

**AMENDED AND RESTATED BYLAWS  
OF  
LA REATA RANCH PROPERTY OWNERS ASSOCIATION,  
A Texas Non-Profit Corporation**

**ARTICLE I  
GENERAL**

**Section 1. Association Bylaws.** These Amended and Restated Bylaws of La Reata Ranch Property Owners Association (these “**Bylaws**”) constitute the bylaws of La Reata Ranch Property Owners Association, a Texas nonprofit corporation and provide for the governance of the Association, a Property Owners Association, as that term is defined in Texas Property Code §209.002(7), whose Members consist of the Owners of Tracts in the Subdivisions.

These Bylaws have been approved and adopted by the members of the Association at a special meeting of the members of the Association, duly called and held on October 14, 2023, at which a quorum was present.

**Section 2. Control by Owners.** The right and power of the Declarant to act as the sole administrator for the government and administration of the Association has expired or otherwise terminated and the Association is now controlled by the Members in accordance with the Articles, these Bylaws, the Declaration, and the other Dedicatory Instruments. These Bylaws have been authorized and adopted by the Board and shall supersede and replace all prior bylaws of the Association.

**Section 3. Purpose.** The primary purposes of the Declaration are to (a) establish a uniform plan for the development, improvement, and sale of the Tracts within the Subdivisions, (b) ensure the preservation of such uniform plan for the benefit of both the present and future owners of tracts in the Subdivisions, and (c) enhance and protect the value, desirability, and attractiveness of the Tracts within the Subdivisions. The policies, rules, actions, and plans of the Association authorized or required under these Bylaws are intended to be consistent with, and supportive of, the primary purposes of the Declaration.

Additionally, these Bylaws are intended to cause the Association to be and remain in compliance with the Act. In the event of any conflict between the provisions and requirements of the Act and the provisions and requirements of these Bylaws, the provisions and requirements of the Act shall govern and control. These Bylaws shall be interpreted and applied to comply with and incorporate the requirements of the Act that are determined to be governing and controlling under the preceding sentence.

**Section 4. Application, Parties Bound.** The provisions of these Bylaws are applicable to each Tract, the Common Areas, and any other portion of the Subdivisions. Each Owner, tenant, or occupant of a Tract is subject to, and bound by, the provisions of these Bylaws. By purchasing, renting, or occupying a Tract, an Owner, tenant, or occupant accepts and ratifies these Bylaws and agrees to be bound by and comply with these Bylaws.

**Section 5. Definitions.** In addition to words and terms defined in other provisions of these Bylaws, the following words and terms shall have the indicated meanings:

- (a) The "Act" means and refers to and refers to Texas Property Code Chapter 209, as same may be amended or repealed in whole or in part.
- (b) "Articles" means and refers to the Articles of Incorporation of the Association filed in the office of the secretary of State of the State of Texas on June 4, 1999, as such articles may be amended, or any restated certificate of formation of the Association that may be filed in the office of the secretary of State of Texas, as the same may be amended.
- (c) "Assessment" or "Assessments" means and refers to such assessments as may be levied by the Association pursuant to the terms and provisions of the Declaration and shall include both regular and special assessments.
- (d) "Association" means and refers to La Reata Ranch Property Owners Association, a Texas non-profit corporation.
- (e) "Board" means and refers to the Board of Directors of the Association.
- (f) "Bylaws" means and refers to these Bylaws, as amended, or restated from time to time.
- (g) "City" means and refers to the City of Smithville, Texas.
- (i) "Common Areas" means and refers to all real property within a Subdivision (and all improvements, structures, fixtures, and other tangible property located on such real property) that is occupied, possessed, managed, held, or owned by the Association for the common use an enjoyment of the Owners
- (j) "Common Areas Damages" means and refers to any property damage to any Common Areas caused by the Owner, an occupant of the Owner's Tract, or any family members, guests, employees, contractors, agents or invitees of the Owner or an occupant of the Owner's Tract.
- (j) "County" means and refers to the County of Bastrop, Texas.
- (k) "Declaration" means and refers to the Declaration of Covenants, Conditions, and Restrictions for La Reata Ranch recorded in Document 201312072 of the Official Public Records of Bastrop County, Texas, as amended by the First Amendment to Declaration of Covenants, Conditions, and Restrictions La Reata Ranch, Second Amended Declaration of Covenants approved by the Owners and recorded in the Official Public Records of Bastrop County, Texas, and any subsequent amendment, modification, or restatement of that declaration made pursuant to, and in accordance with, the Act.
- (l) "Dedicatory Instruments" shall mean and refer to each of the Declaration, these Bylaws, the Rules, the Policies, and any other documents recorded in the Official Public Records of Bastrop County, Texas, with respect to the establishment, governance, maintenance, management, or operation of the Association or the Subdivisions, and all amendments and modifications to any of those instruments.
- (m) "Director" means and refers to a member of the Board of the Association.

- (n) "Governmental Authority" means and refers to the United States of America, the State of Texas, the County, the City, and any other political or governmental subdivision in which the Property is located, in whole or part, and any other political subdivision, agency or instrumentality exercising jurisdiction over the Property.
- (o) "Governmental Requirements" means and refers to all laws, statutes, codes, ordinances, rules, and regulations of any Government Authority applicable to the Association and/or the Property.
- (p) "Tract" means and refers to mean and refer to any plot of land identified as a tract or home site on either Subdivision Plat. For purposes of this instrument, "Tract" shall not be deemed to include any portion of the "Common Areas" or "Unrestricted Reserves", (defined herein as any unrestricted reserves shown on the Subdivision Plat) in the Subdivisions, regardless of the use made of such area.
- (q) "Majority" means and refers to more than 50 percent of the Owners, directors, or members of the Association, the Board, or any committee formed pursuant to these bylaws, as the case may be.
- (r) "Member" means and refers to each Owner who is a member of the Association as provided in the Declaration.
- (s) "Mortgage" means and refers to any deed of trust or mortgage covering any Tract, or any other portion of the Property given to secure the payment of a debt.
- (t) "Mortgagee" means and refers to the holder of any Mortgage.
- (u) "Officer" means and refers to an officer of the Association. The terms "president," "vice-president," "secretary," and "treasurer" mean, respectively, the president, vice-president, secretary, and treasurer of the Association.
- (v) "Ordinary care" means and refers to the care that an ordinarily prudent person in a similar position would exercise under similar circumstances.
- (w) "Owner Violation" means and refers a violation by an Owner, an occupant of a Tract, or any family members, guests, employees, contractors, agents or invitees of an Owner or an occupant of a Tract of any (A) restriction set forth in this Declaration or any other Dedicatory Instrument, (B) provision of the bylaws of the Association, as such bylaws may be amended, modified, supplemented, repealed, or replaced from time to time, or (C) rule or policy adopted by the Board.
- (x) "Person" means and refers to any individual, corporation, limited liability company, partnership (general or limited), joint venture, unincorporated association, trust (or trustee), executor, administrator, guardian, estate, or other entity having the legal right to hold title to real property.

- (y) "Policies" mean the Alternative Payment Guidelines, the Open Records Policy, and the Records Retention Policy.
- (z) "Property" means and refers to (a) all Tracts, (ii) all Common Areas, and (iii) all other parcels or tracts in the Subdivisions.
- (aa) "Rules" means and refers to the rules and regulations adopted by the Board as the same may be amended or restated from time to time.
- (bb) "Subdivisions" means and refers to LA REATA RANCH, SECTIONS ONE and TWO, subdivisions in Bastrop County, Texas, according to the plats recorded at Book 3, Pages 164A, 164B, 165A, 172A, 173A, 174A and 175A in the Map and Plat Records of Bastrop County, Texas. "Subdivision" shall mean and refer to any one of the Subdivisions.
- (cc) "Subdivision Plat" means and refers to any of the subdivision plats recorded at Book 3, Pages 164A, 164B, 165A, 172A, 173A, 174A and 175A in the Map and Plat Records of Bastrop County, Texas.

**Section 6. Other Definitions.** Other terms are defined in other provisions of these Bylaws and shall have the meanings set forth in such other provisions of these Bylaws. Additionally, words and terms defined in the Declaration, except as otherwise provided in these Bylaws, are used in these Bylaws as defined in the Declaration.

## **ARTICLE II** **OWNERS ASSOCIATION**

**Section 1. Members.** Each Owner (whether one or more persons or entities) of a Tract shall, upon and by becoming such Owner, automatically become a member of the Association, and shall remain a member thereof until his ownership ceases for any reason, at which time his membership in the Association shall automatically terminate.

**Section 2. Membership.** Membership in the Association shall be appurtenant to and shall automatically follow the legal ownership of each Tract and may not be separated from such ownership. Whenever the legal ownership of any Tract passes from one person to another, by whatever means, it shall not be necessary for any instrument to provide for transfer of such membership in the Association, and no certificate of membership will be issued. All present or future Members are subject to the Certificate of Formation, Declaration and these Bylaws, and other dedicatory instruments. Membership in the Association will signify that each Tract Owner appoints the Board of the Association to manage or regulate the Subdivisions in accordance with the provisions set forth in the dedicatory instruments are accepted, ratified, and will be strictly followed. Further, Membership in the Association will signify that the Owner has designated the Association as its representative to initiate, defend or intervene in litigation or an administrative proceeding affecting the enforcement of the Declaration or the protection, preservation, or operation of the Subdivisions.

**Section 3. Nonprofit Purpose.** The Association is not organized for profit and is governed by Chapter 22 of the Business Organizations Code.

**Section 4. Compensation.** A Director, Officer, or Member shall not be entitled to receive any pecuniary profit for the operation of the Association, and no dividend or assets of the Association shall be distributed to, or inure to the benefit of a Director, Officer, or Member; provided, however, that (a) reasonable compensation may be paid to a Director, Officer, or Member, for services rendered to the Association; and (b) a Director, Officer, or Member may, from time to time, be reimbursed for his or her actual and reasonable expenses incurred on behalf of the Association about the administration of the affairs of the Association, provided such expense has been approved by the Board.

**Section 5. General Powers and Duties.** The Association, acting through the Board, shall have the powers, authority, and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Subdivisions as may be required or permitted by the Dedicatory Instruments and the POA Statutes. The Association may do all things that are lawful, and which are necessary, proper, or desirable in operating for the best interests of its Members, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Dedicatory Instruments. Unless otherwise provided by the Dedicatory Instruments and in addition to any other rights, powers, and authority conferred on the Association under other provisions of these Bylaws, the other Dedicatory Instruments, the Association, acting through the Board, has the rights, power, and authority to:

- (a) Cause additional improvements to be made as a part of Common Areas;
- (b) Acquire, hold, encumber, and convey in its own name any right, title, or interest to real or personal property;
- (c) Grant easements, leases, licenses, and concessions through or over the Common Areas;
- (d) Impose and receive payments, fees, or charges for the use, rental, or operation of the Common Areas,
- (e) Charge (i) interest on past due Assessments, (ii) late charges for late payments of Assessments, and (iii) reasonable charges for any check sent for payment of Assessments that is returned to the Association unpaid;
- (f) Impose reasonable charges for preparing, recording, or copying declaration amendments, resale certificates, or statements of unpaid Assessments;
- (g) Enter a Tract for bona fide emergency purposes when conditions present an imminent risk of harm or damage to the Common Areas, another Tract, or any Person occupying or on another Tract;
- (h) Subject to a Members right to a hearing before the Board takes any action against the Member, suspend the rights of a Member to use the Common Areas if the Member (i) fails to pay when due any Assessment levied by the Association, (ii) has committed an Owner Violation, (iii) is responsible for any Common Areas Damages, or (iv) otherwise fails to comply with the Dedicatory Instruments;
- (i) Purchase insurance and fidelity bonds as it considers appropriate;

- (j) Exercise and enforce the rights, powers, and authority conferred on the Association under the Dedicatory Instruments;
- (k) Exercise any other powers granted by Governmental Requirements to nonprofit corporations;
- (l) Appoint standing or ad hoc committees to advise or assist the board with its responsibilities; and
- (m) Exercise any other powers and authority necessary and proper for the governance, management, and operation of the Association.

**Section 6. Principal Office.** The principal office of the Association shall be located at such address and location within the Subdivisions as the Board may determine.

**Section 7. Registered Agent and Registered Office.** The Association shall have and shall continuously maintain In the State of Texas a registered office and a registered agent, whose office is identical with the registered office, as required by the Texas Nonprofit Corporation Law. The registered office may be, but need not be, identical with the principal office of the corporation, and the address of the registered office may be changed from time to time by the Board.

**Section 8. Association Website.**

(a) The Association, acting through the Board, may create, publish, and maintain an internet website for any purposes or functions of the Association, the Board, and any other governing authority of the Association. Whether or not the Association creates, publishes, and maintains an internet website, the Association shall make the current version of the Dedicatory Instruments available on an Internet website maintained by the Association or a management company on behalf of the Association; and available to the Members.

(b) The Association website may be used to (i) provide a remote electronic communication system for meetings of the Board and the Association, (ii) promote and facilitate communications between the Board and the Owners and between and among the Owners, (iii) provide a means to post notices and information relating to the Association, the Owners, and the Common Areas, (iv) post and provide access to the Declaration, the rules and regulations adopted by the Board, these bylaws, and other information regarding the operations and financial condition of the Association, (v) post notices of meetings of the Association and the Board, (vi) provide a means for Members to cast electronic ballots, (vii) provide a directory of the names, mailing addresses, telephone numbers, and e-mail addresses of the Members, (viii) provide a means for an Owner to register her e-mail address with the Association, (ix) pay Assessments, and (x) promote or facilitate any purpose, policy, function, or activity of the Association.

**ARTICLE III**  
**GOVERNING BODY**

**Section 1. The Board.** The Board shall govern the Association. The Board shall consist of three (3) Directors, each of whom shall have one (1) vote. Unless otherwise provided in these Bylaws or the Act, the vote of a majority of the actual number of directors is the act of the Board. A Director takes office upon the adjournment of the meeting or balloting at which he is elected or appointed and, absent, death, ineligibility, resignation, or removal, will hold office until his successor is elected or

appointed. The number of Directors may be changed by an amendment of these Bylaws, but the number of Directors may never be changed to less than three (3); however, a decrease in the number of Directors may not shorten the term of an incumbent Director.

**Section 2. Powers and Duties.** The Board shall have all the powers, authority, and duties (i) provided for the Board in these Bylaws, the Declaration, and the other Dedicatory Instruments, including the powers, authority and duties conferred upon the Association acting through the Board, (ii) provided for or conferred upon a property owners' association under the POA Statutes, including, but not limited to, the powers conferred upon property owners' associations under Section 204.010(a) of the Texas Property Code, (iii) granted to or conferred upon the Board by resolution of the Association, and (iv) necessary for the administration, management, and governance of the Association and the operation and maintenance of the Subdivisions and the Common Areas. The Board may do all such acts and things except those which, under Governmental Requirements or the Dedicatory Instruments, are reserved to the Members and may not be delegated to the Board. In addition to the powers, authority and duties of the Board provided above, the Board shall have the power and authority to:

- (a) Take all acts necessary or appropriate to conduct, carry out and realize the business and purposes for which the Association is organized and to govern, administer, manage, and operate the Association;
- (b) Enforce the provisions of these Bylaws, the Rules, the Declaration, and the other Dedicatory Instruments and exercise the rights and remedies of the Association and the Board provided in these Bylaws, the Declaration, the other Dedicatory Instruments, the Act, and the other POA Statutes;

Adopt and amend Rules regarding (i) the administration, management, and operation of the Association; (ii) the use, occupancy, management, maintenance, repair, security, and appearance of the Common Areas, (iii) the personal conduct of the Members, and their guests, while on the Common Areas; (iv) the making, levying, assessing, and collecting Assessments and the application of payments made on Assessments, (v) the enforcement of the Dedicatory Instruments and the exercise of the rights and remedies available to the Association under the Dedicatory Instruments, (vi) the governance, operation, management, and administration of the Association, (vii) the exercise of the rights, powers, authority, and duties of the Association, (viii) the rights, powers, authority, and duties of the Owners under the Dedicatory Instruments, (ix) meetings of the Members and the Board pursuant to the Act and the Dedicatory Instruments, (x) elections by the Members pursuant to the Act and the Dedicatory Instruments, (xi) procedures for conducting hearings by the Board pursuant to the Act and the Dedicatory Instruments, (xii) policies relating to Association records, Association management and operations, use of the Common Areas and the improvements and facilities located on the Common Areas, voting by the members of the Association, and the operation, governance and management of the Association, (xiii) the collection of delinquent Assessments and the application of payments, (xiv) procedures for (A) conducting meetings of the Association and the Board in accordance with the Dedicatory Instruments and the Act, (B) disciplining Owners for violations of the Dedicatory Instruments, the Rules, and the Policies, (C) conducting hearings required under Section 9.07 of this Declaration or the Act, and (D) enforcement of the Dedicatory Instruments and the Rules and Policies promulgated and adopted by the Board, and

(xv) such other matters as may be necessary and appropriate to carry out the purposes of the Association and enforce and administer the Dedicatory Instruments;

- (c) Subject to a Member's right to notice and a hearing before the Board takes any action against the Member, suspend the rights of a Member to use the Common Areas if the Member (i) fails to pay when due any Assessment levied by the Association, (ii) has committed an Owner Violation, (iii) is responsible for any Common Areas Damages, or (iv) otherwise violates the Dedicatory Instruments;
- (d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board;
- (e) Promulgate, adopt, and amend fines for Owner's Violations and Common Areas Damages caused by an Owner of for which an Owner is responsible under the Declaration (provided, that no fine promulgated, adopted, and amended by the Board shall exceed the sum of \$100.00 plus the amount of and Common Area Damages and damages resulting from an Owner's Violation);
- (f) Enter a Tract for bona fide emergency purposes when conditions present an imminent risk of harm or damage to the Common Areas, another Tract, or the occupants;
- (g) Appoint standing or ad hoc committees to advise or assist the board with its responsibilities; and
- (h) Exercise any other rights, powers, or authority (i) conferred on the Association or the Board by the Declaration, any other Dedicatory Instruments, the Act, or any other Governmental Requirements, or (ii) necessary and proper for the governance, management, and operation of the Association.

**Section 3. Qualification and Term.** All Directors must be Members of the Association. Each Director shall be elected for and shall serve a term of one (1) year.

**Section 4. Election.** Directors shall be elected by the Members by written and signed ballots in accordance with Article V of these Bylaws. The election of Directors shall be conducted at the Fall bi-annual meeting of the Association, at any special meeting called for that purpose. Votes for Directors may be cast by mail, facsimile transmission, a combination of mail and facsimile transmission, or any other method of voting permitted under these Bylaws. Any Board member whose term has expired must be elected by the Members for each additional term or terms the member may serve. Whenever a vote is to be held for the election of a Director, the president may nominate one or more Members to be placed on the ballot for the subject election. The Board may also accept nominations from Members of Members to be placed on the ballot for an election of a Director.

**Section 5. Vacancies.** A Board member may be appointed by the vote of a majority of the remaining Board members only to fill a vacancy caused by resignation, death, or disability. Each Director so elected shall serve out the remaining term of his predecessor and, upon the expiration of that remaining term, the Owners shall vote on who will serve as the director for the immediately succeeding term.

**Section 6. Disqualification; Removal of Directors.**



(a) At any bi-annual or special meeting of the Association, any one or more of the Directors may be removed with or without cause by Members representing a majority of the votes present in person or by proxy at such meeting, and a successor shall then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting. This Subsection 5(a) shall not apply to a Board member who is removed pursuant to Subsection 5(c) below.

(b) A Person may not serve on the Board if the Person cohabits at the same primary residence with another member of the Board.

(c) If the Board is presented with written, documentary evidence from a database or other record maintained by a governmental law enforcement authority that a board member was convicted of a felony or crime involving moral turpitude not more than 20 years before the date the board is presented with the evidence, the subject board member is immediately ineligible to serve on the Board, is automatically considered removed from the Board, and is prohibited from future service on the Board.

**Section 7. Open Meetings of the Board.** Each Board meeting must be held and conducted in a manner that complies with the requirements of the Act. Except as otherwise provided or permitted in these Bylaws or the Act, all regular and special board meetings must be open to Owners; provided that the Board may adjourn a board meeting and reconvene in closed executive session to consider actions involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, confidential communications with the Association's attorney, matters involving the invasion of privacy of individual Owners, or matters that are to remain confidential by request of the affected parties and agreement of the Board. 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.

**Section 8. Special Meetings of the Board.** Special meetings of the Board may be called by the president or, if he or she is absent or refuses to act, by any two (2) Directors.

**Section 9. Electronic or Telephonic Meetings; Action Without a Meeting.**

(a) The Board may hold a meeting by electronic or telephonic means if (a) each board member may hear and be heard by every other board member; (b), except for any portion of the meeting conducted in executive session: (i) all Owners in attendance at the meeting may hear all Board members; (ii) Owners are allowed to listen using any electronic or telephonic communication method used or expected to be used by a board member to participate; and (iii) the notice of the meeting includes instructions for owners to access any communication method required to be accessible under the preceding clause (ii).

(b) Except as provided by this subsection, the Board may take action outside of a meeting, including voting by electronic or telephonic means, without prior notice to Owners, if each Board member is given a reasonable opportunity to express the Board member's opinion to all other Board members and to vote. Any action taken without notice to Owners 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 meeting. The Board may not, unless done in an open meeting for which prior notice was given to Owners, consider or vote on:

- (i) fines;
- (ii) delinquent Assessments;
- (iii) initiation of foreclosure actions;
- (iv) initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety;
- (v) increases in Assessments;
- (vi) levying of special Assessments;
- (vii) appeals from a denial of architectural control approval;
- (viii) a suspension of a right of a particular owner before the owner has an opportunity to attend a board meeting to present the owner's position, including any defense, on the issue;
- (ix) lending or borrowing money;
- (x) the adoption or amendment of a dedicatory instrument;
- (xi) the approval of an annual budget or the approval of an amendment of an annual budget;
- (xii) the sale or purchase of real property;
- (xiii) the filling of a vacancy on the board;
- (xiv) the construction of capital improvements other than the repair, replacement, or enhancement of existing capital improvements; or
- (xv) the election of an officer.

**Section 10. Notice to Members of Board Meetings.** Members and directors shall be given notice of the date, hour, place, and general subject of a Board meeting, including a general description of any matter to be brought up for deliberation in executive session. The notice shall be either (a) mailed to each property owner not later than the 10th day or earlier than the 60th day before the date of the meeting; or (b) provided at least 144 hours before the start of a regular board meeting and at least 72 hours before the start of a special board meeting by: (i) posting the notice in a conspicuous manner reasonably designed to provide notice to property owners' association members either (A) in a place located on the Common Areas or, with the property owner's consent, on other conspicuously located privately owned property within the subdivision; or (B) on any internet website available to association members that is maintained by the association or by a management company on behalf of the association; and (ii) sending the notice by e-mail to each owner who has registered an e-mail address with the association. It is an Owner's duty to keep an updated e-mail address registered with the Association.

**Section 11. Conduct of Meetings.** Meetings of the Board shall be called, held, and conducted in accordance with the requirements and provisions of the Dedicatory Instruments, the Act, and all other applicable Governmental Requirements. The president shall preside over all meetings of the Board and the secretary shall keep, or cause to be kept, a record of all resolutions adopted by the Board and a record of all transactions and proceedings occurring at such meetings. When not in conflict with the Dedicatory Instruments, the Act, or any other applicable Governmental Requirements, the then current edition of Robert's Rules of Order shall govern the conduct of the meetings of the Board.

**Section 12. Quorum.** At all meetings of the Board, a Majority of the Directors shall constitute a quorum for the transaction of business, and the acts of a Majority of the Directors present

at a meeting at which a quorum is present shall be the acts of the Board. If less than a quorum is present at any meeting of the Board, the majority of those present may adjourn the meeting from time to time. At any such reconvened meeting at which a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice. A Director present by proxy at a meeting may not be counted toward a quorum.

**Section 13. Proxy.** A Director may vote in person or, by proxy executed in writing by the Director. A proxy expires three (3) months after the date the proxy is executed.

**Section 14. Place of Meetings.** Except for a meeting held by electronic or telephonic means, a Board meeting must be held in Bastrop County, Texas, or in a county adjacent to Bastrop County, Texas.

**Section 15. Minutes.** The Board shall keep a record of each regular or special Board meeting in the form of written minutes of the meeting. The Board shall make meeting records, including approved minutes, available to a Member for inspection and copying on the Member's written request to the 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.

**Section 16. Recess.** If the Board recesses a regular or special Board meeting to continue the following regular business day, the Board is not required to post notice of the continued meeting if the recess is taken in good faith and not to circumvent the requisites of this Article. If a regular or special board meeting is continued to the following regular business day, and on that following day the Board continues the meeting to another day, the Board shall give notice of the continuation in at least one manner prescribed by the Act and these Bylaws within two (2) hours after adjourning the meeting being continued.

**Section 17. Liability and Standard of Care.** A Director shall discharge the Director's duties, including duties as a committee member, in good faith, with ordinary care, and in a manner the Director reasonably believes to be in the best interest of the Association. A Director is not liable to the Association, a Member, or another person for an action taken or not taken as a Director if the Director acted in compliance with this section. A person seeking to establish liability of a Director must prove that the Director did not act in good faith, with ordinary care, and in a manner the Director reasonably believed to be in the best interest of the Association. A Director is not considered to have the duties of a trustee of a trust with respect to the Association or with respect to property held or administered by the Association. A Director is not liable if, in the exercise of ordinary care, the Director acted in good faith and in reliance on the written opinion of an attorney for the Association.

**Section 18. Delinquent Accounts.** The Board may establish, levy, and collect reasonable late charges for Members' delinquent accounts. The Board may also establish a rate of interest to be charged on Members' delinquent accounts, provided the rate of interest does not exceed eighteen percent (18%) or the maximum rate permitted by state law, whichever is the lesser.

**Section 19. Appointment of Committees.** The Board, by resolution, may from time-to-time designate standing or ad hoc committees to advise or assist the Board with its responsibilities. The resolution shall establish the purposes and powers of each committee created, provide for the appointment of its Members, as well as chairperson, and shall provide for reports, termination, and

other administrative matters deemed appropriate by the Board. Committees may be appointed from among the Members or professionals in the area of expertise for which the Committee is formed.

**Section 20. Association Contracts.**

(a) Owners Approval Required. Notwithstanding the powers of the Board set forth in these Bylaws, the Board shall not take any of the following actions except with the vote of Members representing at least a majority of the votes cast at any duly called meeting of the Members at which a quorum is present:

(i) Approving a budget with expenditures greater than the prior year's revenues. Entering into a contract with a third person under which the third person will furnish goods or services for a term longer than one year;

(ii) Incurring aggregate expenditures for capital improvements to the Common Areas in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year;

(iii) During any fiscal year, selling property of the Association having an aggregate fair market value in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year; and

(iv) Paying compensation to directors or to officers of the Association for services rendered in the conduct of the Association's business, provided, however, that the Board may cause a director or officer to be reimbursed for expenses incurred in carrying out the business of the Association.

(b) Contracts for Services. The Board may enter into contracts for services on behalf of the Association; provided, however, that, with respect to any contract for services that will cost more than \$50,000, the Board shall solicit bids or proposals using a bid process established by the Board.

(c) Interested Directors. The Board may approve, and the Association to enter into, an enforceable contract with a current Board member, a person related to a current Board member within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code, a company in which a current Board member has a financial interest in at least 51 percent of profits, or a company in which a person related to a current 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 if the conditions and requirements of Section 209.0052 of the Act have been satisfied.

**Section 21. Financial Records and Annual Reports.** The Board shall maintain current and accurate financial records with complete entries as to each financial transaction of the Association, including income and expenditures, in accordance with generally accepted accounting principles. The Board shall annually prepare or approve a financial report for the Association for the preceding year. The report must conform to accounting standards as adopted by the American Institute of Certified Public Accountants and must include: a statement of support, revenue and expenses, statement of changes in fund balances, a statement of functional expenses, and a balance sheet for each fund.

**Section 22. Dissent to Action.** A Director who is present at a meeting of the Board at which action is taken on an Association matter is presumed to have assented to the action unless the Director's dissent has been entered in the minutes of the meeting, the Director has filed a written dissent to the action with the person acting as the secretary of the meeting before the meeting is adjourned, or the Director has sent a written dissent by registered mail to the secretary of the Association immediately after the meeting has been adjourned. The right to dissent under this section does not apply to a Director who voted in favor of the action.

#### **ARTICLE IV** **OFFICERS**

**Section 1. Designation.** The Officers of the Association shall include a president and a secretary and may include one or more vice presidents, a treasurer, and other officers and assistant officers as the Board considers necessary. Any two or more offices, other than the offices of president and secretary, may be held by the same person. The president and any vice-president shall be Directors. Other Officers may, but need not, be Directors. Any two offices may be held by the same person, except the offices of president and secretary. If an Officer is absent or unable to act, the Board may appoint a Director to perform the duties of that Officer and to act in place of that Officer, on an interim basis.

**Section 2. Election of Officers.** The Officers shall be elected no less than annually by the Directors at any annual or special meeting of the Board and shall hold office at the pleasure of the Board. Except for resignation or removal, Officers shall hold office until their respective successors have been designated by the Board.

**Section 3. Removal and Resignation of Officers.** A Majority of Directors may remove any Officer, with or without cause, at any regular meeting of the Board or at any special meeting of the Board called for that purpose. A successor may be elected at any regular or special meeting of the Board called for that purpose. An Officer may resign at any time by giving written notice to the Board. Unless the notice of resignation states otherwise, it is effective when received by the Board and does not require acceptance by the Board. The resignation or removal of an Officer who is also a Director does not constitute resignation or removal from the Board.

**Section 4. Standard of Care.** An Officer is not liable to the Association or any other person for an action taken, or omission made by the Officer in the person's capacity as an Officer unless the Officer's conduct was not exercised in good faith, with ordinary care, and in a manner the officer reasonably believes to be in the best interest of the Association. This section shall not affect the liability of the Association for an act or omission of the Officer.

**Section 5. Description of Principal Officers.** Each Officer named below shall have the powers and duties stated below; provided, the Board, to the fullest extent permitted by applicable law, may limit or restrict the powers and duties of any Officer as determined by the Board in its discretion.

- (a) **President.** As the chief executive Officer of the Association, the president shall be a Director and shall: (i) preside at all meetings of the Association and of the Board; (ii) have all the general powers and duties which are usually vested in the office of president of a non-profit corporation organized under the laws of the State of Texas; (iii) have general supervision, direction, and control of the business of the Association, subject to the control of the Board; and (iv) see that all orders and resolutions of the Board are carried into effect, and (v) have and perform such

other powers and duties as are assigned by the Board. The president shall not vote except to break a tie.

- (b) Vice-President. A vice-president shall be a Director and, in the absence of the president or in the event of the president's inability or refusal to act, shall perform the duties of the president. A vice-president shall have and perform such other powers and duties as are assigned by the president or the Board.
- (c) Secretary. The secretary shall: (i) keep the minutes of all meetings of the Board and of the Association; (ii) have charge of such books, papers, and records as the Board may direct; (iii) maintain a record of the names and addresses of the Members for the mailing of notices; (iv) prepare and give all notices in accordance with the Texas Business Organizations Code and the Dedicatory Instruments; (v) act as the custodian of records of the Association; (vi) review all mail on behalf of the Association; (vii) keep a current register of the names and addresses of Members; (viii) in general, have and perform the powers and duties which are usually vested in the office of secretary of a non-profit corporation organized under the laws of the State of Texas; and (ix) have and perform such other powers and duties as are assigned by the Board.
- (d) Treasurer. The treasurer shall: (i) be responsible for Association funds; (ii) keep full and accurate financial records and books of account showing all receipts and disbursements; (iii) prepare all required financial data and tax returns; (iv) deposit all monies or other valuable effects in the name of the Association in such depositories as may from time to time be designated by the Board; (v) prepare the annual and supplemental budgets of the Association; (vi) review the accounts of the managing agent on a monthly basis in the event such managing agent is responsible for collecting and disbursing Association funds; (vii) in general, have and perform the powers and duties which are usually vested in the office of treasurer of a non-profit corporation organized under the laws of the State of Texas; and (viii) have and perform such other powers and duties as are assigned by the president or the Board.
- (e) The Secretary and Treasurer roles shall be held by the same board member.

**Section 6. Authorized Agents.** Except when the Dedicatory Instruments require execution of certain instruments by certain individuals, the Board may authorize any person to execute instruments on behalf of the Association, by written resolution. In the absence of Board designation, the president and the vice-president shall be the only persons authorized to execute instruments on behalf of the Association.

## **ARTICLE V** **MEETINGS OF THE ASSOCIATION**

**Section 1. Bi-Annual Meetings.** Bi-Annual meetings of the Association shall be held in the Spring and the Fall at a time designated by the Board . At the Fall bi-annual meeting, the Members shall elect Directors in accordance with these Bylaws. The Members may also transact such other business at any bi-annual meeting of the Association as may come before them. Notwithstanding any other provision in these Bylaws, the Board shall call a Bi-Annual Meeting of the Members of the Association.

**Section 2. Mandatory Election Required After Failure to Call Bi-Annual Meeting.** If the Board does not call a Bi-Annual Meeting of the Association Members, an Owner may demand that a

meeting of the Association Members be called not later than the thirtieth (30th) day after the date of the Owner's demand. The Owner's demand must be made in writing and sent by certified mail, return receipt requested, to the registered agent of the 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 Owner who is a Member of the Association. If the Board does not call a meeting of the Members of the Association on or before the thirtieth (30th) day after the date of a demand, 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 Bastrop County, Texas. A notice filed by an election committee must contain: (a) a statement that an election committee has been formed to call a meeting of Owners who are Members of the Association for the sole purpose of electing Board members; (b) the name and residential address of each committee member; and (c) the name of the Subdivisions over which the Association has jurisdiction under the dedicatory instruments. Each committee member must sign and acknowledge the notice before a notary or other official authorized to take acknowledgments. 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. 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 (4) 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. The election committee may call meetings of the Owners who are Members of the Association for the sole purpose of electing Board members. Notice, quorum, and voting provisions contained in these Bylaws apply to any meeting called by the election committee.

**Section 3. Special Meetings.** It shall be the duty of the president to call a special meeting of the Association if directed to do so by a Majority of the Board or by a petition signed by Members representing at least ten percent (10%) of the eligible votes in the Association. Such meeting shall be held within thirty (30) days after the Board resolution or receipt of the petition. The notice of any special meeting shall state the time, place, and purpose of such meeting. No business, except the purpose stated in the notice of the meeting, shall be transacted at a special meeting.

**Section 4. Place of Meetings.** Meetings of the Association shall be held at place as is designated by the Board in the notice of the meeting.

**Section 5. Notice of Meetings.** Not later than the tenth (10th) day or earlier than the sixtieth (60th) day before the date of an election or vote, the Association shall give written notice to each Owner of each Association-wide election or vote, including, without limitation, any vote for the election of members of the Board.

**Section 6. Eligibility.** All Members of the Association may receive notice of meetings of the Association, vote at meetings of the Association, or be elected to serve as a Director.

**Section 7. Record Dates.** The following provisions govern determination and establishment of record dates.

- (a) **Determining Notice Eligibility.** The Board shall fix a date as the record date for determining the Members entitled to notice of a meeting of the Association. The record date may not be more than sixty (60) days before the date of a meeting of the Association at which Members will vote.

- (b) Determining Voting Eligibility. The Board shall fix a date as the record date for determining the Members entitled to vote at a meeting of the Association. The record date may not be more than sixty (60) days before the date of a meeting of the Association at which Members will vote.
- (c) Determining Rights Eligibility. The Board shall fix a date as the record date for determining the Members entitled to exercise any rights other than those described in the preceding two paragraphs. The record date may not be more than sixty (60) days before the date of the action for which eligibility is required, such as a nomination to the Board.
- (d) Adjournments. A determination of Members entitled to notice of or to vote at a meeting of the Association is effective for any adjournment of the meeting unless the Board fixes a new date for determining the right to notice or the right to vote. The Board must fix a new date for determining the right to notice or the right to vote if the meeting is adjourned to a date more than ninety (90) days after the record date for determining Members entitled to notice of the original meeting.

**Section 8. Voting Members List.** The Board shall prepare and make available a list of the Association's voting Members in accordance with Business Organizations Code Section 22.158. After setting a record date for the notice of a meeting, the Association shall prepare an alphabetical list of the names of all its voting members. The list must identify the Members who are entitled to notice, the address of each voting Member; and the number of votes each voting Member is entitled to cast at the meeting. Not later than the second (2nd) business day after the date notice is given of a meeting for which a list was prepared in accordance with this section, and continuing through the meeting, the list of voting Members must be available at the office of the Association's Managing Agent, according to the most recent Management Certificate recorded, as identified in the notice of the meeting, for inspection by Members entitled to vote at the meeting for the purpose of communication with other Members concerning the meeting. A voting Member or voting Member's agent or attorney is entitled on written demand to inspect and, at the member's expense and subject to Section 209.005 of the Texas Property Code, copy the list at a reasonable time during the period the list is available for inspection. The Association shall make the list of voting Members available at the meeting. A voting Member or voting Member's agent or attorney is entitled to inspect the list at any time during the meeting or an adjournment of the meeting.

**Section 9. Quorum; Lack of Quorum.** For purposes of these Bylaws, a quorum of the Members shall be twenty percent (20%) of the Members in good standing and eligible to vote on any matter to be considered by the Members for approval or authorization. If a quorum shall not be present or represented at any meeting, the Members entitled to vote shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present and represented.

**Section 10. Voting and Votes.** Voting by the Members shall be in accordance with the voting provisions of the Act. All requirements of the Act regarding voting by members of a property owners association shall apply to voting by the Members of the Association. A Member shall have one vote for each Tract owned by the Member. The vote of Members representing at least a majority of the votes cast at any meeting at which a quorum is present shall be binding upon all Members for all purposes, except when a higher percentage is required by the Declaration or these Bylaws. There shall be no cumulative voting. The voting rights of an Owner may be cast or given: (a) in person or by proxy at



a meeting of the Association; (b) by absentee ballot in accordance with this section; (c) by electronic ballot in accordance with this section; or (d) by any method of representative or delegated voting provided by the Declaration, these Bylaws, the Act, and any other applicable Governmental Requirements.

**Section 11. Voting by Co-Owners.** If a Tract is owned by more than one Member and only one Member is present at a meeting of the Association, that person may cast the vote allocated to that Tract. If more than one of the Members who own a Tract are present, the vote allocated to that Tract may be cast only in accordance with the Members' unanimous agreement. Multiple Owners are in unanimous agreement if one of the multiple owners casts the vote allocated to the Tract and none of the other Owners makes prompt protest to the person presiding over the meeting.

**Section 12. Proxies.** Votes allocated to a Tract may be cast under a written proxy meeting the requirements of the Act that is duly executed by the Owner of the Tract. If a Tract is owned by more than one person, each owner of the Tract may vote or protest the casting of votes by the other Owner or Owners of the Tract through a proxy duly executed by the Owner. An Owner may not revoke a proxy given under this section except by giving actual notice of revocation to the person presiding over a meeting of the association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates one year after its date unless it specifies a shorter or longer time.

**Section 13. Ballots.** Any vote cast in an election or vote by a Member of the Association must be in writing and signed by the Member. In an Association-wide election, written and signed ballots are not required for uncontested races. Electronic votes cast as provided below constitute written and signed ballots. An absentee or electronic ballot: (a) may be counted as an owner present and voting for the purpose of establishing a quorum only for items appearing on the ballot; (b) 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 (c) 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. A solicitation for votes by absentee ballot must include: an absentee ballot that contains each proposed action and provides an opportunity to vote for or against each proposed action; instructions for delivery of the completed absentee ballot, including the delivery location; and 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." For the purposes of this section, "electronic ballot" means a ballot: given by e-mail, facsimile, or posting on an Internet website for which the identity of the Owner submitting the ballot can be confirmed and for which the property owner may receive a receipt of the electronic transmission and receipt of the owner's ballot. If an electronic ballot is posted on the Association's Internet website, a notice of the posting shall be sent to each Owner that contains instructions on obtaining access to the posting on the website.

**Section 14. Corporation-Owned Tracts.** If a Tract is owned by a corporation, limited liability company, partnership, or other business entity, the vote appurtenant to that Tract may be cast by an officer, manager, or general partner, as the case may be, or by a specific person designated by the governing authority of the corporation, limited liability company, partnership, or other business entity.

The person presiding over a meeting or vote may require reasonable evidence that a person voting on behalf of a corporation, limited liability company, partnership, or other business entity is qualified to vote on behalf of the corporation, limited liability company, partnership, or other business entity.

**Section 15. Tabulation and Access to Ballots.** A person who is a candidate in the Association's Board 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 of the Texas 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. A person other than a person described above may tabulate votes in an Association election or vote, but may not disclose to any other person how an individual voted. Notwithstanding any other provision of this chapter or any other law, a person other than a person who tabulates votes may be given access to the ballots cast in the election or vote only as part of a recount process authorized by law.

**Section 16. Recount of Votes.** Any owner may, not later than the fifteenth (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 by certified mail, return receipt requested, or by delivery by the United States Postal Service with signature confirmation service to the Association's mailing address or in person as reflected on the latest Management Certificate, or to the address to which absentee and proxy ballots are mailed. The 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 section. The Association shall enter into a contract for the services of a person who 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 of the Texas Government Code, who is a current or former county judge, county elections administrator, justice of the peace, county voter registrar, or a person agreed on by the Association and the persons requesting the recount. Any recount under this section must be performed on or before the 30th day after the date of receipt of a request. If the recount changes the results of the election, the Association shall reimburse the requesting Owner for the cost of the recount. The 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.

**Section 17. Conduct of Meetings.** Meetings of the Association shall be called, held, and conducted in accordance with the requirements and provisions of these Bylaws, the Act, and all other applicable Governmental Requirements. The president shall preside over all meetings of the Association and the secretary shall keep, or cause to be kept, a record of all resolutions adopted by the Association and a record of all transactions and proceedings occurring at such meetings. When not in conflict with the Dedicatory Instruments or applicable Governmental Requirements, the then current edition of Robert's Rules of Order shall govern the conduct of the meetings of the Association.

**Section 18. Order of Business.** Unless the notice of meeting states otherwise, the order of business at bi-annual meetings of the Association shall be as follows:

- (a) Determine votes present by roll call or check-in procedure;
- (b) Announcement of quorum;
- (c) Proof of notice of meeting;
- (d) Reading and approval of minutes of preceding meeting;
- (e) Reports;

- (f) Election of Directors;
- (g) Unfinished or old business;
- (h) New business; and
- (i) Adjournment.

**Section 19. Adjournment of Meeting.** At any meeting of the Association, a majority of the Members present at that meeting, either in person or by proxy, may adjourn the meeting to another time.

## **ARTICLE VI** **COMMITTEES**

**Section 1. Nominating Committee.** Nominations for the election of the Board may be made by a Nominating Committee. The Nominating Committee shall make as many nominations to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Nominations may also be made from the floor at a bi-annual meeting.

**Section 2. Other Committees.** The Board may appoint other committees as the Board deems appropriate to carry out its purposes.

## **ARTICLE VII** **RULES AND REGULATIONS**

**Section 1. Rules Adopted by the Board.** Any Rules adopted, published, or amended by the Board (a) are subject to the terms and conditions of the Declaration and these Bylaws, (b) shall be null and void to the extent that they conflict with the Declaration, these Bylaws, or the other Dedicatory Instruments, and (c) may not be in conflict with the Act or any other POA Statute. Effective upon approval of these Bylaws by the Members, the Board has established and adopted the Rules set forth on Exhibit A attached to, and made a part of, these Bylaws. The Board shall, at all times, maintain the then current and complete Rules in a written form which can be copied and distributed to the Members, and shall be recorded in the Official Public Records of Bastrop County, Texas.

**Section 2. Adoption and Amendment.** Subject to the requirements of Section 1 above, any Rule may be adopted, amended, or terminated by the Board, provided the requisite Board approval is properly recorded as a resolution in the minutes of the meeting of the Board.

**Section 3. Notice and Comment.** The Board shall give written notice to an Owner of each Tract of any amendment, termination, or adoption of a Rule, or shall publish same in a newsletter or similar publication which is circulated to the Members, at least ten (10) days before the Rule's effective date. Any Member so notified shall have the right to comment orally or in writing to the Board on the proposed action.

**Section 4. Distribution.** Upon written request from any Member or Resident, the Board shall provide a current and complete copy of the Rules.

## **ARTICLE VIII** **RIGHTS AND OBLIGATIONS OF THE OWNERS**

**Section 1. Proof of Ownership.** Any person, on becoming a Member of the Association, shall furnish to the Board evidence of ownership in the Tract, which copy shall remain in the files of the Association. A Member shall not be deemed to be in good standing nor be entitled to vote at any bi-annual or special meeting of the Association unless this requirement is first met.

**Section 2. Owners' Addresses.** The Owner or the several Co-Owners of a Tract shall register and maintain one mailing address to be used by the Association for mailing of statements, notices, and all other communications. The Owner shall keep the Association informed of the Member's current mailing address. If an Owner fails to maintain a current mailing address with the Association, the address of that Owner's Tract shall be deemed to be his mailing address. An Owner who mortgages his or her Tract shall furnish the Board with the name and mailing address of the mortgagee.

**Section 3. Assessments.** All Owners shall be obligated to pay Maintenance Charges and other Assessments imposed by the Association to meet the Common Expenses as defined in the Declaration.

**Section 4. Compliance with Dedicatory Instruments.** Each Owner shall comply with the provisions and terms of the Dedicatory Instruments, and any amendments thereto. Further, each Owner shall always endeavor to observe and promote the cooperative purposes for which the Association was established.

**Section 5. Notice of Change of Ownership; Transfer Fee.** Within ten (10) days of the sale or conveyance of a Tract by its Owner or any other event that results in a change in ownership of a Tract, the selling or conveying Owner, or that Owner's personal representative, shall notify the Board of the sell, conveyance, or change in ownership of the Tract and the name of the new Owner or Owners of the Tract. Upon the sale, conveyance, or other change in ownership of a Tract, the new Owner shall be automatically assessed, and shall be obligated to pay to the Association, a transfer fee in the amount of \$500.00. The Board, from time to time, may adopt revised transfer fees to be assessed and collected from the new Owner or Owners upon the sale, conveyance, or other change in ownership of a Tract.

**Section 6. Alternative Payment Plan.** The Association, acting through the Board, shall adopt reasonable guidelines to establish an alternative payment schedule by which an Owner may make partial payments to Association for delinquent Assessments, or any other amount owed to the Association without accruing additional monetary penalties. Monetary penalties do not include reasonable costs associated with administering the payment plan or interest. The alternative payment schedule shall comply with the requirements of Section 209.0062 of the Act and shall be recorded in the Official Public Records of Bastrop County, Texas.

**Section 7. Priority of Payments.**

(a) Except as provided by subparagraph (b), a payment received by the Association from an Owner shall be applied to the Owner's debt in the following order of priority: (i) any delinquent Assessment, (ii) any current Assessment, (iii) any reasonable attorney's fees or reasonable third party collection costs incurred by the Association associated solely with Assessments or any other charge that could provide the basis for foreclosure, (iv) any reasonable attorney's fees incurred by the Association that are not subject to clause (iii), (v) any reasonable fines assessed by the Association, and (vi) any other reasonable amount owed to the association.

(b) If, at the time the Association receives a payment from an Owner, the Owner is in default under a payment plan entered into with the Association, (i) the Association is not required to apply the payment in the order of priority specified by subparagraph (a), and (ii) in applying the payment, a fine assessed by the Association may not be given priority over any other amount owed to the Association.

## **ARTICLE IX** **ASSOCIATION POLICIES**

**Section 1. Open Records Policy.** The open records policy of the Association required by §209.005 of the Texas Property Code is set forth on Exhibit A attached to, and made a part of, these Bylaws.

**Section 2. Records Retention Policy.** The records retention policy of the Association required by §209.005 of the Texas Property Code is set forth on Exhibit B attached to, and made a part of, these Bylaws.

**Section 3. Board Hearing Policy.** The policy regarding the procedures to be followed in any hearing held pursuant to Section 9.07 of the Declaration is set forth on Exhibit C attached to, and made a part of, these Bylaws.

**Section 4. Other Policies.** The Board may adopt other policies regarding (a) the management, operation, and governance of the Association, (b) the enforcement of the Dedicatory Instruments, (c) the rights and remedies of the Association and the Board under the Dedicatory Instruments, (d) the power, authority and duties of the Association, the Board and the Members, and (e) other matters relating to the Association, the Common Areas, and the Subdivisions as may be necessary or appropriate for the operation, management and governance of the Association. Any policies adopted by the Board must be consistent with the Dedicatory Instruments and may not include any provisions which conflict with the Dedicatory Instruments.

## **ARTICLE X** **NOTICES**

### **Section 1. Manner and Delivery.**

(a) Any notice required or permitted by these Bylaws must be in writing and may be given as permitted or provided in the Dedicatory Instruments or in any manner permitted under applicable Government Requirements, including the Act. In the absence of a controlling provision of any Government Requirement or any Dedicatory Instrument, any notice required or permitted by these Bylaws may be given personally, by mail, by facsimile transmission, or by electronic mail. Any notice shall be considered given to a person (a), if the notice is given personally, at the time of personal delivery to the person, (b), if the notice is given by mail, on the date notice is deposited in the U.S. mail with postage paid in an envelope addressed to the person at the person's address as it appears on the ownership or membership records of the Association; (2), if the notice is transmitted by facsimile or electronic mail, when the facsimile or electronic mail message is transmitted to the facsimile number or electronic mail address appearing on the records of the Association or provided by the person to whom the message is sent for the purpose of receiving notice. The notice must be sent to the party's last known address as it appears on the records of the Association.

(b) The Association may use a method of providing notice to an Owner authorized under this Section 1 to provide a notice for which another method is prescribed by law only if the Owner to whom the notice is provided has affirmatively opted to allow the Association to use the method permitted under this Section 1 to provide to the Owner notices for which another method is prescribed by law. The Association may not require an Owner to allow the Association to use a method of providing notice authorized under subparagraph (a) above to provide to the Owner any notice for which another method of providing notice is prescribed by law.

**Section 2. Co-Owners.** If a Tract is owned by more than one person, notice to one Co-Owner shall be deemed notice to all Co-Owners.

**Section 3. Waiver of Notice.** Whenever any notice is required to be given to an Owner, Member, or Director, a written waiver of the notice, signed by the person entitled to such notice, whether before or after the time stated in the notice, shall be equivalent to the giving of such notice. Attendance by a Member or Director at any meeting of the Association or Board, respectively, shall constitute a waiver of notice by such Member or Director of the time, place, and purpose of such meeting. If all Members or Directors are present at any meeting of the Association or Board, respectively, no notice shall be required, and any business may be transacted at such meeting.

## **ARTICLE XI** **AMENDMENTS TO BYLAWS**

**Section 1. Amendment.** These bylaws may be amended by a majority of the Members entitled to vote at a duly called and held meeting of the Members, provided, however, that in no event may these bylaws be amended to conflict with the Declaration. The Association will make a reasonable effort to provide all owners with a detailed description, if not exact wording, of any amendment. If the members are to vote on the amendment, such description will be included in the notice of any bi-annual or special meeting of the Association if such proposed amendment is to be considered at said meeting.

**Section 2. Effective.** To be effective, each amendment to these Bylaws must be certified in a writing signed by at least two Officers acknowledging the requisite approval of the members of the Board or the Members of the Association and retained by the Association in accordance with the Association's record retention policy stated in Section 2 of Article IX of these Bylaws or any subsequent amendment or restatement of that policy.

## **ARTICLE XII** **INDEMNIFICATION OF DIRECTORS, OFFICERS, AND OTHERS**

**Section 1. Indemnification of Person Named Defendant.** The Association will indemnify any person who was, is, or is threatened to be made a named defendant or respondent in any threatened, pending, or completed proceeding, whether civil, criminal, administrative, arbitral, or investigative, including all appeals, because that person is or was a director, officer, employee, or agent of the Association.

**Section 2. Indemnification of Directors, Officers, Employees, and Agents; Scope and Coverage.** The Association will indemnify a director, officer, member, committee member, employee, or agent of the Association in all cases in which that person has been wholly successful, whether on the merits or otherwise, in the defense of the proceeding. In all other situations, the Association will

indemnify a director, officer, employee, or agent of the Association if it is determined, in accordance with Section 3 of this article that the person conducted himself or herself in good faith and reasonably believed that his or her conduct was not opposed to the Association's best interests, or, in the case of a person's conduct in his or her official capacity as a director, that the conduct was in the Association's best interests. In addition, in any criminal proceeding, the person must have had no reasonable cause to believe that his or her conduct was unlawful. The termination of a proceeding by judgment, order, settlement, or conviction, or on a plea of nolo contendere or its equivalent, is not in itself determinative that the person did not meet the requirements of this Subparagraph. A person will be deemed to have been found liable in respect of any claim, issue, or matter only after the person has been so adjudged by a court of competent jurisdiction after exhaustion of all appeals.

**Section 3. Additional Indemnification.** In addition to the situations otherwise described in Sections 1 and 2 of this Article XII, the Association may indemnify a director, officer, member, committee member, employee, or agent of the Association to the extent permitted by law. However, the Association will not indemnify any person in any situation in which indemnification is prohibited by Section 2 of this Article XII.

**Section 4. Determination of Indemnification.** If a determination of indemnification is required by Section 2 of this Article XII, that determination will be made by special legal counsel. The special legal counsel will be selected by a majority vote of a quorum consisting of directors who, at the time of the vote, are not named defendants or respondents in the proceeding. If a quorum cannot be obtained, the special legal counsel will be selected by a majority vote of a committee of the Board of directors designated to act in the matter by a majority vote of all directors. The committee will consist solely of two or more directors who, at the time of the vote, are not named defendants or respondents in the proceeding. If a committee cannot be established, the special legal counsel will be selected by a majority vote of all directors.

**Section 5. Extent of Indemnification; Expenses Covered.** Except as expressly otherwise provided in this Article XII, the indemnity permitted under this Article XII includes indemnity against all expenses, including, without limitation, attorney's fees, court costs, expert witness fees, judgments, decrees, fines, penalties, and reasonable expenses actually incurred by the person in connection with the proceeding; provided, however, that if the person is found liable to the Association, or is found liable on the basis that he or she improperly received personal benefit (whether or not the benefit resulted from an action taken in the person's official capacity), indemnification will be limited to reasonable expenses actually incurred by the person in connection with the proceeding, and will not be made in respect of any proceeding in which the person will have been found liable for willful or intentional misconduct in the performance of his or her duties to the Association.

**Section 6. Advance Payment.** Reasonable expenses incurred by a director, officer, employee, or agent of the Association who was, is, or is threatened to be made a named defendant or respondent in a proceeding will be paid or reimbursed by the Association, in advance of the final disposition of the proceeding and without the determination specified in Section 4 of this article if and after the Association receives a written affirmation by the person of the person's good faith belief that he or she has met the standard of conduct necessary for indemnification under Section 5 of this article, and a written undertaking by or on behalf of the person to repay the amount so paid or reimbursed by the Association if it is ultimately determined that he or she has not met that standard, or that indemnification is prohibited by Section 5 of this article. The written undertaking must be an unlimited

general obligation of the director, officer, employee, or agent, but need not be secured. It may be accepted without reference to financial ability to make repayment.

**ARTICLE XIII**  
**GENERAL PROVISIONS**

**Section 1. Conflicting Provisions.** If any provision of these Bylaws conflicts with any provision of the laws of the State of Texas, such conflicting Bylaws provision shall be null and void, but all other provisions of these Bylaws shall remain in full force and effect. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

**Section 2. Severability.** Invalidation of any provision of these Bylaws, by judgment or court order, shall in no wise affect any other provision which shall remain in full force and effect. The effect of a general statement shall not be limited by the enumerations of specific matters similar to the general.

**Section 3. Fiscal Year.** The fiscal year of the Association shall be the calendar year.

**Section 4. Waiver.** No restriction, condition, obligation, or covenant in the Declaration or these Bylaws shall be deemed to have been abrogated or waived by reason of failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.



**CERTIFICATE REGARDING APPROVAL OF  
THE AMENDED AND RESTATED BYLAWS OF LA REATA RANCH PROPERTY OWNERS ASSOCIATION**

Each of the undersigned duly elected, qualified, and acting President and Secretary of La Reata Ranch Property Owners Association, a Texas non-profit corporation (the "Association"), certifies as follows:

(i) The preceding document is a true and correct copy of the Amended and Restated Bylaws of La Reata Ranch Property Owners Association which has been approved at a special meeting of the members of the Association, duly called and held on October 14, 2023, at which a quorum was present.

(ii) At that October 14, 2023, special meeting of the Association, the Amended and Restated Bylaws of La Reata Ranch Property Owners Association were approved by the vote in person or by proxy of a majority of all members of the Association.

Executed on \_\_\_\_\_, 2023

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_,  
President of La Reata Ranch Property Owners  
Association

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_,  
Secretary of La Reata Ranch Property Owners  
Association

**ACKNOWLEDGMENTS**

THE STATE OF TEXAS   §  
  §  
COUNTY OF BASTROP   §

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2023, by \_\_\_\_\_, the president of La Reata Ranch Property Owners Association, a Texas non-profit corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

THE STATE OF TEXAS   §  
  §  
COUNTY OF BASTROP   §

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2023, by \_\_\_\_\_, the secretary of La Reata Ranch Property Owners Association, a Texas non-profit corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

**EXHIBIT A**  
**OPEN RECORDS POLICY**

(a) Examination and Copying of Association Records. Subject to the terms and conditions of this Section 1, the Association shall make the books and records of the Association, including financial records, open to and reasonably available for examination and copying by an Owner, or a person designated in a writing signed by an Owner as the Owner's agent, attorney, or certified public accountant. An Owner, by written request signed by the Owner stating the purpose of the request, is entitled to examine and copy at the Owner's expense, in person or by agent, accountant, or attorney, at any reasonable time and for a proper purpose, the books and records of the Association relevant to that purpose. Except as provided in §209.005(d) of the Texas Property Code, an attorney's files and records relating to the Association, excluding invoices requested by an owner under Section 209.008(d) of the Texas Property Code, are not records of the Association available for examination and copying by an Owner and are not subject to inspection by the owner or production in a legal proceeding. For purposes of these Bylaws, (i) the term "open records request" means a request by an Owner pursuant to this Section 1(a) to examine or copy the books and records of the Association, and (ii) the term "Association records" means the books and records of the Association that are available for examination and copying by an Owner pursuant to this Section 1.

(b) Charges. If an open records request is made to the Association, the Association may charge the requestor all reasonable costs of materials, labor, and overhead for compiling, producing, and reproducing the requested information.

(c) Rates. The rates which the Association may charge an Owner for copies of the Association records are the same as the maximum permitted rates published in Section 70.3 of the Texas Administrative Code ("T.A.C.") (Title 1, Part 3, Chapter 70). The charges shown on Prescribed Costs to Owners are some of the T.A.C. rates in effect on the date this policy is adopted and will be deemed to change automatically with changes in the State's maximum permitted rates for public information requests.

(d) Prescribed Costs to Owners. An Owner will be charged the following for copies of Association records:

(i) Copy Charges. (A) electronic image transmitted by email - no copy charge; (B) electronic image downloaded to USB drive - actual cost of drive, unless the drive is provided by the Owner; (C) Standard paper copy or scan (letter or legal size) - \$0.10 per page (double sided is 2 pages); (D) Oversize paper copy or scan (such as 11x17) - \$0.50 per page; (E) Diskette or CD - \$1.00, unless the Owner provides the diskette or CD; (f) DVD - \$3.00, unless the Owner supplies the DVD. If the Owner provides the media onto which Association records are electronically or digitally copies, the Owner will not be charged for the copies of Association records.

(ii) Labor Charge. (A) No labor charge if the request is for 50 or fewer pages of information, unless the records must be retrieved from a storage facility that is remote from the processor's office; (B) \$15.00 per hour, in 1/4 hour increments, for actual time to locate, compile, manipulate data, reproduce information, and (if necessary) redact confidential information, for requests of more than 50 pages and for records in remote storage; (C) No labor charge for time spent to review the requested information to determine if the information qualifies for an exemption from

open records.

(iii) Overhead Charge. No overhead charge if the request is for 50 or fewer pages of information. Otherwise, the overhead charge is 20 percent of the labor charge.

(iv) Remote Document Retrieval Charge. If the requested information is stored with a commercial records storage company that charges a fee to deliver and return stored records, the Association may seek reimbursement of the third-party fee from the owner if the request otherwise qualifies for a labor charge.

(v) Other Charges. Actual postage and shipping charges if necessary to transmit the reproduced information to the owner. Actual cost of miscellaneous supplies, such as boxes, if used to produce the requested information. If the Association accepts payment by credit card, the Association may recoup the amount of any actual transaction fee charged by the credit card company for the privilege. No sales tax.

(vi) Savings Clause. Notwithstanding anything to the contrary in any writing or communication made by the Association, the Association will not in any event be entitled to receive or collect open records charges from an owner in amounts greater than the maximum amounts permitted by applicable law. If under any circumstances whatsoever the Association charges or receives an amount in excess of the maximum charges permitted by law, the excess amount will be reimbursed to the owner.

(vii) Waiver. The Association may reduce or waive some or all the charges addressed by this Policy on a request-by-request basis, without waiving the right to charge such fees on future requests.

(e) Payment. The Association may require advance payment of the estimated charges addressed by this policy. Within 30 business days after delivering the requested information, the Association will provide the owner with an invoice of the actual costs. If the actual costs are less than the prepaid estimated charges, the Association will refund the difference to the owner within 30 business days after sending the invoice. If the actual costs are greater than the prepaid estimated charges, the difference is due and payable to the Association by the owner within 30 business days after the invoice is sent to the owner, after which time the Association may add the unpaid amount to the owner's Assessment account.

(f) Resale Certificates. Any officer or authorized agent of the Association may prepare or cause to be prepared, certify, and execute resale certificates in accordance with Chapter 207 of the Texas Property Code. The Association may charge a reasonable fee for preparing resale certificates. The Association may refuse to furnish resale certificates until the fee is paid. Any unpaid fees may be assessed against the Tract for which the certificate is furnished.

(g) Any Website to Contain Dedicatory Instruments. The Association shall make dedicatory instruments relating to the Association or the Subdivisions and filed in the county deed records available on a website if the Association has, or a management company on behalf of the Association maintains, a publicly accessible website.

(h) Advance Payment. 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 thirtieth (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 thirtieth (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 thirtieth (30th) business day after the date the invoice is sent to the Owner.

(i) Policy May be Amended or Restated. To the extent permitted by applicable law, this open records policy may not be construed to prevent the Board from adopting, amending, and restating, from time to time, one or more additional administrative policies regarding the Association records available for examination and copying by an Owner. This provision may not be construed as a duty of the Board to adopt such additional administrative policies.

(j) Purpose. The purpose of the Association's open records policy is to comply with the requirements of Texas Property Code §209.005(i). To the extent the Association's open records policy conflicts with the provisions of Texas Property Code §209.005, the provisions of Texas Property Code §209.005 shall govern and control and the Association's open records policy shall be deemed amended to conform with those provisions of Texas Property Code §209.005.

**EXHIBIT B**  
**RECORDS RETENTION POLICY**

(a) Association Records to be Retained. At a minimum, the Association will retain the following Association records for the below-stated periods of time, being the stated requirements of Texas Property Code §209.005(m):

(i) articles of incorporation, certificates of formation, bylaws, restrictive covenants, and all amendments to the articles of incorporation, certificates of formation, bylaws, and covenants shall be retained permanently;

(ii) financial books and records shall be retained for at least seven years;

(iii) account records of current owners shall be retained for at least five years;

(iv) contracts with a term of one year or more shall be retained for at least four years after the expiration of the contract term;

(v) minutes of meetings of the owners and the board shall be retained for at least seven years; and

(vi) tax returns and audit records shall be retained for at least seven years.

(b) Policy May be Amended or Restated. To the extent permitted by applicable law, this records retention policy may not be construed to prevent the Board from adopting, amending, and restating, from time to time, one or more additional administrative policies regarding the retention of documents, records, and information of the Association, including but not limited to policies relating to storage and destruction of items identified in Section 2(a) above and other types of documents, records, and information of the Association. This provision may not be construed as a duty of the Board to adopt such additional administrative policies.

(c) Applicability. This records retention policy applies only with respect to books and records of the Association generated on or after January 1, 2012.

(d) Purpose. The purpose of the Association's records retention policy is to comply with the record retention requirements of Texas Property Code §209.005. To the extent the Association's records retention policy conflicts with the provisions of Texas Property Code §209.005, the provisions of Texas Property Code §209.005 shall govern and control and the Association's records retention policy shall be deemed amended to conform with those provisions of Texas Property Code §209.005.

**EXHIBIT C**  
**BOARD HEARING PROCEDURES**

(a) If, before the 30th day after the date a notice was mailed to an Owner in accordance with subparagraph (a) of Section 9.07 of the Declaration, the Owner requests a hearing before the Board to discuss and verify facts and resolve the matter in issue with respect to which the notice was given, the Board shall set a time and place for the hearing and notify the Owner as to the time and place of the hearing. Any hearing set by the Board shall be held not later than the 30th day after the date the Board receives the Owner's request for a hearing. The Board shall notify the Owner of the date, time, and place of the hearing not later than the 10th day before the date of the hearing.

(b) The Board or the Owner may request a postponement of any hearing requested by the Owner, and, if requested, a postponement shall be granted for a period of not more than 10 days. Additional postponements may be granted by agreement of the parties. The Owner or the Board may make an audio recording of the hearing.

(c) At any hearing before the Board set pursuant to paragraph (a) above, (i) the Owner and the members of the Board shall discuss, and attempt to verify, the facts related to the violation or delinquency for which the hearing was set in an effort to resolve the matter in issue with respect to the violation; and (ii) the Board may (A) determine whether the Owner or a Related Party of the Owner committed the Common Areas Violation or Owner Violation that is the subject of the hearing; (B), if the Board determines that the Owner or a Related Party of the Owner committed a Common Areas Violation, suspend the Owner's right to use, enjoy, and access the Common Areas for a period of up to six (6) months; (C), if the Owner failed to pay in full the amount of any unpaid assessments stated in a notice sent with respect to the unpaid assessments owing by the Owner on or prior to the date for payment stated in the notice and the assessment amount has not been paid in full as of the date of the hearing, suspend the Owner's right to use the Common Areas until the amount of the assessments stated in the notice has been paid in full; (D), if the Owner failed to pay in full the amount of any charge for Common Areas Damages stated in a notice sent with respect to the Common Areas Damages on or prior to the due date stated in the notice and the amount of the charge has not been paid in full as of the date of the hearing, proceed with a suit against the Owner with respect to the Common Areas Damages; (E), if the Board determines that the Owner or a Related Party of the Owner caused any Common Areas Damages or committed an Owner Violation, proceed with a suit against the Owner with respect to the Common Areas Damages or Owner Violation; or (F) determine that the Owner's right to use the Common Areas shall not be suspended. As used in this subparagraph, the term "Related Party" means and refers to any occupant of a Lot, or any family members, guests, employees, contractors, agents or invitees of an Owner or an occupant of a Lot.