the first day following that is not a legal holiday.

Special Meetings

8.02. Special meetings of the Members may be called by the President, the Board of Directors, or by Members representing 15 (fifteen) unique Members entitled to cast a vote which constitutes a quorum of the Association.

Place

8.03. Meetings of the Members shall be held, either (1) a meeting place as the Board may specify in writing, or (2) by using a conference telephone or similar communications equipment, or another suitable electronic communications system, including videoconferencing technology, the Internet, or any combination if the equipment permits each person participating in the meeting to communicate with all other persons participating in the meeting.

Notice of Meetings

8.04. Written notice of all Members' meetings shall be given by or at the direction of the Secretary of the Association or such other persons as may be authorized to call the meeting, by mailing, electronically emailing, or posting on the Hills of Bandera Ranch Subdivision Mailbox (located at the front gate) a copy of such notice at least one (1) but not more than five (5) days before the meeting to each Member entitled to vote at the meeting. The notice must be addressed to the Member's address or email address last appearing on the books of the Association or supplied by such Member to the Association for the purpose of notice. The notice shall specify the place, day, and hour of the meeting and, in the case of a special meeting, the nature of the business to be undertaken.

Order of Business

- 8.05. The order of business at all meetings of the Members shall be as follows:
- (a) Roll call.
 - (b) Proof of notice of meetings or waiver of notice.
 - (c) Reading of Minutes of preceding meeting.
 - (d) Reports of officers.
 - (e) Reports of committees.
 - (f) Election of directors.
 - (g) Unfinished business.
 - (h) New business.

**ARTICLE 9
Board of Directors**

Number

9.01. The affairs of this Association shall be managed by a Board of Directors consisting of not less than three (3) and not more than five (5) persons, all of whom must be Members of the Association.

Term

9.02. At the first meeting of the Association, the Members shall elect the initial Directors who shall hold office until the first annual election of Directors by the Members. After the first meeting of the Association, Directors shall be elected at the annual meeting of the Members and shall hold office for a term of one (1) year in the first year of the Association, thereafter two years on staggered rotation and until their successors are elected and qualified at the next Annual Meeting.

Removal

9.03. Directors may be removed from office without cause by a majority vote of the Members of the Association.

Vacancies

9.04. In the event of a vacancy on the Board caused by the death, resignation, or removal of a Director, the remaining Directors shall, by majority vote, elect a successor who shall serve for the unexpired term of the predecessor.

Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting of Members or at a special meeting of Members called for that purpose.

Compensation

9.05. A Director may be reimbursed by the Board for actual expenses incurred by the Director in the performance of the Director's duties.

Powers and Duties

9.06. The Board shall have the powers and duties, and shall be subject to limitations on such powers and duties, as enumerated in the Governing Instruments.

**ARTICLE 10
Nomination and Election of Directors**

Nomination

10.01. Nomination for election to the Board of Directors shall be made from the floor at the annual meeting of the Members. The Members shall vote at the annual meeting as to the number of directorships.

Election

10.02. Directors are elected at the annual meeting of Members of the Association. Members, or their proxies, may cast, in respect to each vacant directorship, as many votes as they are entitled to exercise under the provisions of the Declaration.

**ARTICLE 11
Meetings of Directors**

Regular Meetings

11.01. Regular meetings of the Board of Directors shall be held monthly either (1) at a place as the Board may specify in writing or (2) by using a conference telephone or similar communications equipment, or another suitable electronic communications system, including video conferencing technology, the internet, or any combination if the equipment permits each person participating in the meeting to communicate with all other persons participating in the meeting. Notice of all meetings of the Board of Directors, stating the time and place of such meeting, shall be given at least five (5) calendar days prior to the date of the meeting by any officer of the Association by mailing the same to each director at his address as the same shall appear on the records of the Association. No notice need be given to any director from whom a written waiver of notice has been received.

Special Meetings

11.02. Special meetings of the Board of Directors shall be held when called by written notice signed by the President of the Association or by any two (2) Directors other than the President. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. Notice of a special meeting must be given to each Director not less than three (3) days or more than ten (10) days prior to the date fixed for such meeting by written notice either delivered personally, sent by mail, or sent by email to each Director at the Director's address as shown in the records of the Association.

Quorum

11.03. A quorum for the transaction of business by the Board of Directors shall be the lesser of either a majority of the number of Directors (three Directors) constituting the Board of Directors as fixed by these Bylaws

Voting Requirement

11.04. The act of the majority of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors unless any provision of the Governing Instruments requires the vote of a greater number. Each Director shall be entitled to one vote; however, the President shall be entitled to one additional vote in the event of a tie-vote.

Open Meetings

11.05. Regular and special meetings of the Board shall be open to all Members of the Association, provided, however, that Association Members who are not on the Board may not participate in any deliberation or discussion unless expressly authorized to do so by the vote of a majority of a quorum of the Board.

Executive Session

11.06. The Board may, with the approval of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss and vote on personnel matters, litigation in which the Association is or may become involved, contract negotiations, enforcement actions, other business of a confidential nature involving a Member, and matters requested by the involved parties to remain confidential. The nature of any and all business to be considered in executive session shall first be announced in open session.

ARTICLE 12 Officers

Enumeration of Officers

12.01. The Officers of this Association shall be a President, a Secretary, a Treasurer and a Vice-President, who shall at all times be members of the Board of Directors. The Board of Directors may, by resolution, create such other offices, as it deems necessary or desirable and may allow one member to hold more than one, but no more than two, offices.

Term

12.02. The Officers of this Association shall be elected annually by the Board of Directors, and each shall hold office for one (1) year, unless the Officer shall sooner resign, be removed, or be otherwise disqualified to serve.

Resignation and Removal

12.03. Any Officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect at the date of receipt of the notice or at any later time specified in the notice. Any Officer may be removed from office by the Board whenever, in the Board's judgment, the best interests of the Association would be served by such removal.

**ARTICLE 13
President**

Election

13.01. At the first meeting of the Board immediately following the annual meeting of the Members, the Board shall elect one of their number to act as President.

Duties

13.02. The President shall perform the following duties:

- (a) Preside over all meetings of the Members and of the Board.
- (b) Sign as President all deeds, contracts, and other instruments in writing that have been first approved by the Board, unless the Board, by duly adopted resolution, has authorized the signature of another Officer.
- (c) Call meetings of the Board whenever he or she deems it necessary in accordance with rules and on notice agreed to by the Board. The notice period shall, with the exception of emergencies, in no event be less than three (3) days.
- (d) Have, subject to the advice of the Board, general supervision, direction, and control of the affairs of the Association and discharge such other duties as may be required of him or her by the Board.
- (e) Prepare, execute, certify, and have recorded all amendments to the Declaration required by statute to be recorded by the Association.

**ARTICLE 14
Vice-President**

Election

14.01. At the first meeting of the Board immediately following the annual meeting of the Members, the Board shall elect one of its Members to act as Vice-President.

Duties

14.02. The Vice-President shall perform the following duties:

- (a) Act in the place and in the stead of the President in the event of the President's absence, inability, or refusal to act.
- (b) Exercise and discharge such other duties as may be required of the Vice-President by the Board. In connection with any such additional duties, the Vice-President shall be responsible to the President.

ARTICLE 15
Secretary

Election

15.01. At the first meeting of the Board immediately following the annual meeting of the Members, the Board shall elect a Secretary.

Duties

15.02. The Secretary shall perform the following duties:

- (a) Keep a record of all meetings and proceedings of the Board and of the Members.
- (b) Keep the seal of the Association, if any, and affix it on all papers requiring the seal.
- (c) Serve notices of meetings of the Board and the Members required either by law or by these Bylaws.
- (d) Keep appropriate current records showing the Members of the Association together with their addresses.
- (e) Sign as Secretary all deeds, contracts, and other instruments in writing that have been first approved by the Board if the instruments require a second Association signature, unless the Board has authorized another Officer to sign in the place and stead of the Secretary by duly adopted resolution.
- (f) Prepare, execute, certify, and have recorded all amendments to the Declaration required by statute to be recorded by the Association.

ARTICLE 16
Treasurer

Election

16.01. At the first meeting of the Board immediately following the annual meeting of the Members, the Board shall elect a Treasurer.

Duties

16.02. The Treasurer shall perform the following duties:

- (a) Receive and deposit in a bank or banks, as the Board may from time to time direct, all of the funds of the Association,
- (b) Be responsible for and supervise the maintenance of books and records to account for the Association's funds and other Association assets.
- (c) Disburse and withdraw funds as the Board may from time to time direct, in accordance with prescribed procedures.
- (d) Prepare and distribute the financial statements for the Association required by the Declaration.

**ARTICLE 18
Other Committees**

Designation

18.01. The Board of Directors may, by resolution adopted by a majority of the whole Board, designate one (1) or more committees in addition to the executive committee.

Number; Qualification; Term

18.02. The committees shall consist of two (2) or more persons, a majority of whom are directors. The committees shall serve at the pleasure of the Board of Directors.

Authority

18.03. The committees, to the extent provided in such resolution, shall have and may exercise all of the authority of the Board of Directors in the management of the business and affairs of the Corporation.

Change in Number

18.04 The number of committee members may be increased or decreased from time to time by resolution adopted by a majority of the whole Board of Directors.

Removal

18.05 Any member of the committee may be removed by the Board of Directors by the affirmative vote of a majority of the whole Board, whenever in its judgment the best interests of the Corporation will be served thereby.

Vacancies

18.06 A vacancy occurring on any committee (by death, resignation, removal or otherwise) may be filled by the Board of Directors in the manner provided for original designation by Section 18.01 of these Bylaws.

Meetings

18.07 Time, place and notice (if any) of any committee meetings shall be determined by each committee.

Quorum; Majority Vote

18.08 At meetings of any committee, a majority of the number of members designated by the Board of Directors shall constitute a quorum for the transaction of business. The act of a majority of the Members present at any meeting at which a quorum is present shall be the act of the committee, except as otherwise specifically provided by statute, the Articles of Incorporation or these Bylaws. If a quorum is not present at a meeting of the committee, the Members present may adjourn the meeting from time-to-time, without notice other than an announcement at the meeting, until a quorum is present.

Procedure

18.09. Each committee shall keep regular minutes of its proceedings and report the same to the Board of Directors when required. The minutes of the proceedings of each committee shall be place in the minute book of the Corporation.

Action Without a Meeting

18.10. Any action required or permitted to be taken at a meeting of a committee may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all the members of the committee. Such consent shall have the same force and effect as a unanimous vote at a meeting. The Signed consent, or a signed copy, shall be placed in the minute book.

Telephone and Similar Meetings

18.11. Committee members may participate in and hold a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such meeting shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Responsibility

18.12. The designation of a committee and the delegation of authority to it shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed upon it or mandated by law.

**ARTICLE 19
Books and Records**

Maintenance

19.01. Complete and correct records of account and minutes of proceedings of meetings of Members, Directors, and committees shall be kept at the registered office of the Association. A record containing the names and addresses of all Members entitled to vote shall be kept at the registered office or principal place of business of the Association.

Inspection

19.02. The Governing Instruments, the membership register, the books of account, and the minutes of proceedings shall be available for inspection and copying by any Member of the Association or any Director for any proper purpose at any reasonable time.

**ARTICLE 20
Indemnification**

Extent of Indemnification

20.01. The Association shall indemnify and may advance reasonable expenses to any person who is serving or has served as a director, officer or committee member of the Association to the greatest extent then permitted by the Texas Non-Profit Corporation Act and other applicable law. Indemnification as provided in this Article 20 shall inure to the benefit of the heirs, executors, and administrators of any person who held a position named in this Section.

Other Remedies

20.02. Indemnification provided in this Article shall not be exclusive of any other rights to which a person who held a position identified in Section 20.01 may be entitled by law, agreement, vote of disinterested directors, or otherwise.

Insurance

20.03. The Association may purchase and maintain insurance on behalf of any person (and may reimburse any such person for the reasonable and necessary cost of obtaining and maintaining personal insurance) against any liability which may be incurred by him arising out of his status as a director, officer, committee member or employee of the Association, whether or not the Association would have the power to indemnify him against any such liability in Section 20.01.

ARTICLE 21
Amendment of Bylaws

21.01. These Bylaws may be amended, altered, or repealed at a regular or special meeting of the Members of the Association by the affirmative vote in person or by proxy of Members representing a majority of a quorum of the Association. Notwithstanding the above, the percentage of affirmative votes necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

Attestation

21.02. Adopted by the Board of Directors on October 12, 2013.

Susan A. Farrell
Secretary
Susan A. Farrell
Printed Name

State of Texas County of Texas

Before me, Sarah W. Helmcamp, on this day personally appeared Susan A. Farrell, known to me (or proved to me on the oath of _____ or through Texas Drivers License to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 24th day of Feb., 2014.

Notary Public's Signature Sarah W. Helmcamp

