

**RESTATED BYLAWS OF**  
**LATIGO, UNIT #1, PROPERTY OWNERS ASSOCIATION**  
**A NONPROFIT CORPORATION**

Latigo, Unit #1, Property Owners Association is the successor association to Latigo Ranch Property Owners' Association, Inc., whose entity status was forfeited on January 28, 2011, was subsequently re-instated and amended its name by Certificate of Amendment effective July 24, 2018, and was merged with the Association by Certificate of Merger [to be filed with the Secretary of State of the State of Texas] between Latigo Ranch, Unit #1, Property Owners Association and Latigo Ranch of Bandera County Property Owners' Association, Inc., referred to in the Declaration of Covenants, Conditions and Restrictions Latigo Ranch Subdivision, recorded in Volume 788, Page 385 of the Official Public Records of Bandera County, Texas, as amended by Modification of Declaration of Covenants, Conditions and Restrictions Latigo Ranch Subdivision - October 22, 2012, recorded in Volume 942, Page 267 of the Official Public Records of Bandera County, Texas and restated by Second Amended and Restated Declaration of Covenants, Conditions and Restrictions, to be recorded in the Official Public Records of Bandera County, Texas. The terms used in these Restated Bylaws shall have the same meanings given to them in the Restated Declaration, unless otherwise specifically provided herein. In the event of any conflict between the terms and provisions of these Restated Bylaws and the Restated Declaration, the Restated Declaration shall control. These Restated Bylaws and the Restated Declaration are subject to the provisions of the Texas Business Organizations Code, the Texas Property Code ("TEX. PROP. CODE"), and such other applicable city, state, and federal laws, rules, and regulations.

**ARTICLE I**  
**DEFINITIONS**

1.1 The following definitions shall apply to these Restated Bylaws:

(A) "Architectural Control Committee" or "ACC" shall mean the Architectural Control Committee established pursuant to the Restated Declaration hereinafter defined.

(B) "Assessment" or "Assessments" shall mean and refer to all assessment(s) imposed by the Association under the Restated Declaration, including, but not limited to, Annual Maintenance Assessments, Special Assessments, Specific Assessments, late fees, interest, and Charges as defined herein and secured by a lien established by the Restated Declaration.

(C) "Association" shall mean and refer to Latigo, Unit #1, Property Owners Association, a Texas nonprofit corporation, its successors and assigns, being the surviving entity as per the Plan of Merger between the Association and Latigo Ranch of Bandera County Property Owners' Association, Inc., formerly Latigo Ranch Property Owners' Association, Inc. as established by the Declaration hereinafter defined, whose entity status was forfeited on January 28, 2011, was subsequently re-instated and amended its name by Certificate of Amendment effective July 24, 2018, and was

merged with the Association by Certificate of Merger between Latigo Ranch, Unit #1, Property Owners Association and Latigo Ranch of Bandera County Property Owners' Association, Inc. to be filed with the Secretary of State of the State of Texas.

(D) "Charges" shall mean those expenses, late fees, administrative fees, interest, attorney fees, professional fees and charges, all of which is secured by the Lien established in Article VI and enforced in Article VIII of the Restated Declaration.

(E) "Common Area" shall refer to all real property and improvements owned or maintained by the Association.

(F) "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions Latigo Ranch Subdivision, recorded in Volume 788, Page 385 of the Official Public Records of Bandera County, Texas, as amended by Modification of Declaration of Covenants, Conditions and Restrictions Latigo Ranch Subdivision - October 22, 2012, recorded in Volume 942, Page 267 of the Official Public Records of Bandera County, Texas.

(G) "Director" shall mean a member of the Board of Directors of the Association, whether elected or appointed and either individual or entity which must be a Member of the Association. In the event an entity is elected to the Board of Directors, the entity shall designate its individual representative to serve on the Board during the entity's elected term. In the event the elected entity's representative resigns, or at any time is unable to serve, the elected entity shall designate a successor to complete the elected term.

(H) "Governing Documents" shall mean all documents adopted and filed of record in the Official Public Records of Bandera County, Texas, or filed in the Office of the Secretary of State of the State of Texas, as applicable, that govern the establishment, maintenance or operation of Latigo Ranch Subdivision and the Association, including, without limitation, the Certificate of Formation, Certificate of Merger, the Restated Certificate of Formation, these Restated Bylaws, the Restated Declaration and any rules, regulations, policies and procedures of the Association, as each may be amended, restated or supplemented from time to time.

(I) "Improvement" shall mean every structure and all appurtenances thereto of every type and kind, whether temporary or permanent, including, but not limited to, buildings, outbuildings, storage sheds, guest quarters, gazebos, patios, driveways, walkways and other paved areas, tennis courts, large barbecue units, green houses, barns, swimming pools and equipment, garages, fences, screening walls, retaining walls, stairs, decks, poles, signs, mailboxes, exterior air conditioning, exterior water softener fixtures or equipment, and pumps, tanks, pipes, lines, meters, antennas, satellite dishes, towers, playground equipment, generators, flag poles, and solar panels.

(J) "Lien" shall mean all Assessments, interest, charges, fees and other expenses, including reasonable attorney's fees, incurred by the Association in collecting unpaid amounts or enforcing the Restated Declaration, Restated Bylaws, rules, regulations and/or policies of the Association, payable by a Member shall be a charge on

a Member's Lot and secured by a continuing lien as per the Governing Documents, subject to applicable limitations imposed by the TEX. PROP. CODE.

(K) "Lot" shall mean and refer to any of the plots of land in Latigo Ranch Subdivision, Pipe Creek, Bandera County, Texas, divided for individual ownership, as shown on the Subdivision Plats, as defined herein.

(L) "Member" shall mean and refer to the record Owner of a Lot, within Latigo Ranch Subdivision as provided for in the Restated Declaration, exclusive of any person or entity holding an interest in any Lot or Lots merely as security for the performance of an obligation.

(M) "Owner" shall mean and refer to the record owner, whether one (1) or more persons or entities, of the fee simple title to any Lot or portion of a Lot, within the Latigo Ranch Subdivision, including contract sellers but excluding those having interest merely as security for the performance of an obligation. If more than one (1) person or entity owns a Lot, all such persons or entities shall be jointly and severally liable for all of the obligations attributable to the Lot or to the Owner of a Lot in the same manner as if such Lot were owned by one (1) person. For purposes of voting, no fractional votes are permitted. If a Lot is sold under a recorded land sales contract and the contract specifically so provides, the purchaser, not the fee owner, will be considered the Owner. If the contract is not recorded, the Association shall have no duty or obligation to recognize the purchaser as an Owner.

(N) "Properties" shall mean and refer to the properties known as Latigo Ranch Subdivision, as established by the Plats and additions thereto, as are subject to the original Declaration, the Modification of Declaration of Covenants, Conditions and Restrictions Latigo Ranch Subdivision, the Restated Declaration, and these Restated Bylaws.

(O) "Restated Certificate of Formation" shall refer to the Restated Certificate of Formation of Latigo Ranch, Unit #1, Property Owners Association, the surviving entity as per the Plan of Merger between the Association and Latigo Ranch of Bandera County Property Owners' Association, Inc., formerly Latigo Ranch Property Owners' Association, Inc. as established by the Declaration hereinafter defined, whose entity status was forfeited on January 28, 2011, was subsequently re-instated and amended its name by Certificate of Amendment effective July 24, 2018, and was merged with the Association by Certificate of Merger between Latigo Ranch, Unit #1, Property Owners Association and Latigo Ranch of Bandera County Property Owners' Association, Inc., to be filed with the Secretary of State of the State of Texas.

(P) "Restated Declaration" shall mean and refer to the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions to be recorded in the Official Public Records of Bandera County, Texas and become effective as of the date of recording.

(Q) "Special Assessments" shall refer to the Special Assessments for capital improvements which may be imposed pursuant to Article VI of the Restated Declaration for each of the Lots in Latigo Ranch Subdivision and secured by a lien thereon.

(R) "Subdivision" or "Subdivision Plats" shall mean and refer to the map or plat of Latigo Ranch Subdivision, recorded in Volume 7, Pages 1-9 of the Deed and Plat Records of Bandera County, Texas.

## ARTICLE II PURPOSE AND OFFICES

2.1 Registered Office and Agent. The Association shall comply with the requirements of the Texas Business Organizations Code ("TBOC") to maintain a registered office and registered agent in Texas. The registered office shall be the same office as that of the Registered Agent. The registered office may, but need not, be identical with the Association's principal office in Texas. The Board of Directors may change the registered office and the registered agent as provided in the TBOC. Meetings of Members and Directors may be held at such places within Bandera County, Texas, as may be designated by the Board of Directors from time to time.

2.2 Principal Office. The principal office of the Association shall be located at 10655 Hwy. 46, Pipe Creek, Texas 78063 or such other location within Bandera County, Texas as may be designated from time to time by the Board of Directors.

## ARTICLE III GENERAL POWERS AND DUTIES

3.1 General Powers and Duties. The Association is organized in accordance with and shall operate for nonprofit purposes pursuant to the TBOC applicable to nonprofit corporations and does not contemplate pecuniary gain or profit to its Members. The Association, acting through a Board of Directors, shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Common Area as may be required or permitted by the Governing Documents and Texas State law. The Association may do any and 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 Governing Documents or Texas State law. Without limiting the generality of the foregoing, the Association is organized for the following general purposes:

(A) To assure the upkeep, maintenance, improvement and administration of the Property owned by the Association, if any, and all lands, improvements, security devices and other real or personal property owned by, leased to, used by or the responsibility of the Association ("Common Areas");

(B) To assure the upkeep, maintenance, improvement and administration of any additional Property which may in the future be acquired by, placed under the control of or responsibility for which is assumed by the Association;

(C) To enter into and perform any contract and to exercise all powers which may be necessary or convenient to the operation, management, maintenance and administration of the Common Areas or affairs of the Association in accordance with the Governing Documents, as amended from time to time;

(D) To promote the health, safety and welfare of the Members in accordance with the Governing Documents, as amended from time to time;



(E) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association arising under the Governing Documents, as amended from time to time or the laws of the State of Texas;

(F) To enforce applicable provisions of the Governing Documents (as amended from time to time), and any other instruments for the management and control of the properties within the Subdivision including, without limitation, the power:

(1) To fix, levy, collect and enforce payment of assessments, by any lawful means, including but not limited to, a collection policy providing for payment plans, late fees and administrative fees;

(2) To enforce all restrictions, covenants and affirmative obligations imposed pursuant to the terms of the Governing Documents, as amended from time to time and to adopt such policies as needed, including but not limited to, a fine policy, a towing policy, and a suspension of privileges policy to aid in the enforcement of the terms of the Governing Documents and to collect assessments, Charges and other amounts imposed on an Owner pursuant to the terms of the Governing Documents;

(3) To contract for and to pay for maintenance and improvement of the Common Areas or areas for which the Association is responsible as contemplated by the Governing Documents;

(4) To employ personnel or management firms reasonably necessary for the administration and operation of the Association, and to discharge the powers and duties of the Association arising under the Governing Documents, as amended from time to time, including the employment of accountants, attorneys and/or other professionals, as appropriate; and

(5) To pay all office and other expenses incident to the conduct of the business of the Association, including all insurance expenses, licenses, taxes and special tax or utility Assessments which are or would become a lien on any portion of the Properties over which the Association has authority to exercise control;

(G) To develop, create and adopt rules, regulations, policies and procedures, as determined by the Board of Directors, which are necessary or convenient to the operation, management, maintenance and administration of the Common Areas or the affairs of the Association, which shall include but not be limited to, use of Common Areas, construction policies, procedures and regulations, and environmental policies.

(H) To have and to exercise any and all powers, rights and privileges, including delegation of powers as permitted by law, which the Association may now or hereafter have or exercise in accordance with the TBOC.

(I) To act by and through the Architectural Control Committee to enforce the terms and conditions of the Governing Documents, including, but not limited to, review of plans and specifications to approve or disapprove construction or erection of Improvements and/or structures by Owners and to the extent permitted by the TEX. PROP.

CODE, regulate the addition of Improvements within Latigo Ranch Subdivision.

#### **ARTICLE IV MEMBERS, MEETINGS AND VOTING RIGHTS**

4.1 Members. Members shall be subject to the following terms, conditions and obligations:

(A) The membership of the Association shall consist of all of the Owners of the Lots within the Property. Every Person who is a record Owner of a fee or undivided fee interest in any Lot which is subject, by the Restated Declaration, to assessments by the Association, including sellers in a contract for deed or an executory contract yet to close, shall be a Member of the Association. The foregoing is not intended to include Persons who hold an interest merely as security for the performance of any obligation. Membership shall be appurtenant to and may not be severed from any ownership of any Lot which is subject to Assessments by the Association. Ownership of such Lot shall be the sole qualification for membership. It shall be the Owner's obligation to notify the Association of acquiring an ownership interest in a Lot and shall provide and maintain a current mailing address with the Association. All changes of address provided to the Association must be in writing. Any mortgagee or lienholder who acquired title to any Lot which is a part of the Property through judicial or non-judicial foreclosure, shall be a Member of the Association as of the date of foreclosure and shall be subject to the terms and conditions of the Governing Documents. If the foreclosure is for the benefit of a subordinate lienholder to the lien of the Association, the Lot shall remain liable for any and all outstanding Assessments owed to the Association. Association membership shall be transferred automatically to the grantee of a conveyance of a Lot in fee. Membership shall not be assigned, pledged, or transferred in any other way. Any attempt to make a prohibited transfer shall be void. The transfer of Membership shall not relieve the Member from any liability owed to the Association as of the date of transfer and the Lot shall remain subject to the lien securing the unpaid assessments, unless extinguished by foreclosure of a priority lien.

(B) All Members are obligated to pay Annual Maintenance Assessments and any other Assessments imposed by Article VI of the Restated Declaration and assessed by the Association to meet the common expenses as defined in the Restated Declaration or for other Charges assessed by the Association. The Assessments and Charges shall be secured by the lien established by the Restated Declaration.

(C) Each Member will comply with the provisions and terms of the Governing Documents, and any amendments thereto. Further, each Member will always endeavor to observe and promote the cooperative purposes for which the Property was established. Each Member shall be responsible for compliance with the Governing Documents by its family members, residents, guests and invitees.

4.2 Place of Meetings. Meetings of the Members shall be held at the time and place in Bandera County, Texas as determined by the Board of Directors, and stated in the notice of the meeting or in a waiver of notice.

4.3 Annual Meetings. An annual meeting of the Members shall be held at the

principal office of the Association or at such other place in Bandera County as may be designated in writing by the Board of Directors, at a time and date designated annually by the Board of Directors. An annual meeting shall be held not less than ten (10) nor more than thirteen (13) months from the previously held annual meeting of Members. The purpose of the annual meetings shall be to elect Directors and for the transaction of such other business as may come before the meeting.

4.4 Notice of Meeting. Notice of the meeting, stating the place, day and hour of the meeting, and in case of a special meeting, the purpose or purposes for which the meeting is called, shall be given in accordance with the requirements of the TEX. PROP. CODE to each Member entitled to vote at the meeting at least ten (10) but not more than sixty (60) days before the date of the meeting. The statutory notice shall be addressed to the Member at their address appearing on the books of the Association or given by them to the Association for the purpose of notice. Notice of adjourned and reconvened meetings is not necessary unless the meeting is adjourned for thirty (30) days or more, in which case notice of the adjourned meeting shall be given as in the case of any special meeting.

**Whenever written notice to a Member of the Association is permitted or required hereunder, such shall be given by the mailing of such to the address of such Member appearing on the records of the Association, unless such Member has given written notice to the Association of a different address, in which event such notice shall be sent to the Member at the address so designated or the Member has registered the Member's email address for purposes of notice, in which event such notice shall be sent to the Member at the registered email address.**

4.5 Special Meetings. Special meetings of the Members for any purpose or purposes whatsoever may be called at any time by the President, by a majority of the Board of Directors or the holders of not less than ten percent (10%) of the total eligible votes of the membership of the Association. The meeting must be held within thirty (30) days after the Board of Directors resolution or receipt of the petition from Members. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. Business transacted at a special meeting shall be confined to the purposes stated in the notice of the meeting.

4.6 Quorum. Members holding twenty-five percent (25%) of the total eligible votes of the membership of the Association, present in person or represented by proxy, shall constitute a quorum at all meetings of Members for the transaction of business, except as otherwise provided by law, by the Restated Certificate of Formation or by these Restated Bylaws. If, however, such quorum shall not be present or represented at any meeting of the Members, the Members entitled to vote there at, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum shall be present or represented, subject to the limitations of the TEX. PROP. CODE. Ballots cast by absentee or electronic ballot shall not count towards the quorum if the proposed item on the ballot is amended from the language on the absentee or electronic ballot at a meeting of the Members. This exclusion provision does not apply to a ballot for the election of Directors.

4.7 Method of Voting.

(A) Subject to the foregoing limitations, the Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership. No Member shall

be entitled to vote at any meeting of the Association until such Member has presented evidence of ownership of a Lot to the Secretary of the Association.

(B) In the event that ownership interests in a Lot are owned by more than one (1) Member of the Association, such Members shall exercise their right to vote in such manner as they may among themselves determine, but in no event shall the number of votes cast for each Lot exceed one (1) vote for each Lot and cannot be fragmented. Such Members shall appoint one (1) of them as the Member who shall be entitled to exercise the vote of that Lot at any meeting of the Association. Such designation shall be made in writing to the Board of Directors and shall be revocable at any time by actual written notice to the Board. The Board shall be entitled to rely on any such designation until written notice revoking such designation is received by the Board. If no written designation is provided to the Board, if one (1) of the multiple Members owning a Lot casts a ballot, the Board may rely on such act being evidence of that Member's right to cast the ballot. If multiple Members owning a Lot each cast a ballot, the ballots will be discarded, and none shall count.

(C) All Members of the Association may attend meetings of the Association and all voting Members may exercise their vote or votes at such meetings either in person or by proxy. Any vote cast in an election or vote by a Member must be in writing and signed by the Member. In an Association wide election, written and signed ballots are not required for uncontested races. Members may also vote by absentee ballot or if offered by the Association, by electronic methods as described in TEX. PROP. CODE § 209.00592. Fractional votes and split votes will not be permitted. The decision of the Board of Directors as to the number of votes which any Member is entitled to cast, based upon the number of Lots owned by such Member, shall be final.

(D) An electronic vote (i) given by e-mail, facsimile, or posting on an internet website established by the Association for voting, if available, (ii) for which the identity of the Member submitting the ballot can be confirmed, and (iii) for which the Member may receive a receipt of the electronic transmission and ballot shall constitute a written and signed ballot.

(E) An absentee or electronic ballot (i) may be counted as an Owner present and voting for the purpose of establishing a quorum only for items appearing on the ballot; (ii) may not be counted, even if properly delivered, if the Owner attends the meeting to vote in person, so that any vote cast at a meeting by an Owner supersedes any vote submitted by absentee or electronic ballot previously submitted for that proposal; and (iii) 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.

(F) At any meeting of the Members, every Member having the right to vote may vote either in person, or by proxy executed in writing by the Member or by Member's duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Each proxy shall be revocable unless expressly provided therein to be irrevocable or unless otherwise made irrevocable by law. Each proxy shall be filed with the Secretary of the Association prior to or at the time of the meeting. Voting for Directors shall be in

accordance with Section 4.7 of these Restated Bylaws.

(G) At least ten (10) days before each meeting of Members, a complete list of the Members entitled to vote at said meeting, arranged in alphabetical order with the address of each and the number of votes held by each, shall be prepared by the officer or agent having charge of the Membership books. Such list, for a period of ten (10) days prior to such meeting, shall be kept on file at the registered office of the Association and shall be subject to inspection by an eligible Member at any time during usual business hours, and shall also be made available at the Members' meetings.

4.8 Organization. The President shall preside at all meetings of the Members. In President's absence, a Vice President shall preside. In the absence of all of these officers, any Member or the duly appointed proxy of any Member may call the meeting to order and a chairman shall be elected from among the Members present.

The Secretary of the Association shall act as secretary at all meetings of the Members. In Secretary's absence, an assistant secretary shall so act and in the absence of all of these officers, the presiding officer may appoint any person to act as Secretary of the meeting.

4.9 Action Without Meeting. Strictly subject to the limitations of the TEX. PROP. CODE, any action required by any provision of law or the Restated Certificate of Formation or these Restated Bylaws to be taken at a meeting of the Members or any action which may be taken at a meeting of the Members, may be taken without a meeting if a consent in writing, setting forth the actions so taken, shall be signed by a majority of the Members entitled to vote with respect to the subject matter thereof, and such consent shall have the same force and effect as an unanimous vote of the Members. The consent may be in more than one counterpart.

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

4.11 Order of Business at Meetings. The order of business at annual meetings and so far, as practicable at other meetings of Members shall be as follows, unless changed by the Board of Directors:

- (1) call to order;
- (2) proof of due notice of meeting;
- (3) determination of quorum and examination of proxies;
- (4) announcement of availability of voting list;
- (5) announcement of distribution of annual statement;
- (6) reading and disposing of minutes of last meeting of Members;
- (7) reports of officers and committees;
- (8) unfinished business;
- (9) new business;
- (10) nomination of directors;



- (11) voting for directors; and
- (12) adjournment.

4.12 Failure to Call Annual Meeting. If the Board of Directors fails to call an annual meeting of the Members within the time frame allowed herein, a Member may demand that a meeting of the Members be called to elect Directors not later than the thirtieth (30<sup>th</sup>) day after the date of the Member's demand. The Member's demand shall be in writing and sent by certified mail, return receipt requested, to the registered agent of the Association and to the Association. A copy of this notice must then be sent by the Association to each Member. In the event the Board of Directors fail to call a meeting of the Members on or before the thirtieth (30<sup>th</sup>) day after the date of the demand, three (3) or more Members may then form an election committee. The election committee shall file written notice of the committee's formation with the Bandera County Clerk for recordation in the Bandera County Official Public Records. The notice shall contain: (i) a statement that an election committee has been formed to call a meeting of the Members for the sole purpose of electing Directors; (ii) the name and residential address of each committee member; and (iii) the name of the Subdivision over which the Association has jurisdiction under the Restated Declaration, the Restated Certificate of Formation, or by these Restated Bylaws. The notice shall be signed and acknowledged by each committee member. Only one (1) committee within the subdivision area may operate at one (1) time. If more than one (1) committee files notice with the Bandera County Clerk, the first committee to file notice, provided all of the other requirements of this Article IV are satisfied, has the power to act. A committee has four (4) months after the date the notice is filed with the Bandera County Clerk to conduct a successful election. The committee is automatically dissolved if a successful election is not held within this four (4) month period. The notice, quorum, and voting provisions of these Restated Bylaws apply to any meeting called by the committee. The committee may call a meeting of the Members for the sole purpose of electing Directors.

4.13 Suspension of Membership Rights. The Membership rights to the use and enjoyment of any Association Common Area by any Member may be suspended by action of the Board of Directors if such Member shall have failed to pay when due any Assessment or Charge lawfully imposed upon the Member or any property owned by the Member, or if the Member, Member's family, tenants, or guests of any thereof, shall have violated any Governing Documents of the Association regarding the use of any property or conduct with respect thereto, provided such violation is deemed by the Board of Directors to be a serious violation requiring disciplinary action. Provided, however, any action taken by the Board of Directors to suspend a Member's rights shall be in strict compliance with the TEX. PROP. CODE, as amended.

## ARTICLE V BOARD OF DIRECTORS

5.1 Management. The property, business and affairs of the Association shall be managed by the Board of Directors who may exercise all such powers of the Association as set forth in Section 3.1 herein and do all such lawful acts and things as are not by statute or by the Restated Certificate of Formation or by these Restated Bylaws directed or required to be exercised or done by the Members. The Directors shall have all of the powers, authority and duties of the Association existing under the TBOC, the Restated Declaration and these Restated Bylaws, which shall be exercised exclusively by the Board of Directors, its agents, contractors or

employees, subject only to approval by Members when such is specifically required by law, the Restated Declaration or these Restated Bylaws.

5.2 Committees. In addition to the committees provided for in the Restated Declaration and these Restated Bylaws, the Board of Directors may by resolution designate one (1) or more committees, each of which shall consist of two (2) or more Members, which committee, to the extent provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the Association; but the designation of such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed on it, him or her by law.

5.3 Number: Qualification; Election; Term. The Board of Directors will consist of not less than three (3) nor more than five (5) persons who shall be Members. As of the date of these Restated Bylaws, the Board of Directors shall consist of three (3) Members who shall be elected for a three (3) year term. The current members of the Board of Directors shall continue to serve their respective term. At the 2019 annual meeting of Members and at each annual meeting thereafter, one (1) director shall be elected to fill the vacancy created by the expired term on the Board of Directors. Each Director shall be elected to a term of three (3) years. The Directors shall hold office until their successors have been elected and hold their first meeting, except as is otherwise provided herein. An elected Director shall be a Member of the Association at the time of nomination and must continue as a Member during the term of office. Should a Director cease being a Member during the term of office, the term shall end simultaneously with the termination of Membership. There shall be no other requirement that restricts a Member's right to run for a position on the Board of Directors except as may be limited by TEX. PROP. CODE § 209.00591, as amended. If a Lot is owned by a legal entity, such as a partnership or corporation, any officer, partner, agent, or employee of that entity Member is eligible to serve as a Director and is deemed to be a Member for the purposes of this Section 5.3. If the relationship between the entity Member and the Director representing it terminates, that entity Member shall appoint a new representative to serve out the remaining term. Members of the Board of Directors are not subject to term limits.

5.4 Change in Number. The number of Directors may be increased or decreased from time to time by Resolution of the Board of Directors, but no decrease shall have the effect of shortening the term of any incumbent Director and provided that the Board of Directors may never consist of less than three (3) nor more than five (5) Directors. An amendment of the Restated Bylaws shall not be required to increase or decrease the number of Directors. Any directorship to be filled by reason of an increase in the number of Directors shall be filled by election at an annual meeting or at a special called meeting of Members called for that purpose.

5.5 Removal. Any Director may be removed either for or without cause at any special or annual meeting of Members, by the affirmative vote of a majority of the total eligible votes of the membership of the Association present, in person or by proxy, at such meeting and entitled to vote for the election of such Director if notice of intention to act upon such matter shall have been given in the notice calling such meeting.

5.6 Vacancies. Any vacancy occurring in the Board of Directors (by death, resignation, removal or otherwise) may be filled by an affirmative vote of a majority of the remaining Directors though less than a quorum of the Board of Directors. A Director elected to

fill a vacancy shall be elected for the unexpired term of Director's predecessor in office.

5.7 Election of Directors. The election of Directors shall be conducted as follows:

(A) Directors shall be elected by majority vote of the Members present in person or by proxy at a meeting with a quorum of Members present. Cumulative voting shall not be permitted. The election to the Board of Directors shall be by written ballot signed by the Member or Member's proxy unless the vote is for an uncontested race for Director. Members or their proxies, may cast, in respect to each vacant directorship, as many votes as they are entitled to exercise under the provisions of the Restated Declaration. The election officer shall prepare, or cause to be prepared, a written ballot listing in random order the names of the nominees for election. The Board of Directors shall be permitted to adopt such rules and procedures for the use of proxies and their verification prior to the date of the meeting held for the purpose of election of Directors.

(B) At least forty-five (45) days before the date the Association disseminates absentee ballots or other ballots to the Members for purposes of voting in a Board Member election, the Association must provide notice to the Members soliciting candidates interested in running for a position on the Board. The notice must contain instructions for an eligible candidate to notify the Association of the candidate's request to be placed on the ballot and the deadline to submit the candidate's request. The deadline may not be earlier than the tenth (10<sup>th</sup>) day after the date the Association provides the notice required by this subsection.

(C) The notice required by subsection (B) must be:

(1) mailed to each Member; or

(2) provided by:

(a) posting the notice in a conspicuous manner reasonably designed to provide notice to Association Members:

(i) in a place located on the Association's Common Areas or, with the Property Owner's consent, on other conspicuously located privately owned property within the Subdivision; or

(ii) on an Internet website maintained by the Association or other Internet media; and

(b) sending the notice by email to each Member who has registered an email address with the Association.

(D) The Association shall include on each absentee ballot or other ballot for a Board Member election the name of each eligible candidate from whom the Association received a request to be placed on the ballot in accordance with this Section 5.7.

5.8 Place of Meetings. Meetings of the Board of Directors, regular or special, shall be held in Pipe Creek, Bandera County, Texas.

5.9 Annual Meetings. The first meeting of a newly elected Board shall be held with notice required by the TEX. PROP. CODE immediately following the annual meeting of Members, and at the same place, unless by unanimous consent of the Directors then elected and serving at the time elect to reschedule the date and time or change the location.

5.10 Notice of Board of Directors Meeting. Members shall be provided notice of the date, hour, place, matters to potentially be deliberated in executive session, and the general subject of a regular or special Board of Directors meeting. Notice shall be provided in one (1) of the following manners:

(A) Mailed to each Member not later than the tenth (10<sup>th</sup>) calendar day or earlier than the sixtieth (60<sup>th</sup>) calendar day before the date of the meeting; or

(B) Provide at least seventy-two (72) hours prior to the start of the meeting by:

(1) Posting notice in a conspicuous manner reasonably designed to provide notice to the Association, which includes posting notice on Association Common Areas, posting notice on conspicuously located Member's Property with that Member's consent, or posting notice on an Internet website maintained by the Association; and

(2) E-mailing notice to each Member who has a registered e-mail address with the Association. It is the duty of a Member to provide the Association with an updated e-mail address.

5.11 Recess of Board of Directors Meeting. If the Board of Directors recesses a regular or special Board of Directors meeting to continue the following regular business day, the Board of Directors is not required to post notice of the continued meeting, provided the recess is taken in good faith. If the meeting is continued to the following regular business day, and on that day is continued to another day, the Board of Directors shall provide notice of the continuation within two (2) hours after the continued meeting is adjourned by posting notice in a conspicuous manner reasonably designed to provide notice to the Association, which includes posting notice on Association Common Areas, posting notice on conspicuously located on a Member's Property with that Member's consent, or posting notice on an Internet website maintained by the Association.

5.12 Open Meetings. Regular and special meetings of the Board of Directors are open to Members of the Association, subject to the following provisions:

(A) No audio or video recording of the meeting may be made, except by the Board of Directors or with the Board of Directors' prior, written consent.

(B) Members who are not Directors may not participate in Board of Directors deliberations or discussions, unless expressly authorized to do so by the vote of a majority of a quorum of the Board of Directors.

(C) The Board of Directors may, with the approval of a majority of a quorum, adjourn any meeting and reconvene in executive session to discuss and vote on personnel matters, litigation in which the Association is or may become involved, contract negotiations, enforcement actions, confidential communications with the Association's

attorney and order of business of a confidential nature involving a Member and matters to remain confidential at the request of the affected parties and agreement of the Board of Directors. The nature of business to be considered in executive session will first be announced in open session. Following an executive session, any decision made in the closed session shall be summarized orally and placed in the meeting minutes. The oral summary shall be in general terms and shall include a general explanation of expenditures and shall not breach the privacy of individual Members, violate any privilege, or disclose information that is to remain confidential at the request of the affected parties.

(D) The Board of Directors may prohibit attendance by non-members, including lessees, representatives, proxies, agents, and attorneys of Members.

(E) The Board of Directors may prohibit attendance by any Member who disrupts meetings or interferes with the conduct of Board of Directors business.

5.13 Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director, either personally or by mail or by electronic media. Special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of two (2) Directors. The notice of meeting shall be in accordance with the TEX. PROP. CODE.

5.14 Quorum Majority Vote. At meetings of the Board of Directors a majority of the number of Directors fixed by these Restated Bylaws shall constitute a quorum for the transaction of business. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except as otherwise specifically provided by statute, the Restated Certificate of Formation, or these Restated Bylaws. If a quorum is not present at a meeting of the Board of Directors, the Directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present, as limited by the TEX. PROP. CODE. A Director may vote in person or by proxy executed in writing by the Director appointing another member of the Board of Directors to vote on the Director's behalf. A Director's proxy shall expire thirty (30) days after the date the proxy is executed or when revoked, whichever is sooner.

5.15 Compensation. The Board of Directors shall receive no compensation for serving other than; a Director may be reimbursed for any reasonable, actual expenses incurred by the Director on behalf of the Association.

5.16 Procedure. The President, or in the President's absence, any Director selected by the Directors present, shall preside at meetings of the Board of Directors. The Secretary of the Association, or in Secretary's absence, any person appointed by the presiding officer, shall act as Secretary of the meetings of the Board of Directors and keep regular minutes of the proceedings. The minutes shall be placed in the minute books of the Association.

5.17 Action without Meeting or Notice. The Board of Directors shall be permitted to take action without a formal meeting with notice as follows:

(A) Subject to the limitations of the TEX. PROP. CODE, any action required or permitted to be taken without a meeting may be taken if a consent in writing, setting forth



the action so taken, is signed by all the members of the Board of Directors. Such consent shall have the same force and effect as a unanimous vote at a meeting. The signed consent, or a signed copy, shall be placed in the minute book. The consent may be in more than one counterpart so long as each Director signs one of the counterparts.

(B) The Board of Directors may meet by any method of communication, including electronic and telephonic meetings, without prior notice to the Members. The Board of Directors may take action either pursuant to a verbal vote, provided each Director may hear and be heard by every other Director or by unanimous written consent. Any action taken by the Board of Directors without notice to the Members must be summarized orally, including, but not be limited to, actual or estimated expenditures approved, and documented in the written minutes of the immediately subsequent regular or special Board of Directors meeting. The Board of Directors may not, unless done in an open meeting for which prior notice was given to the Members consider or vote on any of the following matters:

- (1) Fines;
- (2) Damage assessments;
- (3) Initiation of foreclosure actions;
- (4) Initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety;
- (5) Increases in assessments;
- (6) Levying of special assessments;
- (7) Appeals from a denial of Architectural Control Committee approval; or
- (8) Suspension of a right of a particular Member before the Member has an opportunity to attend a regular or special meeting of the Board of Directors to present the Member's position, including any defense, on the issue.
- (9) lending or borrowing of money;
- (10) the adoption or amendment of a dedicatory instrument;
- (11) the approval of an annual budget or the approval of an amendment of an annual budget that increases the budget by more than 10 percent;
- (12) the sale or purchase of real property;
- (13) the filling of a vacancy on the board;
- (14) the construction of capital improvement other than the repair, replacement or enhancement of existing capital improvements; or
- (15) the election of an officer.

5.18 Presumption of Assent to Action. A Director who is present at a meeting of the Board of Directors at which action on any Association matter is taken shall be presumed to have assented to the action taken unless such Director's dissent shall be entered in the minutes of the meeting or unless such Director shall file a written dissent to such action with the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

5.19 Nominating Committee. Not less than forty-five (45) days prior to the next scheduled annual meeting of the Association, the Board of Directors will create and empanel a nominating committee comprised of not less than three (3) Members, which shall be charged with receiving requests from Members to be placed on the ballot as set forth in 5.7 B. herein. All nominees shall be invited to provide brief biographical information by a specific deadline to be set by the nominating committee to be distributed with such notice, in a form and length determined by the Board of Directors. The names of the nominees and their information shall be included in the notice of the annual meeting. The nominating committee shall evaluate and consider all nominees as to their qualifications to serve as a Director. After due consideration of each candidate, the nominating committee, at its discretion, may make recommendations to the Members as to which candidates the nominating committee supports as the most qualified candidates. Nominations also will be accepted from the floor at the annual meeting prior to the casting of ballots. Nominations for the Board of Directors must be selected from Members of the Association. In the event there is a situation requiring a special called meeting for the purpose of election of a Director(s), no nominations for candidates shall be made from the floor at the special called meeting.

5.20 Appointment of Election Officer. The Board of Directors shall, by resolution, designate one (1) of its Members, not standing for re-election to the Board of Directors to serve as election officer for the election of the Board of Directors. The election officer shall receive written nominations as provided herein and shall administer the annual election or special called meeting. The election officer shall appoint, in writing, such assistants as are in election officer's judgment required to conduct the election. Such assistants shall not be paid for their services, nor be Members of the Board of Directors, nor candidates for election thereto. A person who is a candidate for election or who is otherwise the subject of an Association vote, or a person related to that person within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code, may not tabulate or otherwise be given access to the ballots cast in that election or vote except as part of a recount process authorized by law and set forth in TEX. PROP. CODE § 209.00594, as amended.

5.21 Voting. Voting and counting of ballots shall be conducted by the election officer and election officer's assistants. The results of balloting shall be announced by the election officer before the close of the meeting at which the election takes place and the nominee(s) receiving the highest number of votes shall be declared by the President or Vice-President if there is no President, to have been elected. The President or Vice-President shall announce only the names of the successful candidate(s) and shall not announce or post the vote totals of the respective candidates. The election officer shall thereafter certify, in writing, the results of the balloting, which results shall be countersigned by election officer's assistants. Notwithstanding any other provision in the Governing Documents or the TEX. PROP. CODE, (i) a person who is a candidate in the Association's election or who is otherwise the subject of an Association vote, or

a person related to that person within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code, may not tabulate or otherwise be given access to the ballots cast in that election or vote except as herein stated; (ii) a person other than a person described above in this Section 5.21 (i) may tabulate votes in the Association election or vote but may not disclose to any other person how an individual voted; (iii) provided however, a person other than a person who tabulates votes under this Section 5.21 (ii), including a person described by this Section 5.21 (i), may be given access to the ballots cast in the election or vote only as part of a recount process authorized by law.

5.22 Recount of Board of Directors Election Votes. A Member has fifteen (15) calendar days from the date on which a Board of Directors election was held to request a recount of the votes. A recount may not be requested for any agenda items other than a Board of Directors election. A demand for a recount must be submitted in writing by certified mail, return receipt requested, delivered by the United States Postal Service with signature confirmation to the Association's updated mailing address, or in person to the Association's current managing agent. The Association shall retain and enter into a contract with, at the expense of the requesting Member, a person qualified to recount the votes. The person conducting the recount may not be a Member or related to a Director within the third degree of consanguinity or affinity, and shall be either a current or former county judge, county elections administrator, justice of the peace, or county voter registrar, or a person mutually agreed upon by the Association and the requesting Member. The recount shall be completed within thirty (30) days of the date in which the recount request and payment for the services is received by the Association. In the event the recount changes the results of the election in question, the Association shall reimburse the Member the cost of the recount. A recount shall not affect actions taken by the Board of Directors between the election in question and the completion of the recount.

5.23 Limitation of Director Liability. A Director of the Association shall not be personally liable to the Association for monetary damages for any act or omission in the capacity as a Director, except to the extent otherwise expressly provided by a statute of the State of Texas. Any repeal or modification of this Section 5.23 shall be prospective only and shall not adversely affect any limitation of the personal liability of a Director of the Association existing at the time of the repeal or modification. The limitation on the liability of a Director does not eliminate or modify that person's liability to the Association as a Member of the Association.

## ARTICLE VI NOTICE

6.1 Method. Whenever by statute, the Restated Certificate of Formation, these Restated Bylaws, or otherwise, notice is required to be given to a Director, committee member, or security holder, and no provision is made as to how the notice shall be given, it shall not be construed to mean personal notice, but any such notice may be given: (i) in writing, by mail, postage prepaid, addressed to the Director, committee member, or security holder at the address appearing on the books of the Association; (ii) by sending the notice by e-mail to each Owner who has registered an email address with the Association pursuant to the Association's email registration policy; or (iii) by any other method permitted by law. Any notice required or permitted to be given by mail shall be deemed given at the time when the same is deposited in the United States mails.

6.2 Waiver. Whenever, by statute or the Restated Certificate of Formation or these Restated Bylaws, notice is required to be given to a security holder, committee member, or Director, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated in such notice, shall be equivalent to the giving of such notice. Attendance at a meeting shall constitute a waiver of notice of such meeting, except where a person attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

## **ARTICLE VII OFFICERS AND AGENTS**

### **7.1 Number; Qualification; Election; Term.**

(A) The Association shall have: (i) a President, a Vice President, a Secretary and a Treasurer; and (ii) such other officers (including a chairman of the board and additional vice presidents) and assistant officers and agents as the Board of Directors may deem necessary.

(B) An officer of the Association must be a member of the Association.

(C) Officers named above shall be elected by the Board of Directors on the expiration of an officer's term or whenever a vacancy exists. Officers and agents named above may be elected by the Board of Directors at any meeting.

(D) Unless otherwise specified by the Board of Directors at the time of election or appointment, or in an employment contract approved by the Board of Directors, each officer's and agent's term shall end at the first meeting of Directors after the next annual meeting of Members. The newly elected Director shall serve until the end of the Director's term or, if earlier, Director's death, resignation, or removal.

(E) Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

(F) The Board of Directors may appoint or hire such assistant secretaries or assistant treasurers as it deems necessary to conduct the business of the Association. If any officer is absent or unable to act, the Board of Directors may appoint a Director to perform the duties of that officer and to act in place of that officer, on an interim basis.

7.2 Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby. Such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

7.3 Vacancies. Any vacancy occurring in any office of the Association (by death, resignation, removal or otherwise) may be filled by the Board of Directors.

7.4 Authority. Officers and agents shall have such authority and perform such duties in the management by the Association or the Board of Directors not inconsistent with these Restated Bylaws.

7.5 Compensation. The officers shall not be compensated.

7.6 President. The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Members and the Board of Directors, shall have general and active management of the business and affairs of the Association, and shall see that all orders and resolutions of the Board of Directors are carried into effect. The President shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe.

7.7 Vice President. The Vice Presidents in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the President, perform the duties and have the authority and exercise the powers of the President. The Vice President shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe or as the President may from time to time delegate.

7.8 Secretary.

(A) The Secretary shall attend all meetings of the Board of Directors and all meetings of the Members and record all votes, actions and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the executive and other committees when required.

(B) The Secretary shall give, or cause to be given, notice of all meetings of the Members and special meetings of the Board of Directors.

(C) The Secretary shall keep in safe custody the seal of the Association and, when authorized by the Board of Directors or the executive committee, affix it to any instrument requiring it. When so affixed, it shall be attested by Secretary's signature or by the signature of the Treasurer or an assistant secretary.

(D) The Secretary shall be under the supervision of the President. The Secretary shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe or as the President may from time to time delegate.

7.9 Treasurer.

(A) The Treasurer shall have the custody of the corporate funds and securities, shall keep full and accurate accounts of receipts and disbursements of the Association, and shall deposit all funds and other valuables in the name and to the credit of the Association in depositories designated by the Board of Directors.

(B) The Treasurer shall disburse the funds of the Association as ordered by the Board of Directors and prepare financial statements as they direct.

(C) If required by the Board of Directors, the Treasurer shall give the Association a bond (in such form, in such sum, and with such surety or sureties as shall be satisfactory to the Board) for the faithful performance of the duties of Treasurer's office, and for the restoration to the Association, in case of Treasurer's death, resignation,



retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in Treasurer's possession or under Treasurer's control belonging to the Association.

(D) The Treasurer shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe or as the President may from time to time delegate.

## ARTICLE VIII INDEMNIFICATION

8.1 Definitions. In this Article VIII the following terms shall have the designated meaning:

(A) Indemnatee means (i) any present or former Director, advisory Director or officer of the Association; (ii) any person who, while serving in any of the capacities referred to in clause (i) hereof, served at the Association's request as a Director, officer, trustee, employee, agent, manager (including named employees of any management company) or similar functionary of another foreign or domestic Association, partnership, joint venture, trust, employee benefit plan or other enterprise; and (iii) any person nominated or designated by (or pursuant to authority granted by) the Board of Directors or any committee thereof to serve in any of the capacities referred to in clauses (i) or (ii) hereof.

(B) Official Capacity means (i) when used with respect to a Director, the office of Director of the Association, and (ii) when used with respect to a person other than a Director, the elective or appointive office of the Association held by such person or the employment or agency relationship undertaken by such person on behalf of the Association, but in each case does not include service for any other foreign or domestic Association or any partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise.

(C) Proceeding means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitative or investigative, any appeal in such an action, suit or proceeding, and any inquiry or investigation that could lead to such an action, suit or proceeding.

8.2 Indemnification. The Association shall indemnify every Indemnatee against all judgments, penalties (including excise and similar taxes), fines, amounts paid in settlement, and reasonable expenses actually incurred by the Indemnatee in connection with any Proceeding in which Indemnatee was, is or is threatened to be named a defendant or respondent, or in which Indemnatee was or is a witness without being named a defendant or respondent, by reason, in whole or in part, of Indemnatee serving or having served, or having been nominated or designated to serve, in any of the capacities referred to in Section 8.1 (A), if it is determined in accordance with Section 8.4 that the Indemnatee (i) conducted himself or herself in good faith, (ii) reasonably believed, in the case of conduct in Indemnatee's Official Capacity, that such conduct was in the Association's best interests and, in all other cases, that such conduct was at least not opposed to the Association's best interests, and (iii) in the case of any criminal

Proceeding, had no reasonable cause to believe that such conduct was unlawful; provided, however, that in the event that an Indemnatee is found liable to the Association or is found liable on the basis that personal benefit was improperly received by the Indemnatee, the indemnification (i) is limited to reasonable expenses actually incurred by the Indemnatee in connection with the Proceeding, and (ii) shall not be made in respect of any Proceeding in which the Indemnatee shall have been found liable for willful or intentional misconduct in the performance of Indemnatee's duty to the Association. Except as provided in the immediately preceding proviso to the first sentence of this Section 8.2, no indemnification shall be made under this Section 8.2 in respect of any Proceeding in which such Indemnatee shall have been (i) found liable on the basis that personal benefit was improperly received by Indemnity, whether or not the benefit resulted from an action taken in the Indemnatee's Official Capacity, or (ii) found liable to the Association. The termination of any Proceeding by judgment, order, settlement or conviction, or on a plea of nolo contendere or its equivalent, is not of itself determinative that the Indemnatee did not meet the requirements set forth in clauses (i), (ii) or (iii) in the first sentence of this Section 8.2. An Indemnatee shall be deemed to have been found liable in respect of any claim, issue or matter only after the Indemnatee shall have been so adjudged by a court of competent jurisdiction after exhaustion of all appeals therefrom. Reasonable expenses shall include, without limitation, all court costs and all fees and disbursements of attorneys for the Indemnatee.

8.3 Successful Defense. Without limitation of Section 8.2 and in addition to the indemnification provided for in Section 8.2, the Association shall indemnify every Indemnatee against reasonable expenses incurred by such person in connection with any Proceeding in which Indemnatee is a witness or a named defendant or respondent because Indemnatee served in any of the capacities referred to in Section 8.1 (A), if such person has been wholly successful, on the merits or otherwise, in defense of the Proceeding.

8.4 Determinations. Any indemnification under Section 8.2 (unless ordered by a court of competent jurisdiction) shall be made by the Association only upon a determination that indemnification of the Indemnatee is proper in the circumstances because Indemnatee has met the applicable standard of conduct. Such determination shall be made (i) by the Board of Directors by a majority vote of a quorum consisting of Directors who, at the time of such vote, are not named defendants or respondents in the Proceeding; (ii) if such a quorum cannot be obtained, then by a majority vote of all Directors (in which designated Directors who are named defendants or respondents in the Proceeding may participate), such committee to consist solely of two (2) or more Directors who, at the time of the committee vote, are not named defendants or respondents in the Proceeding; (iii) by special legal counsel selected by the Board of Directors or a committee thereof by vote as set forth in clauses (i) or (ii) of this Section 8.4 or, if the requisite quorum of all of the Directors cannot be obtained therefor and such committee cannot be established, by a majority vote of all of the Directors (in which Directors who are named defendants or respondents in the Proceeding may participate); or (iv) by the Members in a vote that excludes the Directors who are named defendants or respondents in the Proceeding. Determination as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is permissible is made by special legal counsel, determination as to reasonableness of expenses must be made in the manner specified in clause (iii) of the preceding sentence for the selection of special legal counsel. In the event a determination is made under

this Section 8.4 that the Indemnitee has met the applicable standard of conduct as to some matters but not as to others, amounts to be indemnified may be reasonably prorated.

8.5 Advancement of Expenses. Reasonable expenses (including court costs and attorneys' fees) incurred by an Indemnitee who was or is a witness or who is or is threatened to be made a named defendant or respondent in a Proceeding shall be paid by the Association at reasonable intervals in advance of the final disposition of such Proceeding, and without making any of the determinations specified in Section 8.4, after receipt by the Association of (i) a written affirmation by such Indemnitee of Indemnitee's good faith belief that Indemnitee has met the standard of conduct necessary for indemnification by the Association under this Article VIII and (ii) a written undertaking by or on behalf of such Indemnitee to repay the amount paid or reimbursed by the Association if it shall ultimately be determined that Indemnitee is not entitled to be indemnified by the Association as authorized in this Article VIII. Such written undertaking shall be an unlimited obligation of the Indemnitee but need not be secured and it may be accepted without reference to financial ability to make repayment. Notwithstanding any other provision of this Article VIII, the Association may pay or reimburse expenses incurred by an Indemnitee in connection with Indemnitee's appearance as a witness or other participation in a Proceeding at a time when Indemnitee is not named a defendant or respondent in the Proceeding.

8.6 Other Indemnification and Insurance. The indemnification provided by this Article VIII shall (i) not be deemed exclusive of, or to preclude, any other rights to which those seeking indemnification may at any time be entitled under the Governing Documents, any law, agreement or vote of Members or disinterested Directors, or otherwise, or under any policy or policies of insurance purchased and maintained by the Association on behalf of any Indemnitee, both as to action in Indemnitee's official capacity and as to action in any other capacity, (ii) continue as to a person who has ceased to be in the capacity by reason of which such person was an Indemnitee with respect to matters arising during the period such person was in such capacity, and (iii) inure to the benefit of the heirs, executors, and administrators of such a person.

8.7 Notice. Any indemnification of or advance of expenses to an Indemnitee in accordance with this Article VIII shall be reported in writing to the Members with or before the notice or waiver of notice of the next meeting of the Members or with or before the next submission to the Members of a consent to action without a meeting and, in any case, within the twelve (12) month period immediately following the date of the indemnification or advance.

8.8 Construction. The indemnification provided by this Article VIII shall be subject to all valid and applicable laws, including, without limitation, Chapter 8, Subchapter C of the TBOC, and, in the event this Article VIII or any of the provisions hereof or the indemnification contemplated hereby are found to be inconsistent with or contrary to any such valid laws, the latter shall be deemed to control and this Article VIII shall be regarded as modified accordingly, and, as so modified, to continue in full force and effect.

8.9 Continuing Offer, Reliance, etc. The provisions of this Article VIII, (i) are for the benefit of, and may be enforced by, each Indemnitee of the Association the same as if set forth in their entirety in a written instrument duly executed and delivered by the Association and such Indemnitee, and (ii) constitute a continuing offer to all present and future Indemnities. The Association, by its adoption of these Restated Bylaws, (i) acknowledges and agrees that each Indemnitee of the Association has relied upon and will continue to rely upon the provisions of

this Article VIII in becoming, and serving in any of the capacities referred to in Section 8.1 (A) hereof, (ii) waives reliance upon, and all notices of acceptance of, such provisions by such Indemnitees, and (iii) acknowledges and agrees that no present or future Indemnitee shall be prejudiced in the right to enforce the provisions of this Article VIII in accordance with its terms by any act or failure to act on the part of the Association.

8.10 Effect of Amendment. No amendment, modification or repeal of this Article VIII or any provision hereof shall in any manner terminate, reduce or impair the right of any past, present or future Indemnities to be indemnified by the Association, nor the obligation of the Association to indemnify any such Indemnities, under and in accordance with the provisions of this Article VIII as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

## **ARTICLE IX GENERAL PROVISIONS**

9.1 Reserves. By resolution, the Board of Directors may create such reserve or reserves out of the earned surplus of the Association as the Directors from time to time, in their discretion, think proper to provide for contingencies, or to repair or maintain any property of the Association, or for any other purpose they think beneficial to the Association. The Directors may modify or abolish any such reserve in the manner in which it was created.

9.2 Books and Records. The Association shall keep correct and complete books and records of account, shall keep minutes of the proceedings of its Members and Board of Directors, and shall keep at its registered office or principal place of business, or at the office of its transfer agent or registrar, a record of its Members, giving the names and addresses of all Members and the number of votes held by each.

9.3 Checks and Notes. Checks, demands for money, and notes of the Association shall be signed by officer(s) or other person(s) designated from time to time by the Board of Directors.

9.4 Fiscal Year. The fiscal year of the Association shall be fixed by resolution of the Board of Directors.

9.5 Seal. The Association seal (of which there may be one or more exemplars) shall contain the name of the Association and the name of the state of incorporation. The seal may be used by impressing it or reproducing a facsimile of it, or otherwise.

9.6 Resignation. A Director, committee member, officer or agent may resign by giving written notice to the President or the Secretary. The resignation shall take effect at the time specified in it, or immediately if no time is specified. Unless it specifies otherwise, a resignation takes effect without being accepted.

9.7 Amendment of Bylaws.

(A) These Restated Bylaws may be altered, amended, or repealed at any meeting of the Board of Directors at which a quorum is present, by the affirmative vote of a majority of the Directors present at such meeting, provided notice of the proposed

alteration, amendment, or repeal is contained in the notice of the meeting and such action does not specifically require the action of the Members by virtue of the Restated Certificate of Formation or these Restated Bylaws.

(B) These Restated Bylaws may also be altered, amended or repealed at any meeting of the Members at which a quorum is present or represented, by the affirmative vote of a majority of the total eligible votes of membership of the Association present or represented at the meeting and entitled to vote there at, provided notice of the proposed alteration, amendment or repeal is contained in the notice of the meeting.

9.8 Inspection. Books and records of the Association will be made available for inspection and copying pursuant to Association's Records Production Policy and applicable Texas law.

9.9 Resale Certificates. Any officer may prepare or cause to be prepared assessment resale certificates pursuant to applicable law. The Association may charge a reasonable fee for preparing such certificates and may refuse to furnish such certificates until the fee is paid, unless otherwise provided by law. Any unpaid fees may be assessed against the Lot for which the certificate is furnished. The Association may delegate the responsibility for a resale certificate to its managing agent, if any.

9.10 Management Certificate. As required by applicable law, such as TEX. PROP. CODE § 209.004, the Association will maintain a current management certificate in the Bandera County public records. When the Association has notice of a change in any information in the recorded certificate, the Association will prepare a restated or amended certificate and deliver it to the county clerk for filing. Absent gross negligence, the Association is not liable for a delay or failure to record a certificate. The Association may delegate the responsibility for a resale certificate to its managing agent, if any.

9.11 Relation to Other Documents. These Restated Bylaws are subject to, and governed by, the Restated Certificate of Formation and the Restated Declaration.

[Rest of page intentionally left blank]



**CERTIFICATE OF OFFICER**

The undersigned certifies that the foregoing Restated Bylaws were duly approved and adopted by the Board of Directors of Latigo Ranch, Unit #1, Property Owners Association, on the 22<sup>nd</sup> day of JUNE, 2019, and by the members present at a Special Called Meeting of Members in person or by proxy and adopted by more than sixty-seven percent (67%) of the members of Latigo Ranch, Unit #1, Property Owners Association, on the 22<sup>nd</sup> day of JUNE, 2019. The undersigned has been authorized by the Board of Directors to execute and record this instrument. The undersigned further certifies that the foregoing Restated Bylaws constitutes a dedicatory instrument under TEX. PROP. CODE § 202.006 which applies to the operation of Latigo Ranch, a subdivision located in Bandera County, Texas, as hereinabove described, including all annexations thereto.

Signed this 27<sup>th</sup> day of JUNE, 2019.

**LATIGO RANCH, UNIT #1, PROPERTY OWNERS  
ASSOCIATION**

By: 

Name: DENNIS ZAFERIS

Its: PRESIDENT

**Hand Delivered To:**

Dennis Zaferis

Any provision herein which restricts the sale, rental or use of the described real property because of color or race is invalid and unenforceable under Federal Law, STATE OF TEXAS  
COUNTY OF BANDERA  
I hereby certify that this instrument was filed on the date and time stamped herein by me and was duly recorded in the volume and page of the official records of Bandera County as stated herein by me.

Jun 27/2019

Tandie Hunsfield, County Clerk  
Bandera County

Filed for Record in:  
Bandera County

On Jun 27/2019 at 10:57 AM

As a  
Recording

Document Number: 00231959

Amount: 130.00

Receipt Number: 144248

By:

Belissa Luna

**AFFIDAVIT IN COMPLIANCE WITH TEX. PROP. CODE § 202.006**

THE STATE OF TEXAS           §  
    §  
 COUNTY OF BANDERA         §

BEFORE ME, the undersigned authority, on this day personally appeared DENNIS ZAFERIS, who, being by me duly sworn according to law, stated the following under oath:

"My name is DENNIS ZAFERIS. I am fully competent to make this Affidavit. I have personal knowledge of the facts stated herein, and they are all true and correct.

I am the President of Latigo, Unit #1, Property Owners Association, a Texas nonprofit corporation (the "Association"). I am also a custodian of the records for the Association and I have been authorized by the Association's Board of Directors to sign this Affidavit.

The Association is a property owners' association as that term is defined in *TEX. PROP. CODE § 202.001*. The Association's jurisdiction includes, but may not be limited to, the property in Bandera, County, Texas and described as:

That certain subdivision known as Latigo Ranch Subdivision, being the property identified and referenced in the Declaration of Covenants, Conditions and Restrictions Latigo Ranch Subdivision, recorded in Volume 788, Page 385 of the Official Public Records of Bandera County, Texas; as amended by Modification of Declaration of Covenants, Conditions and Restrictions Latigo Ranch Subdivision - October 22, 2012, recorded in Volume 942, Page 267 of the Official Public Records of Bandera County, Texas and restated by Second Amended and Restated Declaration of Covenants, Conditions and Restrictions, to be recorded in the Official Public Records of Bandera County, Texas.

Attached hereto are the originals of, or true and correct copies of, the following dedicatory instruments, including known amendments or supplements thereto, governing the Association, which instruments have not previously been recorded:


*Latigo, Unit #1, Property Owners Association  
 Statement of Policies*

The documents attached hereto are subject to being supplemented, amended or changed by the Association. Any questions regarding the dedicatory instruments of the Association may be directed to the Association at:

Latigo, Unit #1, Property Owners Association  
 10655 State Highway 46  
 Pipe Creek, Texas 78063  
 Phone: \_\_\_\_\_  
 Fax: \_\_\_\_\_  
 Email: LATIGO-RANCH@YAHOO.COM

SIGNED on this the 27 day of JUNE, 2019.

**LATIGO, UNIT #1, PROPERTY OWNERS ASSOCIATION**

By:   
 DENNIS ZAFERIS  
 Its: President

**ACKNOWLEDGMENT**

THE STATE OF TEXAS           §  
   §  
 COUNTY OF BANDERA       §

BEFORE ME, the undersigned authority, on this day personally appeared DENNIS ZAFERIS, President of the **LATIGO, UNIT #1, PROPERTY OWNERS ASSOCIATION**, who, after being duly sworn, acknowledged and stated under oath that he has read the above and foregoing Affidavit and that every factual statement contained therein is within his personal knowledge and is true and correct.

27<sup>th</sup> ACKNOWLEDGED, SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public, on this the day of June, 2019.

  
 NOTARY PUBLIC, STATE OF TEXAS

**After Recording, Return To:**  
 Michael B. Thurman  
 Thurman & Phillips, P.C.  
 4093 De Zavala Road  
 Shavano Park, Texas 78249

