

Page 1.

INDIAN HILLS ESTATES PROPERTY OWNERS ASSOCIATION

BY-LAWS

ARTICLE I

SECTION 1: Members: The membership of this association shall consist of all the persons, owners of property in Indian Hills Estates, a subdivision in Comal County, Texas, who have paid their annual POA dues. A husband and wife owning property in such subdivision, whether such property shall be the separate property of one or community property, shall constitute one (1) member.

SECTION 2: Annual Meetings: The annual meeting of the members shall be held the second Sunday in September, and each subsequent regular annual meeting of the members shall be held on the second Sunday in September of each year thereafter at the hour of one o' clock p.m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

SECTION 3: Special Meetings: Special meetings of the members may be called at any time by the President or by a majority of the Board of Directors, or upon written request of the members who are entitled to vote. Written request requires one fourth (1/4) of all votes of the membership.

SECTION 4: Notice of Meetings: Written notice of each meeting of the members shall be given by, or at the direction of the Secretary or person authorized to call the meeting, by issuing notice in the Indian Hills Newsletter, at least ten (10) days before such meeting. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

SECTION 5: Quorum: Except as otherwise required by law or by these By-Laws, members holding one-tenth (1/10) of the votes entitled to be cast, present in person or by proxy, shall constitute a Quorum. The act of one-tenth (1/10) of the total members of this Association at any meeting, at which a quorum is present shall be the act of the membership.

SECTION 6: Proxium: At all meetings of members, each member shall be entitled to one (1) vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Each proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot. No proxy shall be valid after eleven (11) months from the date of its execution.

Page 2.

## ARTICLE II

### NOMINATION AND ELECTION OF DIRECTORS

SECTION 1: Nomination: Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of three (3) or five (5) members. The Nominating Committee shall be appointed by the Board or Directors at least two (2) months prior to each annual meeting of the Association and will serve from that time until the close of the subsequent annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for each election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members.

SECTION 2: Election: Election to the Board of Directors shall be by secret ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise. The persons receiving the largest number of votes shall be elected after secret written ballot cast at the Association Annual Meeting.

## ARTICLE III

### BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

SECTION 1: Number: The affairs of this Association shall be managed by a Board of nine (9)\* who shall be members of the Association.

SECTION 2: Terms of Office: At the first meeting, the members shall elect two (2) directors for a term of one (1) year, and two (2) directors for a term of two (2) years, and two (2) directors for a term of three years. At each annual meeting thereafter, the members shall elect vacating directors' positions for a term of three (3) years. No director may serve more than two (2) consecutive terms.

SECTION 3: Removal: Any director may be removed from the Board, with or without cause, by majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

SECTION 4: Compensation: No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties as authorized by the Board.

SECTION 5: Action Taken Without a Meeting: The directors shall have the right to take any action in the absence of a meeting which they could not take at a regular meeting by obtaining the written approval of all the directors. Any action, so approved, shall have the same effect as though taken at a meeting of the directors.

\* This number was increased from eight (8) to nine (9) at the Annual Meeting held September 13, 1992.

Page 3.

#### ARTICLE IV

##### MEETINGS OF DIRECTORS

SECTION 1: Regular Meetings: Regular meetings of the Board of Directors shall be held monthly, or as may be called by the President, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

SECTION 2: Special Meetings: Special meetings of the Board of Directors shall be held when called by the President of the Association or by the majority of the directors, after not less than three (3) days notice to each director.

SECTION 3: Quorum: A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present, shall be regarded as the act of the Board.

#### ARTICLE V

##### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

SECTION 1: Powers: The Board of Directors shall have the power to:

- (a) Adopt and publish rules and regulations governing the use of the Common Area and Facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof.
- (b) Suspend the voting rights and rights of use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing for a period not to exceed sixty (60) days for infraction of published rules and regulations.
- (c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not preserved to the membership by other provisions of these By-Laws.
- (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 of Directors.

Page 4.

ARTICLE V  
(Continued)

SECTION 2: Duties: It shall be the duty of the Board of Directors:

- (a) To cause to be kept complete records of all its acts and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is required in writing by one fourth (1/4) of the members who are entitled to vote.
- (b)
  - 1. To fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period.
  - 2. To send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period, and,
  - 3. To foreclose the lien against any property for which assessments are not paid within six (6) months after due date or to bring an action of law against the owner personally obligated to pay the same.
- (c) To procure and maintain adequate liability and hazard insurance on property owned by the Association.
- (d) To cause the common area to be maintained by volunteers or other means as approved by the Board of Directors.

Page 5.

## ARTICLE VI

### OFFICERS AND THEIR DUTIES

SECTION 1. : Enumeration of Officers: The officers of this Association shall be a President, Vice-President, Secretary, and Treasurer who shall, at all times, be members of the Board of Directors, and such other officers as the Board may, from time to time by resolution, create.

SECTION 2. : Election of Officers: The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

SECTION 3. : Term: The officers of this Association shall be elected annually by the Board and each shall hold office for the term elected unless they shall sooner resign, or shall be removed, or otherwise disqualified to serve.

SECTION 4. : Special Appointments: The Board may elect such other officers as the affairs of the Association may require each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

SECTION 5.: Resignation and Removal: Any officer may be removed from office, with or without cause, by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein. The acceptance of such resignation shall not be necessary to make it effective.

SECTION 6.: Vacancies: A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

SECTION 7.: Duties: The duties of the officers are as follows:

#### PRESIDENT

The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out, and supervise all officers.

#### VICE-PRESIDENT

The Vice-President shall sit in the place of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

#### SECRETARY

The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses and shall perform such other duties as required by the Board.

#### TREASURER

The Treasurer shall receive and deposit in the appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; keep proper books of accounts; cause an annual audit of the Association's books to be made by the Board of Directors at the completion of each fiscal year; shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and shall make available a copy of each to the members present.

Page 6.

#### ARTICLE VII

The Board of Directors shall appoint a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose. No two (2) members of a household may be nominated or elected as a Director or appointed to any committee.

#### ARTICLE VIII

##### BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles, if incorporated, and the By-Laws of the Association shall be available for inspection by any member at the principle office of the Association, where copies may be purchased at a reasonable cost.

#### ARTICLE IX

##### ASSESSMENTS

As more fully provided in the Restrictions, each member is obligated to pay the Association an annual assessment which is secured by a continuing lien upon the property against which the assessment is made. Any assessment which is not paid when due shall be delinquent. If the assessment is not paid within one hundred and twenty (120) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of ten dollars (\$10.00) per month, and the Association may bring action at law against the owner personally obligated to pay the same, or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of the assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common area or abandonment of his lot. Renters who wish to have full use of the common area (park and pool) are required to pay a maintenance fee of \$35.00 per year to the Association.\*

\*This fee was voted into effect at the Annual Meeting held September 11, 1993.

#### ARTICLE X

##### AMENDMENTS

These By-Laws may be amended at a regular or special meeting of the members by a vote of a majority of a quorum of members present in person or by proxy.

#### ARTICLE XI

##### MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31<sup>st</sup> day of December of every year.