

RE-STATE BYLAWS OF ALAMO COUNTRY CLUB OWNERS ASSOCIATION

Purpose of Bylaws: Amplifying the **Restrictions** and **Covenants** now existing.

Article I – Office

Sec. 1 Principal Office

The principal office of the Corporation is in the City of Alamo, County of Hidalgo, State of Texas. The **Corporation** may have such other offices, within the State of Texas, as the Board of Directors may determine or as the affairs of the Corporation may require from time to time.

Sec. 2 Registered Office

The Corporation 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, but need not be, identical with the principal office in the State of Texas, and the address of the registered office may be changed from time to time by the **Board of Directors**.

Sec 3 Subdivision

The land and subdivision to which reference is herein made is that property **described** in and covered by a certain Ownership Plan and Deed Restrictions for Alamo Country Club Subdivision recorded in Volume 1796, Deed Records of Hidalgo County, Texas, **183** acres restricted amount in Alamo Country Club.

Article II – Definitions

Sec. 1 “Association”

Shall mean and refer to Alamo Country Club Owners Association, a Texas Non-Profit **C**orporation, its successors and assigns.

Sec. 2 “Owner”

Shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any lot which is part of the properties including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Sec. 3 “Properties”

Shall mean and refer to that certain real property described in the [~~Declaration of]Covenants,[Conditions and Restrictions of Record]_____ covering Alamo Country Club, Hidalgo County, Texas, and such additions to such **Covenants** as may hereafter be brought within the jurisdiction of the Association. **Remove words in brackets**~~

Sec. 4 “Common Areas”

Shall mean **and refer to** all real property and improvements thereon owned by the Association including, but not limited to, Golf Course, Driving Range, Tennis Courts, Shuffleboard Courts, Swimming Pools, Baseball Fields, Entrance Area, Maintenance Area, Storage Area, Parks and Club Houses that are for the common use and enjoyment of the **Members and Residents, and Lots owned by the Association.**

Sec. 5 “Lots”
Shall mean and refer to any numbered Lot or plat of land shown in ~~any~~ **the Hidalgo County Clerk Office Recorded Subdivisions map or plat of the properties with the exception of the Common Area and excluding Lots owned by Alamo Country Club.**

Sec. 6 “Declarant”
Shall **mean and** refer to **Alamo Country Club Owners Association, Alamo Country Club, Hidalgo County, Texas or any person designated by the Association.**

Sec. 7 “Declaration”
Shall mean and refer to the **Declaration** of Covenants, Conditions and Restrictions of **Record Phases 1,2,3** applicable to the properties recorded in the Deed Records, Hidalgo County, Texas.

Sec. 8 “Delinquency”
Any **Member** in arrears ~~in excess of thirty (30) days~~ **at the end of the month when due** shall be considered delinquent. ~~ACC Owners Association dues are payable, in advance~~ **without demand**, the first of each month.

Sec. 9 “Member”
Shall mean and refer to those persons entitled to **Membership** as provided in the ~~Declaration~~ **Covenants.**

~~Sec. 10 “Winter Resident”
A **Winter Resident** will be defined as being absent from the Alamo Country Club over 90 days in succession~~

Sec. 10 “Subdivision”
The Subdivision will be defined as the property described in the ~~Declaration~~ **Covenants** of Alamo Country Club, Hidalgo County, Texas and such additions to such ~~Declaration~~ **Covenants** as may hereafter be brought within the jurisdiction of the Association.

Sec. 11 “Resident”
Shall mean a person who lives at Alamo Country Club on a continuous basis and upon leaving Alamo Country Club intends to return.

Sec. 12 “Guest”
Shall mean a person who is present at the invitation of a Resident or Member of Alamo Country Club.

Sec. 13 “CIF” (Capital Improvement Fund)
The purpose of the Capital Improvement Fund is to fund current and future capital expenditures as defined in the “Capital Improvement Plan”. A budget will be prepared each year and approved by vote of the Members at the Annual Meeting. Revenues for the fund may come from transfer of titles, interest earned, transfers from the Operating Budget, special assessments or other funds approved by a majority vote of Members at the Annual Meeting. Expenditures will come from the current year Capital Improvement Fund 10 Year Plan.

Sec. 14 "Voting Members" A member who is given the right to vote at any meeting following the provisions of Article 1 of the Covenants.

Article III – Members

Sec. 1 Membership

Every person who acquires legal or equitable title to any Lot in the Subdivision shall thereby become a Member of Alamo Country Club Owners Association; provided, however, that such Membership is not intended to apply to those persons who hold an interest in any such Lot merely as security for the performance of an obligation to pay money, e.g., mortgages, Deeds of Trust, or Real Estate Contract Purchases. All Residents and Members of the Association shall not be less than 18 years of age.

Sec. 2 Voting Rights

Each Member shall be entitled to one vote per Lot owned on each matter submitted to a vote of the Membership. A Lot can have only one vote. Partial Lots are not entitled to vote. (a partial lot is any Lot less than one). Lots owned by the Association are not entitled to a vote.

Sec. 3 Determination of Members

For the purpose of determining Members entitled to vote, or to receive notice of any meeting of Members, or any adjournment thereof, or in order to make a determination of Members for any other proper purpose, the Board of Directors of the Association may provide that the Membership Ledger shall be closed for a stated period of time, which shall not exceed fifty (50) days or not less than (10) days preceding such meeting.. ~~If the determining Members entitled to notice of or to vote at a meeting of Members, such books shall be closed for at least ten (10) days immediately preceding such meeting.~~ In lieu of closing the Membership Ledger, the Board of Directors may fix, in advance, a date as of the record date; in any case not to be more than fifty (50) days, and not less than ten (10) days prior to the date on which the particular action requiring such determination of Members is to be taken. If the Directors do not vote to close the Membership Ledger, nor fix a record date for the determining of Members, the date on which such notice of the meeting is mailed shall be the record date of such determination of Members. When a determination of Members entitled to vote at any meeting of members has been made in accordance with this section, ~~such determination has been made to close the Membership ledger and stated the~~ period of closing has expired

Sec. 4 Entities Entitled to Membership

Each entity entitled to Membership in this Association is responsible for, (A) notifying the Association of such entitlement, and (B) furnishing a legal or equitable deed. ~~such proof as to that right as the Board of Directors may from time to time require.~~ Only Members registered as aforesaid shall be entitled to be treated by the Association as Members thereof, and the Association shall not be bound to recognize any equitable claim to or interest in any Membership on the part of another person, whether or not it

shall have express or other notice thereof, except as may be expressly provided by the laws of the State of Texas.

~~Sec. 5 Voting in Case of Delinquent Payments~~

~~Amended September 1, 2011, by the State of Texas to be removed in entirety.~~

Article IV – Meeting of Members

Sec. 1 Annual Meeting of Members

The Annual Meeting of Members shall be on the second Monday in February at the hour of 9:00 A.M. Annual Meetings will be held in the club house at Alamo Country Club. If the day for the Annual Meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday. Notwithstanding the foregoing however, the Annual Meetings may be held in such other locations and at such other times as specified by written notice to all Members. Members vote to approve the monthly assessment, Members will be presented with the operating budget on which the assessment is based, vote to approve the Capital Improvement Fund Budget, vote for new Board Members and conduct old and new business as needed.

Sec. 2 Special Meetings of the Members

Special Meetings of the Members may be called by the President, if so directed by the Board of Directors, or by not less fewer than ten (10) per cent twenty (20) per cent of the Members having voting rights. The Officer, Director or Member (as the case may be) calling the Special Meeting shall do so through the submission of a petition. shall designate the time thereof. The time of the meeting shall be 9 am. local time during a business day. The place of the meeting shall be in the clubhouse of the Subdivision.

~~Sec. 3 Place of Meetings~~

~~All Special, Regular, Annual and Board of Directors meetings will be held in the clubhouse of the Alamo Country Club, or at such other locations as specified in the notice of the meeting.~~

Sec. 3 Notice of Meeting

Written notice of each Meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by one of two methods: A member signing in person to receive the information packet within ACC property, or by mailing copy of such notice, postage prepaid, at least ten (10) days, but not more than sixty (60) days before such meeting to each Member entitled to vote there at, addressed to the Member's address last appearing on the books of the Association or supplied by such Member to the Association for the purpose of such notice. Such notice shall specify the place, day, and hour of the meeting, and, in case of a Special Meeting, the purpose of the meeting.

Sec. 5 4 Membership List

A complete list of the Members entitled to vote at the duly called meeting, arranged both in Surname alphabetical order and by Lot number, shall be maintained by the Association Office. The Secretary who shall have charge of the Membership Ledger, and which shall be placed in the Association office, or made available where the meeting is to be held, and shall, during the usual hours for business and during the whole time of

said duly called meeting, be open to the examination by any Member, proxy or attorney-in-fact of any Member.

Sec. 5 Informal Action by Members

Any action required by law to be taken at a meeting of the Members or any action which may be taken without a meeting, requires a consent in writing, setting forth the action so taken, and shall be signed by all of the Members entitled to vote with respect to the subject matter thereof.

Sec. 6 Quorum

The Members holding thirty (30) percent of the votes, including proxies of Members not present and absentee ballots, which may be cast at any Meeting shall constitute a quorum of any Meeting. If a quorum is not present at any Meeting of Members, the chairman will adjourn the meeting.

Sec. 7 Absentee Voting System

At any meeting of Members, a Member entitled to vote may vote by absentee ballot or by a fax sent to the Association office executed in writing by the Member or his duly authorized attorney-in-fact. No absentee ballot or fax shall be valid after three hundred thirty-five (335) days from the date of its execution, unless otherwise provided in the absentee ballot or fax.

Sec.8 Members Vote

Any vote cast in an election or vote by a Member of the Association at an Annual or Special Meeting must be in writing and signed by that Member when the vote is cast:1} outside of a meeting; {2} in an election to fill a position on the Board of Directors; {3} on a proposed adoption of amendment of a dedicatory instrument; {4} on a proposed increase in the amount of a regular assessment; or {5} on the proposed removal of a Director.

Article V – Board of Directors

Sec. 1 General Powers

The affairs of the Association shall be managed by its Board of Directors. One or more but not all Directors must be Members of the Association.

Sec. 2 Number

The number of Directors shall be nine (9).

Sec. 3 Transitional Board of Directors

~~The Transitional Board of Directors shall consist of those three (3) members named in the Article of Incorporation. Such initial Board of Directors shall serve until the first meeting of the Members.~~

Sec. 4 Term of Office

~~At the first meeting of the Members of the Alamo Country Club Owners Association, a Board of Directors consisting of nine (9) Directors shall be elected at large. All eligible Members may vote for a maximum of nine (9) nominees for Directors at the first meeting of the Members. The nine (9) directors will be elected for the following terms:~~

- ~~_____ 3 Directors to be elected for 3 years.~~
- ~~_____ 3 Directors to be elected for 2 years.~~
- ~~_____ 3 Directors to be elected for 1 year.~~

~~The three (3) nominees with the highest number of votes will be elected to three (3) year terms. Those three (3) with the highest number of votes will be elected to two (2) year terms and those three (3) with the next highest number of votes will be elected to one (1) year terms. In the event of a tie of two or more nominees, another vote may be taken.~~

~~Upon expiration of each Director's term of office, a successor Director will be elected for a term of three (3) years. Winners of each election will be determined to be those with the largest number of votes.~~

Sec. 3 Individual Members of the Board of Directors shall serve a term of three years, with the timing of the terms to be staggered so that each year the terms of three of the Directors shall expire. Upon the expiration of each Director's term of office, a successor will be elected for a term of three years. Winners of each election will be determined to be those with the largest number of votes cast. In the event of a tie of two or more nominees another vote or votes shall be taken to break the tie .of those tied.

Sec.4 Nominees for Election (Method)

~~Eligible voting Members as provided in Article 4 and non-Members may become nominees for Directors of the Association. A notice in writing of the desire to become a nominee be placed on the ballot must be received by the Secretary twenty one (21) fifty [50] days before the election. {Notwithstanding the foregoing, Members who desire to become nominees at the first annual meeting of the Members shall give notification to the initial Board of Directors.}~~ If the number of nominees is insufficient in that there is not at least two (2) or more eligible candidates for each Director position, the Board of Directors shall **attempt to select enough** nominees, who ~~have~~ indicate a willingness to serve, to fill that need. In the event the number of such willing nominees exceeds the number required to provide at least two (2) eligible candidates for each Director position, the names of all such willing nominees shall be placed on the ballot. This nomination procedure shall not be exclusive; but nominations shall be accepted from the floor at the **Annual Meeting** of the Members. ~~Subdivision A nominating committee appointed by the Board of Directors will solicit candidates for election to the BOD~~ **Board of Directors and list all interested candidates on the absentee ballot.**

On the day of the election at the **Annual Meeting** of the Members, all eligible voters will be provided with a ~~pre-numbered~~ ballot containing the names of all nominees. A space will be provided for write-in candidates. **As well as nominations from the floor.**

After the ballots have been marked, they will be collected and a **Tally** Committee appointed by the ~~presiding officer~~ **Board of Directors** will ~~adjourn to an adjacent room and~~ count the ballots. The results will be announced prior to the end of the meeting and those newly elected will be sworn in. The Committee shall then seal the ballots and destroy them after thirty (30) days. **Persons tabulating the votes are precluded from disclosing to any other persons how an individual voted.**

~~In the case of multiple ownership of a lot, only one Member can hold office at one time.~~

Sec. 5 Annual Meeting Required Special Meeting of the Board of Directors

Immediately after the adjournment of each **Annual Meeting** of Members, the ~~newly elected~~ **new Board of Directors** shall meet ~~for the purpose of electing officers and setting up a Special Transitional Board Meeting. This meeting will be held during the same month as the Annual Members Meeting. forthwith at the same place at which the Members meeting was held for the election of Officers, and the transaction of any other business to come before the meeting.~~

Sec. 6 Regular and Planning Meetings

Regular **Meetings** of the Board of Directors shall be held at least once a month at such times and places as may be determined by the Board **of Directors. Planning meetings shall not be considered as a Regular Meeting.**

Sec. 7 Special Meetings of Board of Directors

Special Meetings of the Board of Directors may be called by the President, the Vice President or not less than two (2) of the Directors. The Officers or Directors calling the Special Meeting shall designate the place and time thereof ~~which shall be in the City of Alamo, Texas~~ **on Association property**, and at a reasonably convenient time. If no designation is made, the place of the Meeting shall be at the registered office of the Association and the time for the Meeting shall be 12:01 p.m.

Sec. 8 Meetings by Telephone

Members of the Board of Directors of the Association, or Members of any Committee designated by such Board may participate in and hold a Meeting of such Board or Committee by means of conference telephone or similar communications equipment by means of which all persons participating in the Meeting can hear each other, and participation in a Meeting pursuant to this Section shall constitute presence in person at such Meeting, except where a person participates in the Meeting for the express purpose of objection to the transaction of any business on the grounds that the Meeting is not lawfully called or convened.

Sec. 9 Notice of Directors Meetings

Written or oral notice stating the agenda, place, date and hour of any meeting of the Board shall be delivered either by posting in community space, electronically, or by mail, to all Members not less than seventy-two (72) hours prior to the hour of such meeting by or at the direction of the President or the Secretary of this Association or, if a Special Meeting, the Officer or Directors who are not residing at Alamo Country Club at the time of the Directors meeting with a copy of the agenda of Special Meetings, and a copy of the minutes of Regular Meetings. **If by mail it will be addressed to the Director at his address as it appears on the records of the Association with postage thereon paid.**

Sec. 10 Waiver

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.

Sec. 11 Quorum

~~A majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.~~ **The presence of five (5) members of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws. Shall constitute a quorum.**

Sec. 12 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 Bylaws.

Sec. 13 Chairman

At all meetings of the Board of Directors, the President, or in his absence the Vice President, or in the absence of both, a Chairman chosen ~~by~~ **from** the Board of Directors shall preside.

Sec. 14 Vacancies

Any vacancy occurring **on** the Board of Directors shall be filled by a majority vote of the remaining Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Sec. 15 Compensation

No Director shall receive compensation for any service he may render the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties, if approved by the Board of Directors.

Sec. 16 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.

Sec. 17 Removal of Director

At any Meeting of Members called expressly for such purpose, any Director or the entire Board of Directors may be removed, with or without cause, by a majority vote of the Members present provided a quorum exists. In addition, failure of any Director to attend three (3) consecutive meetings, Regular, Annual or Special, without an excuse acceptable to a majority of the remaining Directors shall constitute good cause and such offending Director shall be removed automatically without necessity of the vote as heretofore provided. ~~Notwithstanding the foregoing, the provisions of this Section calling for the automatic removal of any Director who fails to attend three (3) consecutive meetings shall not be applicable to a Director who is a Winter Resident.~~

In addition, any Director **more than [90] days** delinquent in ~~his~~**their** dues or assessments to the Owners Association shall be automatically removed from the Board of Directors.

If ~~a~~**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 a crime involving moral turpitude **within the last 20 years**, the Board Member is immediately ineligible to serve on the Board of the ~~property owners'~~ **Association**, automatically removed from the **Board of Directors**, and prohibited from future service on the **Board of Directors**.

Sec. 18 Executive Session Meetings of the Board of Directors

~~Regular and Special Board Meetings must be open to Members, subject to the right of the Board of Directors to move a meeting into a closed executive session to consider actions involving personnel, possible litigation, contract negotiations, enforcement actions, confidential communications with the Associations attorney, matters involving the invasion of privacy of the individual owners, or matters that are to remain confidential by the 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 the individual owners, violating any privilege, or disclosing any information that was to remain confidential at the request of the affected parties. The oral summary must include a general explanation of any expenditures approved in executive session.~~

Sec. 19 Hardship Reviews

~~The Board of Directors may grant hearings to any Member who makes a request for an exception from any Covenant, Rule or Bylaw which the Member believes places a special hardship.~~

Article VI – Powers and Duties of the Board of Directors

Sec. 1 Powers

The Board of Directors shall have the power to:

- (A) Adopt and publish rules and regulations governing the use of the Common Areas and facilities, and the personal conduct ~~of the Members, Residents and their guests thereon,~~ **of all persons using Association facilities** and to establish penalties for the infraction thereof.
- (B) Suspend ~~the~~ **rights** to use the ~~recreational facilities~~ **Common Areas** ~~by~~ of a Member during any period in which such Member shall be delinquent in the payment of any assessment, ~~fee or fine~~ levied by the Association. Notice of suspension must be in

writing. ~~Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations.~~ Violation of published rules and regulations may also result in the suspension of the right to use Common Areas after written notice has been received as defined in the Covenants.

- (C) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the ~~Membership~~Members by other provisions of these ~~By-Laws,Bylaws~~ the Articles of Incorporation, or the ~~Declaration~~ Covenants
- (D) Declare the office of a member of the Board of Directors to be vacant pursuant to the provisions of Article V, Sec. 17; and
- (E) Employ a Manager, independent contractors, or such other employees as they deem necessary, and to prescribe their duties. The Manager shall not reside nor own property within the Subdivision.
- (F) Adopt and publish rules and regulations concerning rentals of ~~units. Lots~~ All rentals of less than thirty (30) days duration must have the approval of the Board of Directors.
- (G) Impose sanctions for violations of the Covenants and Rules and Regulations in accordance with the applicable procedures set forth in these Bylaws and the Rules and Regulations.

Sec. 2 Duties

It shall be the duty of the Board of Directors to:

- (A) Cause to be kept a complete record of all its acts and corporate affairs ~~and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting at which such statements is requested in writing by twenty (20) per cent of the Members.~~ The use of independent auditors ~~shall~~may be authorized by the Board of Directors;
- (B) ~~Supervise all officers, agents, and employees of this Association, and to see that their duties are properly performed.~~ Establish and maintain operating procedures for the administration of the Association. Supervise, through the General Manager, Association employees and agents and provide guidance to the various committees that operate within the Association.
- (C) Prepare an annual budget and cause it to be posted at least thirty (30) days prior to the Annual Meeting. Any line item in this budget may be modified, ~~accepted or rejected~~ by a two-thirds majority of the votes cast at the Annual or any Special Meeting. ~~provided that there is a quorum present.~~ This budget shall include all normal operating costs including, but not limited to, salaries, utilities, maintenance and any improvement which has been approved by the Membership.
- (D) The Directors shall not be required to budget for, nor have Membership approval of the following; emergency repairs caused by an act of God, such as; Fire, Hurricane, Tornado, Storm, Deterioration caused by Time, Electrical or Smoke Damage, or a health or safety hazard to the residents or staff, or a potential liability to the Association, Earthquake or Earth Movement causing foundation damage or Acts of Sabotage.

The Directors shall ~~exercise good judgment in selecting~~ **select** two or more contractors **if possible** to bid on such needed repairs and select the bid best suited for the actual repair. Funds from the CIF may be used to pay for these types of repairs if there is a sufficient amount of funds available without prior approval of the Membership. If there are not sufficient funds available in the CIF, an assessment may be placed on each ~~individual owner~~ **Member**, to pay for the cost of these repairs to be voted on at the Annual Meeting. These funds from the special assessment will be placed in the ~~Continuing Improvement~~ **Capital Improvement Fund (CIF)** and funds from the CIF will be used to pay for these types of emergency repairs, or prorated for the amount not covered by insurance.

- (E) As more fully provided in the ~~Declaration~~ **Covenants** to:
- (+) (a) Any change of the budget that would necessitate a change in the annual assessment against the Lots shall require a two-thirds (2/3) majority approval of the votes cast at an Annual or any Special Meeting.
 - (b) Any special assessment against the Lots shall require a two-thirds (2/3) majority approval of the votes cast at **Annual or Special Meeting. Article 3 Sec.A paragraph 9 of the Covenants shall be the only exception.**
 - (c) In order to cover the administrative cost to the Association occasioned by a transfer of title to a lot in the **Subdivision** and to help fund capital, operational and repair reserves for the **Association**, there shall be a special assessment **fee** imposed at the time of transfer of title ~~to of any Lot in the sum of one thousand dollars (\$1,000.00)~~, payable by the person or persons receiving title to such **Lot** as of the date of the passage of title. These fees will accrue to a reserve account, to be called the **Continuing Capital Improvement Fund**, to be used subject to approval by a simple majority of the **Members** present and voting at a **Special Meeting** or the next **Annual Meeting** of the **Members** unless **the funds** are used, subject to **Article VI** Section 2 Duties Part **D**.
 - (d) Any person who receives title to a **Lot** in the **Subdivision** by inheritance **shall be exempt from this fee**. Any person having been a ~~bonafide owner~~ **Member** of the ~~subdivision~~ **Association** for at least six **continuous** months, **who** receives title to another **Lot** in the subdivision **within twelve months** for the purpose of **their** occupancy shall **also** be exempt from ~~the special assessment in subsection (c) above~~ **this fee**. **The Board of Directors shall determine the method by which the exemption is given.**
- (2) Send written notice of each assessment to every ~~owner~~ **Voting Member**.
 - (3) At its discretion, foreclose the lien against any ~~property~~ **Lot** for which assessments are not paid within four (4) months after due date or to bring action at law against the ~~owner~~ **Member**—personally obligated to pay the same.

Issue, or to cause an appropriate ~~officer~~ **agent** to issue, upon demand by any person, a certificate setting forth whether or not any assessment, **finer, fees or liens** has been paid. A reasonable fee, reviewed by the Board of Directors and approved by a simple majority vote of the **Members** present and voting at the next **Annual Meeting**, may be made by the Board **of Directors** for issuance of these certificates. If a certificate states ~~an assessment~~

such obligations have ~~has~~ been paid, such certificate shall be conclusive evidence of such payment;

- (E) Procure and maintain adequate, as determined in the discretion of the Board of Directors, liability and hazard insurance on property owned by the Association;
- (F) Cause all Officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (G) Cause the Common Areas to be maintained;
- (H) ~~Apply to the Internal Revenue Service for tax exempt status for the Association;~~ Maintain the Associations tax exempt status under IRC 501 © 7
- (I) The Board of Directors shall appoint an Architectural Control Committee and a Project Planning Review Committee, as provided in the Declaration of Covenants. In addition, the Board of Directors shall appoint such other committees as deemed appropriate in carrying out its purpose and function.
- (J) Enforce the standards set forth in the Covenants, and Rules and Regulations. It shall be the policy of the Association to elicit voluntary compliance whenever possible; however, in any particular case, the remedy sought shall be left to the sole discretion of the Board of Directors Unless otherwise stated the Board of Directors is responsible for the enforcement of all violations of Covenants and Rules and Regulations. The Board of Directors may delegate the specific authority for this enforcement to the General Manager or appropriate committee. ~~except that the Board of Directors shall not be arbitrary or capricious in taking enforcement action. The term "arbitrary" shall mean an unrestrained or tyrannical exercise of power. The term "capricious" means acting in a manner that is impulsive or unpredictable.~~ The remedies available to the Board of Directors shall include, but not be limited to, the following:
 - (1) Notifying the ~~Owner~~Member of the violation and requesting the ~~Owner's~~Member's compliance in correcting the violation;
 - (2) Assessing a fine (First violation -- \$50.00; Second violation -- \$100.00; Continuing violations without remediation by the ~~Owner~~Member will be assessed at the same amount as the initial fine for each subsequent day after the date that the Board of Directors renders its decision);
 - (3) ~~Utilizing self help to cure the violation;~~
 - (4) Charging the ~~Owner~~Member for the cost of maintenance, restoration, or repair incurred by the Association in correcting the violation; and
 - (5) Charging the ~~Owner~~Member for property damage.

k) Assure that all decisions of the Board of Directors be entered into a proper document or documents necessary to provide information to the Members.

Article VII – Officers

Sec. 1 Officers

The Officers of the Association shall be a President, a Vice-President, a Secretary, a Treasurer **to be elected from the Board of Directors**, and such other Officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect or ~~appoint~~ such other Officers, including 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.

Sec. 2 Election and Term of Officers

~~Upon the adoption of these By Laws, the Officers of the Association shall be elected by the first Board of Directors taking office hereunder at their organizational meeting and each Officer shall hold office for a term of one year from the date of his election to until the first next Annual Meeting of the Board of Directors or until his successor be elected and qualified (whichever is later). Thereafter, all subsequent officers shall be elected by the Board of Directors at the annual meeting of the Board of Directors, and Each Officer shall hold office for one year from such date or until his successor be elected and qualified (whichever is later). Notwithstanding the foregoing, no person shall be an Officer of this Association for more than three (3) consecutive terms.~~

Sec. 3 Removal

Any Officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever, in its judgment, the best interest of the Association would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the Officer so removed.

Sec. 4 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. ~~He~~ **The President or a designee** shall preside at all meetings of the Members and of the Board of Directors. He 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 have 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~~ **Bylaws** or be granted by **statute** to some other Officer or agent of the Association; and in general, he 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.

Sec. 5 Vice-President

In the absence of the President, or in the event of his inability or refusal to act, the Vice President (or in the case there be more than one Vice-President the Vice-Presidents in the **chronological** order of their election **by the Board of Directors**) 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. Any Vice-President shall perform such other duties as may be assigned to him by the President or by the Board of Directors.

Sec. 6 Treasurer

The Treasurer shall have charge and custody of and be responsible for receipts, disbursements and all funds and securities of the Association; receive and give receipts for monies due and payable to the Association from any source whatsoever, deposit all such monies in the name of the Association in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article ~~IX.X~~, Sec. 3, of these Bylaws; shall keep correct and complete books and records of accounts 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 by the President or the Board of Directors.

Sec. 7 Secretary

The Secretary shall keep the minutes of ~~the all~~ meetings of the Board of Directors in a book provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the records and the **Seal** of the Association, and affix the seal for the Association to all documents, the execution of which on behalf of the Association under its seal is duly

authorized in accordance with the provisions of these ~~By-Laws~~; **Bylaws** keep a register of the post office address of each Director or Officer; and Member of the Association, which shall be furnished by the Secretary to any Director or Officer; and in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned ~~to him~~ by the President or the Board of Directors.

Sec. 8 Other Officers

Other **Officers**, if any, shall perform such duties as shall be assigned to them by the President or the Board of Directors.

Article VIII – Fees, **Costs** and Assessments

Sec. 1 As more fully provided in the ~~Declaration, Covenants~~ each Member is obligated to pay to the Association, monthly and special assessments which are secured by a continuing lien upon the property against which the assessment **of fees** is made. Any assessment **and fees** not paid when due shall be delinquent. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property. Costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment **obligation**. No Owner may waive or otherwise escape liability for the ~~assessment-obligation~~ provided for herein by no use of the Common Areas or abandonment of his **Lot**.

A 1% per month, 12% per annum rate of interest will be charged on all Delinquent accounts.

Note...becomes sec 3

~~Sec. 4~~ **2A** schedule of fees will be reviewed annually by the Board of Directors and if changes are considered necessary, such changes may be approved by a simple majority of the Members present and voting at the ~~next~~ **subsequent Annual Meeting of the Association**.

~~Sec. 2~~ Penalties and interest ~~as will be~~ reviewed **annually** by the Board of Directors and **changes may be** approved by a simple majority vote of the **Members present and voting at the next** ~~subsequent annual meeting~~ **Meeting of the Members**.

~~Sec. 3~~ As reviewed by the Board of Directors and approved by a simple majority vote of the **Members present and voting at the next annual meeting**

Article IX – Alternative Funding Reserve

Sec. 1 Composition of the Fund

The Alternative Funding Reserve (“AFR”) shall be composed of two (2) separate funds:

~~(1)~~ A **Primary Association Reserve Fund** in the amount of \$250,000.00, which shall be used only for catastrophic occurrences, such as hurricanes or other destructive events, and would be used to pay insurance deductibles and to rebuild facilities of the Association not covered by insurance, such as fences, light poles, pool covers, etc. Use of this fund requires approval by a 2/3 majority vote of the Members **at an Annual or Special Meeting where a quorum is present**. Expenditures out of this fund must be repaid. Repayment would occur by the addition of a line item to the budget of the Association that repays this fund over a period of not less than two (2) years nor more than five (5) years.

~~(2)~~ A **Secondary Association Reserve Fund** in the amount of \$250,000.00, which shall be used by the Association for capital improvement projects and emergency maintenance that falls outside of the **operating budget and Capital Improvement Fund** ~~normal budgeting process~~. Use of this fund requires approval by a 2/3 majority vote of the Members. When a project request is presented that calls for an expenditure from this fund, such request must address the repayment of the expenditure to this fund. A

request may provide that any funds expended will not be repaid. Conversely, a request may provide that any funds expended must be repaid in full, or only partially. Any project that is approved and that calls for repayment shall be repaid by adding a line item to the budget that repays the fund over a period of not less than two (2) years nor more than five (5) years.

Sec. 2 Use of the Fund

- (1) No expenditures from ~~the either~~ AFR accounts may be made on any item which is normally part of the operating expenses of the Association.
- (2) No expenditure from the AFR may be used to offset an increase in annual assessments.
- (3) All expenditures from the AFR will require a vote by the Association under its existing Rules and Regulations and these ~~By laws.~~ **Bylaws**
- (4) All expenditures for projects from the AFR will require prior **project** approval by the ~~Project Planning and Review Committee~~ **Planning and Project Review Committee** followed by approval from the Board of Directors.

Article X – Contracts, Check, Deposits and Funds

Sec. 1 Contracts

The Board of Directors, subject to the provisions and limitations of these ~~By Laws~~ **Bylaws**, may authorize any officer or officers, agent or agents, of the Association, in addition to the **Officers** so authorized by these ~~By Laws~~ **Bylaws**, to enter into any contract, to execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

Sec. 2 Payments

All check, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association, shall be signed by such **Officer** or **Officers**, agent or agents, 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 resolution of the Board of Directors, such instruments shall be signed by the Treasurer or an Assistant Treasurer and counter signed by the President or a Vice President of the Association.~~ **All checks must have the signature of at least one Director.**

Sec. 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.

Sec. 4 Gifts

The Board of Directors may accept on behalf of the Association any contribution, gift bequest or devise for the general purposes or for any special purpose of the Association so long as such are consistent and not in conflict with the Texas Non-Profit Corporation Act, as amended, or Section 501 of the Internal Revenue Code, as amended.

Article XI – Books and Records

All books and records of the Association **except those exempted by Federal or State of Texas statute** may be inspected by any Member or his agent or attorney for any purpose at any reasonable time.

Article XII – Seal

The Board of Directors shall provide a Corporate Seal, which shall be in the form of a circle and shall have inscribed thereon the name of the Association and the words “Corporate Seal”.

Article XIII – 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 Articles of Incorporation or ~~By-Laws~~ **Bylaws** of the Association, 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.

Article XIV – Amendment

Sec. 1 These ~~by-laws~~ **Bylaws** may be amended at any **Annual** or **Special** meeting of the Members by a two-thirds (2/3) vote of the Members present, provided a quorum exists. Proper notice must be given to all Members that an amendment of ~~By-Laws~~ **Bylaws** will be on the agenda for consideration and voting. Any proposed ~~By-Law~~ **Bylaw** amendment will require a petition signed by twenty percent (20%) of eligible lot owners, except as follows: ~~ACC~~ **Association** **Bylaws** will be amended, when necessary to fully comply with current Texas HOA laws, without a specific vote of the ~~Membership~~ **Members**. All changes by the Board of Directors will be limited to the exact wording of the changes made by the **Texas** Legislature. Further the changes made will be published and publicly displayed to the **Members** of the ~~homeowner's~~ **Association** within sixty days **of the date of the change**.

Sec. 2 Any petition for a Bylaw change for any Meeting must be presented to the Secretary no later than thirty [30] days prior to the meeting at which it will be voted on.

~~Sec. 2~~ **Sec. 3** In case of any conflict between the Articles of Incorporation and these ~~By-Laws~~ **Bylaws**, the Articles shall control; and in case of any conflict between the ~~Declaration of Covenants~~ and these ~~By-Laws~~ **Bylaws** the ~~Declaration of Covenants~~ shall control.

Article XV – Indemnification

Sec. 1 The Association may indemnify a person who was, is or is threatened to be made a name defendant or respondent in a proceeding because the person is or was a Director only if it is determined by the Members in a vote that excludes the vote of the Directors who are named defendants or respondents in the proceeding that the person:

- (1) conducted ~~himself~~ **themselves** in good faith; and
- (2) reasonably believed:
 - (a) in the case of conduct ~~of his~~ **in official** capacity as a Director of the Association, that his conduct was in the Association’s best interest; and
 - (b) in all other cases, that his conduct was at least not opposed to the Association’s best interest; and
- (3) in the case of any criminal proceeding, had no reasonable cause to believe ~~his~~ **the** conduct was unlawful.

Sec. 2 A Director may not be indemnified under Sec. 1 of this Article for obligations resulting from a proceeding:

- (1) in which the person is found liable on the basis that personal benefit was improperly received ~~by him~~, whether or not the benefit resulted from an action taken in the person's official capacity; or
- (2) in which the person is found liable to the Association.

Sec. 3 The termination of a proceeding by judgment, order, settlement, or conviction or a plea of nolo contendere or its equivalent is not itself determinative that the person did not meet the requirements set forth in Section 1 of this Article.

Sec. 4 Authorization of indemnification and determination as to the reasonableness of expenses must be made in the same manner as the determination that indemnification is permissible, pursuant to Section 1.

Sec. 5 The Association shall indemnify a Director against reasonable expenses incurred ~~by him~~ in connection with a proceeding in which ~~he~~ **the director** is named a defendant or respondent because ~~he~~ **that person** is or was a Director ~~if he~~ **who** has been wholly successful, on the merits or otherwise, in the defense of the proceeding.

Sec. 6 Reasonable expenses incurred by a Director who was, is or is threatened to be made a defendant or respondent in a proceeding may be paid or reimbursed by the Association in advance of the final disposition of the proceeding after:

- (1) the Association receives a written affirmation by the Director of ~~his~~ good faith belief that ~~he~~ has met the standard of conduct necessary for indemnification under this Article and a written undertaking by or on behalf of the Director to repay the amount paid or reimbursed if it is ultimately determined that ~~he has not met those requirements; and~~ **those requirements have not been met.**
- (2) a determination that the facts then known to those making the determination would not preclude indemnification under this Article.

Sec. 7 The written undertaking required by Sec. 6 of this Article must be an unlimited general obligation of the Director but need not be secured. It may be accepted without reference to financial ability to make repayment. Determinations and authorizations of payment under Sec. 6 of this Article must be made in a manner specified in Sec. 1 of this Article for determining that indemnification is permissible.

Sec. 8 Notwithstanding any other provisions of this Article, the Association may pay or reimburse expenses incurred by a Director in connection with ~~his~~ **an** appearance as a witness or other participation in a proceeding at a time when ~~he~~ **the Director** is not a named defendant or respondent in the proceeding, if **Members by a majority vote at any Meeting** ~~the majority of the Members~~ approve such payment.

Sec. 9 An **Officer** of the Association shall be indemnified as, and to the same extent, provided by this Article and is entitled to seek indemnification to the same extent, as a Director. The Association may indemnify and advance expenses to an **Officer**, employee or agent of the Association to the same extent that it may indemnify and advance expenses to Director under this Article.

Sec. 10 The Association may purchase and maintain insurance on behalf of any person who is or was ~~in~~ **a** Director or **Officer** against any liability asserted against him and incurred by him in such a capacity or

arising out of his status as such a person, whether or not the Association would have power to indemnify him against that liability under this Article.

Sec. 11 Any indemnification of or advance of expenses ~~to a Director in accordance with this Article to anyone named in Sec. 9 of this Article~~ shall be reported in writing to the Members of the Association with or before the notice or waiver of notice of the next meeting of Members or with or before the next submission to Members of a consent to action without a meeting and, in any case, within the twelve (12) month period immediately following the date of the indemnification or advance.

Article XVI – Conduct of Meeting

All meetings of the membership or Board of Directors shall be conducted in accordance with Roberts Rules of Order. Newly Revised when its requirements are not inconsistent with these Bylaws and duly adopted standing rules.

Article XVII – Miscellaneous

Whenever the content requires, the gender of all words used herein shall include the masculine, feminine and neuter, and the number of all words shall include the singular and plural.