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**BYLAWS OF
LAS COLINAS RANCH PROPERTY OWNERS ASSOCIATION
A NON-PROFIT CORPORATION**

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is LAS COLINAS RANCH PROPERTY OWNERS ASSOCIATION. The principal office of the corporation will be located at PO Box 162445, but meetings of members and directors may be designated by the board of directors. Quota 78716

**ARTICLE II
DEFINITIONS**

Section 1. "Association" means and refers to Las Colinas Ranch Property Owners Association, its successors and assigns.

Section 2. "Common area" means all real property owned by the association for the common use and enjoyment of the owners.

Section 3. "Declarant" means and refers to John A. Hime, III, and wife, Audrey B. Hime, as the Trustees of the Hime Living Trust, as well as its successors and assigns if such successors or assigns should acquire more than one undeveloped tract from the declarant for the purpose of development.

Section 4. "Restrictions" means and refers to the declaration of covenants, conditions, and restrictions applicable to the subdivision and recorded on _____, in the office of the county clerk of Blanco County, Texas, in Vol. _____, Page _____.

Section 5. "Tract" means and refers to any plot of land shown on the recorded subdivision plat with the exception of the common area.

Section 6. "Member" means and refers to those persons entitled to membership in the association as provided in the restrictions.

Section 7. "Owner" means and refers to the record owner, whether one or more persons or entities, of the fee simple title to any tract which is a part of the subdivision, including contract sellers, but excluding those holding title merely as security for the performance of an obligation.

Section 8. "Subdivision" means and refers to that certain tract of real property described in the restrictions, and such additions to that tract as may be brought within the jurisdiction of the association pursuant to the provisions of the restrictions.

ARTICLE III MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of members will be held within one (1) year from the date of incorporation of the association or not later than thirty (30) days after fifty percent (50%) of the tracts have been sold, whichever first occurs. Subsequent annual meetings of members will be held on the same day of the same month of each year thereafter at 7:00 p.m. If the day for the annual meeting of members is a legal holiday, the meeting will be held at the same hour on the next following day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of members may be called at any time by the president or by the board of directors, or on written request of one-fourth (1/4) (members who are entitled to vote one-fourth of all votes of the Class A membership).

Section 3. Notice of Meetings. Written notice of each meeting of members will be given by, or at the direction of, the secretary or other person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) but not more than fifty (50) days before such meeting to each member entitled to vote, addressed to the member's address last appearing on the books of the association or supplied by such member to the association for the purpose of receiving notice. The notice will specify the day, hour, and place of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting, in person or by proxy, of members entitled to cast a majority of the votes of each class of the membership will constitute a quorum for authorization of any action, except as may otherwise be provided in the restrictions, the articles of incorporation, or these bylaws. If a quorum is not present at any meeting, the members entitled to vote will have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies will be in writing and filed with the secretary. Proxies will be revocable, and the proxy of any owner will automatically terminate on conveyance by such owner of his or her tract.

ARTICLE IV. BOARD OF DIRECTORS

Section 1. Number and Qualifications. The affairs of the association will be managed by a board of three (3) directors, who will be members of the association. Declarant shall appoint the first three (3) members of the board of directors who shall each serve for the first year after the first annual meeting; thereafter, the board of directors shall be elected as per Article IV. Section 3.

Section 2. Nomination. Nomination for election to the board of directors may be by nominating committee, and may also be made from the floor at any annual meeting of members. The nominating committee will consist of a chairperson who is a member of the board of directors, and two or more members of the association. The committee will be appointed by the board of

directors prior to each annual meeting to serve from the close of such meeting until the close of the next annual meeting, and such appointment will be announced at each annual meeting. The nominating committee will make as many nominations for election to the board of directors as it will in its discretion determine, but in no event will it nominate less than the number of vacancies to be filled.

Section 3. Election. Election to the board of directors will be by secret written 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 under the provisions of the restrictions. Persons receiving the largest number of votes will be elected. Cumulative voting is permitted in favor of candidates for fewer than all the vacancies, provided that any member who intends to cumulate his or her votes must give written notice of such intention to the secretary of the association on or before the day preceding the election at which such member intends to cumulate his or her votes.

Section 4. Meetings.

(a) **Regular Meetings.** Regular meetings of the board of directors will be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the board. In the event the regular date for a meeting falls on a legal holiday, such meeting will be held at the same time on the next following day which is not a legal holiday.

(b) **Special Meetings.** Special meetings of the board of directors will be held when called by the president of the association, or by any two directors, after not less than two (2) days' notice to each director.

(c) **Quorum.** A majority of the directors will constitute a quorum for the transaction of business. Every act performed or decision made by a majority of directors present at a duly held meeting in which a quorum is present will constitute the act or decision of the board.

Section 5. Powers. The board of directors will have power to:

(a) Adopt and publish rules and regulations governing the use of the common areas and facilities, including the personal conduct of the members and their guests in using them; and to establish penalties for infractions of such rules and regulations;

(b) Suspend the voting rights and right to use of the recreational facilities of any member during any period in which such member is 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 thirty 30 days for infraction of published rules and regulations;

(c) Exercise on behalf of the association all powers, duties, and authority vested in or delegated to the association and not specifically reserved to the membership by the restrictions, articles of incorporation, or by other provisions of these bylaws;

(d) Declare the office of a member of the board of directors to be vacant in the event that such member is absent from three (3) consecutive regular meetings of the board of directors; and

(e) Employ a manager, independent contractors, and such other employees as they may deem necessary, and to prescribe their duties.

Section 6. Duties. It will be the duty of the board of directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement of such acts and affairs to the members at each annual meeting, or at any special meeting at which such a statement is requested in writing by one-fourth (1/4) of the Class A members entitled to vote at the meeting;

(b) Supervise all officers, agents, and employees of the association and see to it that their duties are properly performed;

(c) As more fully provided in the restrictions, to:

(1) Fix the amount of the annual assessment against each tract at least thirty (30) days after the due date, or to bring an action at law against the owner personally obligated to pay the same;

(2) Prior to due date send written notice of each assessment to every owner subject to the assessment at least thirty (30) days prior to the due date, or to bring an action at law against the owner personally obligated to pay the same;

(d) Issue, or cause an appropriate officer to issue, on demand by any person and on imposition of a reasonable charge, a certificate setting forth whether or not any assessment has been paid, a statement in a certificate to the effect that an assessment has been paid constituting conclusive evidence of such payment;

(e) Procure and maintain adequate liability and hazard insurance on all property owned by the association (if economically feasible);

(f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(g) Cause the common area to be maintained.

Section 7. Term of Office. At the each annual meeting, the members will elect three directors for a term of one year each.

Section 8. Compensation. No director will receive compensation for any service he or she may render to the association. However, any director may be reimbursed for his or her actual expenses incurred in the performance of his duties.

Section 9. Removal. Any director may be removed from the board, with or without cause, by a majority vote of the members of the association. In the event of death, resignation, or removal of a director, his or her successor will be selected by the remaining members of the board and will serve for the unexpired term of his or her predecessor.

ARTICLE V OFFICERS

Section 1. Enumeration of Offices. The officers of the association will be a president and vice president, who will at all times be members of the board of directors, and a secretary, treasurer, and such other officers as the board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers will take place at the first meeting of the board of directors following each annual meeting of members.

Section 3. Term. The officers of the association will be elected annually by the board. Each will hold office for a term of one (1) year unless he or she will sooner resign, or will be removed or otherwise disqualified to serve.

Section 4. Special Appointments. The board may elect such other officers as the affairs in the association may require, each of whom will 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 by the board at any time with or without cause. Any officer may resign at any time by giving written notice to the board, the president, or the secretary. Such resignation will take effect on the date of receipt of such notice or at any later time specified in the notice, and unless otherwise specified in the notice, the acceptance of such resignation will not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment of the board. The officer appointed to such vacancy will serve for the unexpired term of the officer he or she replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person will simultaneously hold more than one of any of the other offices, except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

(a) **President.** The president will preside at all meetings of the board of directors, will see that orders and resolutions of the board are carried out, will sign all leases, mortgages, deeds, and other instruments, and will cosign all checks and promissory notes.

(b) **Secretary.** The secretary will record the votes and keep the minutes of all meetings and proceedings of the board and of the members, keep the corporate seal of the association and affix it to all papers so requiring; serve notice of meetings of the board and of members, keep appropriate current records showing the members of the association together with their addresses, and perform such other duties as may be required by the board or by law.

(c) **Treasurer.** The treasurer will receive and deposit in appropriate bank accounts all funds of the association, and will disburse such funds as directed by resolution of the board of directors; will sign all checks and promissory notes of the association; will keep proper books of account; will cause an annual audit of the association books to be made by a certified public accountant at the completion of each fiscal year; and will prepare an annual budget and statement of income and expenditures, a copy of which documents will be delivered to each member, and a report on which will be given at the regular annual meeting of members.

ARTICLE VI COMMITTEES

The board of directors may appoint such other committees as it may deem appropriate in the performance of its duties.

ARTICLE VII ASSESSMENTS

As more fully provided in the restrictions, each member is obligated to pay to the association annual and special assessments which are secured by a continuing lien on the property against which such assessments are made. Any assessments which are not paid when due are considered delinquent. If an assessment is not paid within thirty (30) days after the due date, the assessment bears interest from the date of delinquency at the rate of ten percent (10%) per annum, and the association may bring an action at law against the owner personally obligated to pay the same, or may foreclose the lien against his or her property. Interest, costs, and reasonable attorney fees of any such action will be added to the amount of any assessment due. No owner may waive or otherwise escape liability for assessments by nonuse of the common area or abandonment of his or her tract.

ARTICLE VIII BOOKS AND RECORDS; INSPECTION

The books, records, papers of the association will be subject to inspection by any member during ordinary business hours. The declaration, articles of incorporation, and bylaws of the association will be available for inspection by any member at the principal office of the association, where copies will be made available for sale at a reasonable price.

ARTICLE IX CORPORATE SEAL

The association will have a seal in circular form having within its circumference the words:

ARTICLE X FISCAL YEAR

_____ (The fiscal year of the association will be the calendar year, except that the first fiscal period will begin on the date of incorporation and will end on December 31st of the year of incorporation.)

ARTICLE XI AMENDMENTS

These bylaws may be amended, at a regular or special meeting of members, by vote of a majority of a quorum of members present in person or by proxy.

ARTICLE XII
CONFLICTS WITH ARTICLES OF
INCORPORATION OR RESTRICTIONS OF COVENANTS

In the case of any conflict between the articles of incorporation and these bylaws, the articles will control. In the case of any conflict between the restrictions and these bylaws, the restrictions will control.

Hime Living Trust, dated June 24, 1991

John A. Hime III
John A. Hime, III, Trustee

Audrey B. Hime
Audrey B. Hime, Trustee

STATE OF TEXAS)

COUNTY OF BLANCO)

This instrument was acknowledged before me on the 27th day of March, 1996, by John A. Hime, III, Trustee, and Audrey B. Hime, Trustee.



Sharyn Kirkland
Notary Public, State of Texas

Sharyn Kirkland
Printed Name of Notary
Notary's commission expires: