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Canyon Springs Resort Property Owners Association Inc.

REV 08 January 2019

BY-LAWS OF THE CANYON SPRINGS RESORT PROPERTY OWNERS' ASSOCIATION

These By-Laws of Canyon Springs Resort Property Owners' Association (referred to as the "By-Laws") govern the affairs and processes of CANYON SPRINGS RESORT PROPERTY OWNERS' ASSOCIATION, a non-profit Association (referred to as the "Association") organized under the Texas Non-Profit Corporation Act also known as Texas Business Organization Code (BOC). These By-Laws serve to complement and clarify the Sections in the BOC, Articles of Incorporation (referred to as ("Articles")), as well as the components of the Deed Restrictions as filed with Comal County. The By-Laws are subordinate to both the Deed Restrictions and Articles of Incorporation. (Cite: BOC Sec 22.103)

Any reference to **Dedictory Instruments** shall mean Deed Restrictions, Articles of Incorporation, By Laws and Resolutions by the Board shall be deemed to be part of the Dedictory Instruments. (Cite: Texas Property Code 202.001). All dedicatory Instruments will be filed in the Comal County Clerk's office. (Cite: Property Code 202.006)

Article One Name of the Association

The name of the corporation is Canyon Springs Resort Property Owners Association, Inc ("Association") and is made up of Units I, II, III, III-A, IV and V. The subdivision is located in Comal County, Texas. The deed restrictions form the basis for the purpose of the Association.

United Land Company assigned the rights, duties and obligations to the Association and recorded the assignment in Volume 532, pages 234-235, Official Public Records of Real Property of Comal County, TX on 10 September, 1985 and the association accepted the assignment on the same date. The assignment was acknowledged by the County on 30 September 1986 and executed the assignment on 10 January 1987 and filed them on 17 January 1987 as document #290474. On 12 January 1989 United confirmed the assignment (Document 338630) specifically giving the collection of the annual assessment to CSRPOA.

Article Two Non-Profit Corporation

Canyon Springs Resort Property Owners Association, Inc. is a nonprofit corporation. (Cite: BOC 22.001 (5)). Specific chapters of Texas Property Code (Code) are applicable to the Association. Those Chapters Include: Chapters 202, 205, 207, 209.

Article Three Duration

These By-Laws are perpetual or until revised by the Board of Directors. The authority for the Board to revise the By-Laws is directed by the 1998 Articles of Incorporation (Article Nine) and BOC 22.102 (c)

Article Four Purpose of the Association

The purpose of the Association is outlined in the Articles of Incorporation Article Four. The primary purposes of the Association shall be to receive and maintain funds for the administration of the corporation, upkeep, and maintenance of community facilities, and other purposes of the corporation; to regulate and administer restrictive covenants of the subdivision; and to foster a sense of community pride and belonging among the residents and property owners of Canyon Springs Resort.

Funding is initially provided by an annual assessment for each property owner. The Board of Directors may direct and collect special assessments, normally for capital improvements or large unseen debts, as well as specific fees, fines, collection cost including interest, mailings, and collection agency fees, and penalties for late payment of the annual assessment or other fees as permitted. (Cite: Property Codes 207.001, 209.002, 209.008).

Article Five Non Stock (or Non Profit) Corporation

The Articles of Incorporation were amended on 15 November 1997 and registered with the Texas Secretary of State and filed on 11 May 1998. The original Articles of Incorporation were filed in 1973. The corporation shall be a non stock corporation and no dividends or pecuniary gain shall be declared to the members, directors, or officers. (Cite: BOC 22.001 (5), CSRPOA Article Five)

Article Six Registered Office and Agent

The principal office of the Association in the County of Comal, State of Texas shall be located at 691 Canyon Springs Drive, Canyon Lake, TX 78133.

The association shall have and continuously maintain in the State of Texas a registered office, and a registered agent whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act (Cite: BOC 252.011)

The Board of Directors must update the registered office and/or its registered agent as provided in the BOC (Cite: BOC 252.011) by filing in the office of the Secretary of State, a statement as outlined in the Business Organization Code 252.011 without a vote of the membership but with the specific authority of a majority of the Board of directors.

Article Seven Board of Directors

Directors must be residents of the State of Texas and members, in good standing, of the Association. Each elected director shall serve for a term of two (2) years, commencing the 1st day of June and terminating the last day of the second following May. (Cite: CSRPOA Article Nine)

The Articles of Incorporation directs that there shall be a maximum of (9) or a minimum of five (5) directors.

The Affairs of the corporation is vested in its Board of Directors which will direct the management of the corporation. (Cite: CSRPOA Article Nine, Property Code 209.002 (2) and BOC 22.201 (b)) The act of a majority of the Directors present in person or by proxy at a meeting which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law, or by these by-laws. (Cite: BOC 22.214) A director may vote in person or by proxy executed in writing by the director (Cite: BOC 22.215)

Directors shall not receive compensation for their services. Directors may be reimbursed for out-of-pocket expenses that are made for CSRPOA.

The President, with a majority of the Board, may appoint an ex-officio member of the Board. The ex-officio member will not have Board voting rights nor will count in the requirement of a Board Quorum. Normally the ex-officio member will bring added expertise to the Board such as legal, financial, or other experience to the Board. (Cite: BOC 22.210)

A director may resign at any time by providing written notice to the Board. (Cite: BOC 22.211)

A director may be removed from office pursuant to any procedure therefore provided in these by laws. (Cite: BOC 22.211(b))

The members may vote to remove a Director at any time. A special meeting of members to consider the removal of a Director may be called following the procedures provided in the Articles or the By Laws for an annual meeting. The notice of the meeting shall state that the issue of possible removal of the Director will be on the agenda. The Director shall have the right to present evidence at the meeting as to why he/she should not be removed. At the meeting, the members of the Association shall consider possible arrangements for resolving the problems that are in the best interest of the Association. A Director may be removed by the affirmative vote of a majority of the members present or by proxy attending the meeting, providing a quorum is present. (Cite: BOC 22.211)

If any Director/Board Member is a plaintiff in a lawsuit involving the association or any of its members, said Director will be automatically resigned from their position. This is to prevent any conflict of interest. (Cite: BOC 22.211)

Vacancies: Any vacancy occurring in the Board of Directors and any director position to be filled by reason of an increase in the number of Directors, shall be filled by an affirmative vote of a majority of the remaining Board of Directors though less than a quorum of the Board may exist. . A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. (Cite: BOC 22.212, Property code 209.00593)

It is considered a conflict of interest should a Board member utilize their position to solicit business from its members or the Board, and such action will not be done.

Article Eight

Original Incorporators

The names and address of each original incorporator was: Altus T. Bowden, RT 4 BX 435, New Braunfels, TX 78130; Gerald C. Smith, RT 4, BX 501 New Braunfels, TX 78130; Opal O'Rear, RT 4, BX 501A, New Braunfels, TX 78130

Article Nine

Selection of the Board of Directors

The Articles of Incorporation (Cite: CSRPOA Article Nine) sets forth the number and procedure for selection of Directors. Manner in which the directors are to be elected by the members is as follows: A nominating committee chair shall be appointed by the President at the Board of Directors' meeting in March of each year, who shall appoint a committee. It shall be the duty of this committee to nominate a candidate for a maximum of nine (9) or a minimum of (5) director positions. The members of the corporation may at the corporation May meeting, nominate individuals to serve as directors, provided the consent of the nominee shall first have been obtained. At the May meeting of the corporation, upon the terminating of all nominations, the members of the corporation shall then vote to elect a maximum of nine (9) or a minimum of (5) of the corporation's directors. Each elected director shall serve for a term of two (2) years, commencing the 1st day of June and terminating the last day of May the following year.

Notice of Annual Meeting and Vote will be sent to the total membership by mail or electronically, and the nominees receiving the most votes from the membership shall have been elected. The ballot shall list not only the names of the nominating committee candidates, but also write-in candidates and those candidate(s) nominated from the floor by the membership. The ballots shall be cast confidentially. Two or more non director individuals will conduct the vote count in public and announce those candidates receiving the most votes. (Cite: property code 209.0056) .

Article Ten

Corporate Officers and Their Function

(Cite: CSRPOA Articles Nine, and BOC 22.231)

The general officers of the corporation shall be: President, First Vice-President, Second Vice President, Third Vice President, Secretary and Treasurer. The Board of Directors may provide for the appointment of such individual officers as they may deem desirable for the best interest of the corporation. (Cite: CSRPOA Article Ten, BOC 22.231)

President: The President shall be the principal executive officer of the corporation and shall, in general, supervise and control all of the business and affairs of the corporation. The principle duties of the President shall be to preside at all meetings of the members and the Board of Directors and to have a general supervision of the affairs of the corporation and to perform such other duties and exercise such other powers as may from time to time be delegated by the Board of Directors.

Vice President(s): The principal duties of the Vice-President(s) shall be to discharge the duties of the President in the absence or disability, for any cause whatsoever, of the president and to perform all duties as may be delegated to them by the President, or the Board of Directors.

Secretary: The principal duties of the Secretary shall be to countersign all deeds, leases, and conveyance executed by the corporation, if any. Keep a record of the proceedings of meetings of the membership and the Board of Directors, and to safely and systematically keep all books, papers, records and documents belonging to the Association or in any way pertaining to the business thereof, except the books and records incidental to the duties of the Treasurer, and to perform such other duties as may be delegated from time to time by the Board of Directors. The secretary will give all notices as provided by the By-Laws or by law. The secretary will keep a register of the mailing address of each member.

The association secretary shall maintain the following records and documents and make them available for inspection if requested by a member of the association.

(1) Certificates of formation, bylaws, restrictive covenants, and all amendments to the certificates of formation, bylaws, and covenants shall be retained permanently; and

(2) Minutes of meetings of the owners and the Board shall be retained for seven years.

(3) Copies of all legal filings and preceding that involve the association or its Board members shall be retained for seven years or until the all parties to the legal action are no longer members of the association.

Cite: Property Code, Section 209.005 (m)

Treasurer: The principal duties of the Treasure shall be to keep an account of all monies, credits and property of any and every nature of the corporation which shall become into his/her hands, and to keep an accurate account of all monies received and disbursed and of proper vouchers of monies disbursed, and to render such accounts, statements, and inventories of monies received and disbursed and of money and property on hand, and generally of all matters pertaining to the office, as shall be required by the Board of Directors

The treasurer will deposit all monies in the name of the Association in banks, trust companies, or other depositories as provided in the By-Laws or as directed by the Board of Directors. No money shall be paid out except on direct authority of the Board of Directors. The Treasure will write checks and disburse funds to discharge obligations of the Association

The Treasurer will prepare monthly and annual financial reports, and these reports will be available for audit or review by the membership. The Treasurer shall annually compile a budget for approval of the Board. The Board of Directors may require a bond for the faithful discharge of duties in a sum and with surety as determined by the Board of Directors.

The association treasurer shall maintain the following records and documents and make them available for inspection if requested by a member of the association. (Cite: BOC252.010, Property Code Section 209.005 (m))

- (1) Financial books and records shall be retained for seven years;
- (2) Tax returns and audit records shall be retained for seven years.
- (3) Account records of current owners shall be retained for five years and
- (4) Contracts with a term of one year or more shall be retained for four years after the expiration of the contract term.

Removal of Officers: Any officer elected by the Board of directors may be removed by a majority vote of the Board of directors, whenever, in its judgment, the best interests of the corporation would be served. Such removal shall be without prejudice to the contract rights, if any, of the officer removed. (Cite: BOC 22.211) Any officer that is removed will remain on the Board of Directors if elected as a director by the membership. However the membership may vote to remove that director. If the Board elected the director, the board may remove the director.

Officer Vacancy: A vacancy in any office because of death, resignation, disqualification or otherwise, may be filled by a majority vote of the Board of Directors for the unexpired portion of the term.

Article Eleven Election of Officers

All Officers must be elected as directors. (Cite: CSRPOA Article Eleven)

The Board of Directors, at their first meeting following their election to the Board during the Annual meeting in May, will elect persons to fill the Officer positions. The Officers will be elected by a majority vote of the Board members present or by proxy.

Any two or more offices may be held by the same person, except the offices of president and secretary.
(Cite: CSRPOA Article Ten, BOC 22.231 (a))

Article Twelve Membership

(Cite: BOC 22.151, CSRPOA Article Twelve)

NOTE: Throughout this document the following terms are used interchangeably: Member(s), homeowner(s), and property owners(s).

Membership in the association is mandatory and includes all present and future property owners of Canyon Springs Resort a subdivision located within the confines of Comal County, Texas, with the following exception: : Owners of Lots in Unit V that are unrestricted are not members of the Association unless those owners have voluntarily elected to pay membership fees in the association. Those lots are specifically excluded from the Restrictive Covenants filed in document 245699 Volume 396 Page 485 and document 260331 Volume 442 Page 373, Comal County. **Once the owner of the lots listed above elects to be a member of CSRPOA, you will not be able to withdraw your membership. Your decision is irreversible and fully transferrable, and you will enjoy the benefits and protection of the POA.**

By virtue of the Deed Restrictions' annual assessment, each property owner is a member of the Association. There is a single class of membership with all members having equal voting rights and responsibilities. In the event more than one person is listed as "owner" there will be only one vote.

The right to the use of association facilities is specifically restricted to those members in good standing who are current on all monies owed to the Association. (Cite: Property Code, 209.0055, 209.006.)

Matters submitted to the membership for a vote may pass by a simple majority of the members (present, represented by a written ballot, electronic ballot, or proxy) unless a quorum and larger percentage is required by law. Example of a larger percentage required is a change to the Article of Incorporation (66%) is required for approval. (Cite: Property code 209.00592, BOC 22.164)

Voting:

- A. The owner or property to which Membership is appurtenant shall be entitled to one vote.
- B. All votes shall be by written or electronic ballot (Cite: Property Code 209.00592 (3))
- C. All votes shall be counted in the meeting called for the vote
- D. If the property is owned by more than one party, the parties are entitled to cast one collective vote.
- E. Owners present, in person or by proxy, at a meeting at which a quorum is established, called for the purpose of electing Directors, and shall have the number of votes equal to the number to be elected to the Board of Directors of the Association. Cumulative voting shall not be allowed in the election of member of the Board of Directors or for any other purpose. (One director one vote).
- F. All Special meetings at which the owners shall be presented with matters to vote on shall be called by the Board of Directors of the Association, with not less than fifteen days written notice to all owners, which notice shall be delivered by hand, email, phone call, newspaper or regular 1st class mail to each such owner at the address of such owner's property within the subdivision, unless such owner designated another address for such purpose by written notice to the Secretary of the Association.

Quorum: Members holding one tenth of the votes entitled to be cast represented in person, by proxy, absentee ballot, or electronic ballot, shall constitute a quorum. (Cite: BOC 22.159 (a), Property code 209.00592)

No person shall be a member by reason of ownership of any easement, right-of-way, mineral interest, mortgage or deed of trust.

Transfer of membership: Membership in the Association transfers with the transfer of the property deed.

Suspension of Membership Rights

Membership may be suspended by a majority of the Board of Directors for any of the following reasons:

- a. Member becomes ineligible for membership due to sale of property
- b. Member is in default of assessment fees or other funds due the Association. **However, members will not be excluded from voting for directors or matters concerning the rights or responsibilities of the owner.** (Cite: Property code 209.0059 (a))
- c. Member is not in compliance with current deed restrictions or rules of the association.

Suspensions for any reason other than c. above shall be after proper written notice by the Board of Directors and a fair opportunity for hearing before the Board has been given.

Waiver of Interest in the Association Property

All real and personal property, including all improvements located on the property, acquired by the Association shall be owned by the Association. A member shall not have interest in specific property of the Association. Each member hereby expressly waives the right to require partition of all or part of the Association's property.

Other Rights: Hearing before the Board of Directors

Change in membership rights or any adverse action of the Board of Directors concerning any individual member, shall entitle said member to a hearing before the Board of Directors.

A letter must be sent to the member advising the non-compliance with the deed restrictions and the member will be given a chance to remedy the non-compliance. If not in compliance after two weeks, a second letter will be sent advising that a hearing before the Board will be conducted. If a remedy is still not completed, the fee will be charged to the members account weekly.

Hearings will be conducted by the Board of Directors at a mutually agreeable time and date within 30 days of the date the notice to the member was mailed. The President shall preside at all hearings, and serve as moderator for the proceedings. There must be a quorum of Board Members present for the hearing to commence. (Remember that this is not a court case, but should be presented as closely as possible to the case the Board will pursue in civil court if necessary. This establishes a foundation at law for the filing of a civil complaint.) Upon satisfaction that a quorum is present, the President will call the meeting to order with the following announcement:

“This meeting of the Board of Directors of Canyon Springs Resort is convened to hear a complaint of non-compliance to association rules and/or a complaint of non-compliance to deed restrictions and to hear reason why the Association should not assess a fine against the member. The chair finds that there is a quorum and the meeting is therefore called to Order. The only appeal of the decision of the Board of Directors will be by a petition from a minimum of 10% of the membership in good standing filled with the Board within 45 days of the decision. Are there any motions or questions of the Board before we begin?
(Pause)

The Chair recognizes (Board member) who will present the complaint against the member for non-compliance. “

(Case will be supported by reference to deed restrictions, Articles of Incorporation charter, by-laws, or Texas Property Code or other applicable law. Physical evidence, or other materials, may be submitted to the Board to support the complaint.)

After the Board has made its case, the member will have an opportunity to address the Board of Directors. Cause should be given why the Board should not assess a fine for non-compliance. The member may be, or not be, represented by legal counsel. The member may submit evidence, call forth witnesses or other persons as appropriate to the case at hand, or submit materials to support his position.

After both sides have had an opportunity to present its case, or during the hearing, members of the Board may ask questions or examine articles submitted. When both sides have rested their case, the President will call a recess, while the Board of Directors goes into executive session to decide the results of the case. The member will be excused from the room. The Board member who presented the case participates in the Board decision. If the complaint is sustained by a 2/3 affirmative vote of the Board, the Board will assess a fine not to exceed \$105.00 per week that the violation continues. The starting date of this fine will be at least 10 days after the date the formal decision was mailed or after notice of intent to petition the membership.

Once the decision has been reached that the member is not in compliance, the Chairman will call the hearing back to order. The President will announce the findings as follows:

“In executive session (this date) the Board of directors, if after hearing the complaint and allowing the member to respond, the Board finds that the member is not in compliance with the deed restrictions of Canyon Springs Resort. The Board hereby assesses a fine of \$105.00 per week that the violation continues after this date. Any questions? “ **NOTE:** The intent to appeal to the membership shall be given to the Board at the conclusion of the hearing
(PAUSE)

“This fine may be secured by lien against the member’s property until paid. Payment may be by cash, check, cashiers’ check, or money order. If after 90 days, violation has not ceased, and the fine has not been paid, Canyon Springs Resort Property Owners’ Association shall seek any legal remedy allowed by law. The association minutes shall show the findings of this case. A notification of the findings of this Board will be mailed to the member within 10 working days. The meeting is adjourned.

Article Thirteen Amendments (Articles of Incorporation)

The procedures to amend the Articles of Incorporation are outlined in the Texas Business Organization Code (BOC) Section 22.105. Written or printed notice setting forth the proposed amendments and a summary of the changes to be effected thereby shall be mailed or electronically sent to each member. A proxy will be included in the notice. Notice of the special meeting stating the purpose, date and time and location of the special meeting will also be posted on the bulletin Board at the entrance to Canyon Springs Report. A quorum of the membership must be present to call the vote. The proposed amendment shall be adopted upon receiving at least two thirds of the votes from those members present at such meeting either in person or by proxy. The vote will be conducted by secret ballot and the directors not holding an officer position and at least one property owner will count the votes and report the results to the Secretary who will record the vote results and provide those results to the President to announce.

Upon any conflict between the Articles and bylaws, the Articles shall prevail. (Cite: BOC 22.103)

Article Fourteen

Association Meetings

(Cite: CSRPOA Article Fourteen, BOC Chapter 6, and Property Code 209.0051)

All Regular, Annual, and special Meetings are open to the membership. (Cite: property code 209.0051)

No written notice of regular monthly meetings is required. However notice must be posted on the bulletin Board at the clubhouse and at the entrance to Canyon Spring Resort on Canyon Springs Drive. (Cite: BOC 22.157)

Whenever any notice is required to be given under the provisions of the Texas Business Organization Code (BOC), or Property code 209.0056, or under the provisions of the Articles of Incorporation or the By-Laws or the corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Attendance at any meeting shall constitute a waiver of notice of such meeting.

Annual Meeting: The Board of Directors shall hold an Annual meeting of the members on the third Saturday in the month of May each year, for the purposes of electing directors and for the transaction of other business as may come before the meeting. Such meetings will be held at the clubhouse, 691 Canyon Springs Drive, Canyon Lake, TX 78133. If the day fixed for the annual meeting shall be on a legal holiday in the State of Texas, such meeting shall be held on the following Saturday. The Board will certify that a quorum exist before conducting the business of the Association. (Cite: CSRPOA Article Fourteen)

If, in any year, the election of Directors is not held on the day designated for the Annual Meeting, or at any adjournment of the Annual Meeting, the Board of Directors shall call a special meeting of the members as soon as possible to conduct the election of Directors. Notice of the Special Meeting replacing the Annual Meeting will be mailed and posted on the bulletin Board at the entrance to the subdivision on Canyon Springs Drive. (Cite: Property code 209.014 (c))

The **annual meeting** will be announced in writing no less than 10 days prior and no earlier than 60 days prior to the date of the annual meeting. (Cite: Property code 209.0056). Ideally the notice will be a newsletter that includes: a Presidential summary of the prior year, a ballot listing the candidates for directors and a proxy, an update of the financial position of the Association through April will be included. Notice must also be posted on the bulletin Board at the clubhouse and at the entrance on Canyon Springs Drive. (Cite: BOC 22.153)

Ballots for the annual meeting or a special meeting requiring a vote by the membership must be in writing and signed by the member. (Cite: Property Code 209.0058) or electronic votes cast under Section 209.00592 constitute written and signed ballots. Written ballots are not required for uncontested races.

Right to Vote: All members of the association, regardless of their status "in good standing," will be allowed to vote for directors or matters concerning the rights or responsibilities of the owner. (Cite: Property Code 209.059 (a))

Special meetings: Special Meetings may be called at any time by the President, or in his/her absence by one of the Vice Presidents, or the Board of Directors, or by not less than one-tenth (10%) of the members. (Cite: BOC 22.155 (3)) Such meetings will be held at the clubhouse, 691 Canyon Springs Drive, Canyon Lake, TX 78133. The date and time along with purpose of a called special meeting must be provided in writing if the Special meeting requires a vote of the membership or by posting to the bulletin Board only at the clubhouse and at the entrance of Canyon Spring Resort if membership vote is not required. The notice shall be delivered to each member entitled to vote not later than the 10th day and not earlier than the 60th day before the meeting. (Cite: BOC 6.051 (b) and 22.156 (a))

Board of Directors Meetings: Regular meetings of the Board of Directors will be held on the second Tuesday of each month, beginning at 7:00 PM. Such meetings will be held at the clubhouse, 691 Canyon Springs Drive, Canyon Lake, TX 78133. These meetings are open to the members of the Association. Notice of Regular Board Meetings will be posted on the community notice board at the entrance to the

subdivision on Canyon Springs Drive. Meetings of the Board of Directors shall be intended for the conducting of association business and for reports of officers and/or committees. (Cite: CSRPOA Article Fourteen)

Meetings will be conducted by the President or Vice President(s) in his/her absence, and shall be managed by an agenda and Roberts Rules of Order. Items may be added to the agenda by request to the President or Secretary not later than 48 hours prior to the scheduled meeting. The President may modify the agenda by declaration before or during any meeting of the Board.

Regular meetings of the Board of Directors shall include an opportunity for members to address the Board and to bring matters to the attention of the Board following the proper procedures. This will be an agenda item after all other business of the Association is concluded.

Called Meetings of the Board of Directors: The Board shall further meet at the discretion of: the President, one of the Vice Presidents in the absence of the President, or by any three Board members. Board meetings may be held at a location convenient to all Board members but preferable at the registered office.

The person(s) calling the meeting will give written notice, delivered personally, or sent by e-mail, fax or first class mail to each director at the address as shown by the records of the corporation or by personal contact. Notice of the meeting will be given to the directors at a minimum of three (3) days prior to the meeting. The notice will state the place, day and time of the meeting, who called the meeting and the purpose or purposes for which the meeting is called. Board of Directors meetings may be conducted by telephone conference or other remote electronic communications technology if all Board members agree with the system. (Cite: BOC 6.002 and 22.002)

Attendance at a called meeting shall constitute a waiver of notice of such meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Any Board member can waive in writing the 3 day notice requirement for them only. (Cite: BOC 6.003, 6.052)

Membership Quorum: The members holding 10% of the votes that may be cast at a meeting, who attend the meeting in person or by proxy, shall constitute a quorum at the meeting. The members present at a duly called or held meeting at which a quorum is present may continue to transact business, even if enough members leave the meeting so that less than quorum remains. However, no action may be approved without the vote of at least a majority of the number of members required to constitute a quorum. (Cite: BOC 22.159)

The membership shall try to act by consensus. However, the vote of a majority of voting members entitled to vote at a meeting at which a quorum is present, shall be sufficient to constitute the act of membership, unless the vote of a greater number is required by law, the articles of incorporation or the by-laws.

Membership voting shall be by written ballot. All ballots will be counted in a public forum in the meeting which the ballot was conducted. The directors who are not officers and at least one non director property owner will conduct the count and record the result with the Secretary. The Board may elect to have an outside party to conduct the count and record the results with the secretary.

Board Quorum: The presence of a majority of the directors constitutes a quorum for the transaction of the business at any meeting of the Board of Directors. (Cite: BOC 22.213) The Board may continue to transact business even though enough directors leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of Directors required to constitute a quorum. If a quorum is not present during a meeting, a majority of the Directors present may adjourn and reconvene the meeting another time; with written or printed notice(including electronic method of delivery, i.e. email or chat room) delivered to each Director not less than 3 days before the date of the reconvened meeting. Attendance at said meeting shall constitute a waiver of notice.

Directors may vote by proxy, however Directors present by proxy may not be counted toward a quorum. (Cite: BOC 22.213 (b)). The act of the majority of the directors present in person or by proxy at a meeting at which a quorum is present shall be the act of the Board of directors unless the act of a greater number is required by law.

Proxies: A member entitled to vote may vote by proxy executed in writing by the member. No proxy shall be valid after three (3) months from the date of its execution, unless otherwise provided in the proxy. (Cite: BOC 22.216)

All Unassigned Proxy votes shall be distributed evenly to the Board members and administered by the Board of directors.

Specific wording within the proxy is **required** per Texas Property Code 209.00592 (c) (3)

Meetings by Remote Communication: (Cite: BOC 22.002) a meeting by the board of directors or any committee designated by the board may be held by means of a remote electronic communications system if each person entitled to participate in the meeting consents to the meeting being held by electronic means and the system can communicate with all participants.

Committees: The President along with a majority of the directors in office may designate by resolution one or more committees, which, to the extent provided in such resolution will not have nor exercise the authority of the Board of directors in the management of the corporation. (Cite: BOC 22.219(a))

The President shall appoint the chair of any committee formed as well as Board members as deemed necessary. Each committee shall be chaired by a director. The Directors or the Chairperson may establish qualifications for membership on a committee. The Chairperson may appoint as many members as expedient to conduct committee business, but no less than two persons will constitute a committee.

Committee members must be a member of the association, and shall serve at the discretion of the committee chair or Board of Directors. Each committee member shall continue on the committee at the will of the Board of Directors.

A vacancy on a committee may be filled by an appointment made in the same manner as an original appointment.

Committee decisions and planning must be submitted to the Board of Directors for approval prior to implementation.

Committee meetings will be announced on the bulletin Board or by any other means selected by the committee chairman not less than 3 days before the date of the meeting. Electronic notification such as phone call or email is acceptable notification. The notice will state the place, day and time of the meeting, and the purpose(s) for which the meeting is called. Attendance at said meeting will constitute a waiver of notice of such meeting. (Cite: BOC 6.051)

Recommended Committees:

Nominating Committee: The Articles of Incorporation require a nominating committee. (Cite: CSRPOA Article Nine)

Compliance Committee: This committee shall review building permit applications, inspect properties, interview applicants, recommend approval of applications, collect fees, issue compliance approval, and recommend to the Board reasonable extensions in cases where there are no discrepancies concerning deed restrictions. A majority of members of the Compliance Committee must be on the Board of Directors.

Decisions of the committee may be made in a committee meeting or by telephone or email contact with all committee members. The desire is to speed up the application process so that building can commence without unnecessary delays. However, due care must be taken that all applicants are in full compliance with deed restrictions and regulations. All actions must be reported monthly to the Board of Directors for final approval and ratification.

This committee shall investigate complaints of non-compliance, conduct hearings as necessary, interview property owners, and make recommendations to the Board of Directors concerning remedial action, fines, settlements, legal procedures, litigation, or possible foreclosure.

After Board approval, the committee will be responsible for collecting fines, tracking debts owed to the association, filing legal papers, consulting attorneys, negotiating settlements, and processing claims for collection. The purpose desired is to reduce the time spent discussing these proceedings during normal Board meetings. No action, fine or penalty shall become effective until such Board ratification.

Waivers or variances to deed restrictions must be heard and approved by the Board of Directors. Such waivers or variances must be provided to the property owner in writing and a copy will be filled in the Association files for permanent record.

Property Owners may appeal the decisions to the Board of Directors or request a hearing with the Board of Directors. They may also appeal to the membership via a petition. The signatures of at least 10 % of the property owners, who are members, are required to constitute a valid petition.

Pool Committee: The pool committee will propose rules or changes to existing rules to the Board of Directors. They will assist the pool attendants in enforcing the rules. The committee may make recommendations to restrict use of the pool for members who repeatedly violate the pool rules or cause unsafe utilization of the pool by other members. Pool rules are attached to these By-Laws.

Clubhouse Committee: The clubhouse committee will propose rules and regulations to the Board of directors. They will coordinate rental of the clubhouse and assure all rules for utilization are followed. They will make recommendations for repairs or improvements as needed. They will propose fees for rental and fines for failure to return the clubhouse to its state of cleanliness or usability. Clubhouse rules are attached to these By-Laws.

Welcoming Committee: The welcoming committee will provide copies of deed restrictions, Articles of Incorporation and By-laws and any gift provided by the Board or the committee.

Article Fifteen

Limitation on Member's Liability

The private property of the members of this Association shall not be liable for its Association's debts. (Cite: CSRPOA Article Fifteen; BOC 22.221 (b))

Article Sixteen

Indemnification of Officers

(Cite: Chapter 8 Texas Business Organization Code (BOC))

A director is not liable to the corporation, any other person for an action taken or omission made by a director if the director acted in good faith, with ordinary care and in a manner the director reasonably believed to be in the best interest of the corporation. (Cite: BOC Chapter 6, BOC 22.221 (b) and 22.235).

The Association may indemnify a director, former director or committee member who was, is or is threatened to be made a respondent in a proceeding to the extent permitted by Section 8.102. If it is

determined, in accordance with Section 8.103 that the person, acted in good faith, reasonably believed in the case of conduct in the person's official capacity that the person's conduct was in the best interests of the association and conducted with ordinary care. (Cite: BOC 8.101)

The association may purchase indemnity insurance. (Cite: CSRPOA Article Fifteen, BOC 8.151)

If the Association may indemnify under the By-Laws a Director, Officer, or Committee Member of the Association, the person may be indemnified against court cost, a judgments, a penalties, including excise and similar taxes, a fine, a settlements, and reasonable expenses (including attorney's fees) actually incurred in connection with the proceedings. Procedures relating to indemnification payments shall be in compliance with the Texas Business Organization Act (Cite: BOC 8.001 (3)).

Before the Association may pay any indemnification expenses, the Board of Directors shall specifically determine that indemnification is permissible, authorize indemnification and determine that expenses to be reimbursed are reasonable. This will be done by resolution of the Board and signed by all members of the Board that are present during this deliberation.

Article Seventeen Alternative Dispute Resolutions

If the owner is entitled to an opportunity to cure a violation or conflict, the owner has the right to submit a written request for a hearing to discuss and verify facts and resolve the matter in issue before a committee appointed by the Board of the property owners association or before the Board if the Board does not appoint a committee. (Cite: Property Code 209-007 (a))

The association shall hold a hearing under this section not later than the 30th day after the date the Board receives the owner's request for a hearing and shall notify the owner of the date, time, and place of the hearing not later than the 10th day before the date of the hearing. The Board or the owner may request a postponement, and if requested, a postponement shall be granted for a period on not more than 10 days. Additional postponements may be granted by agreement of the parties. The secretary of the association may make an audio recording of the meeting. (Cite: Property Code 209-007(c))

Should a member have an inquiry or complaint against the CSRPOA or against any Board Member thereof, a three step alternative dispute Resolution Process is established:

Step One: Member should complete and submit the inquiry or complaint in writing to the Secretary, stating as much detail as possible and the member should propose a resolution.

Step Two: The Board will conduct a hearing allowing the member to present the inquiry or complaint and attempt to resolve it.

Step Three: An owner or CSRPOA may use alternative dispute resolution services. (Cite: Property Code 209-007(e))

Article Eighteen Books and Records

The Association shall keep correct and complete books and records of the accounts, and shall also keep minutes of proceedings of its members and Board of Directors and shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the corporation may be inspected by any member or his agent or attorney for any proper purpose at any reasonable time. (Cite: BOC Subchapter H, Property code 209.005)

The Association's books and records shall include:

- a. File-endorsed copy of all documents filed with the Texas Secretary of State relating to the Association, including, but not limited to, the Articles of Incorporation and any articles of amendment, restated articles, and articles of merger, articles of consolidation and statement of change of registered office or registered agent.
- b. a copy of the By-laws, and any amended versions or amendments to the By Laws
- c. Minutes of the proceedings of the members, Board of Directors, and committees having any of the authority of the Board of Directors
- d. A list of the names and addresses of the members, Directors, Officers, and any committee members of the Association
- e. A financial statement showing the assets, liabilities and net worth of the Association at the end of the three most recent years.
- f. A financial statement showing the income and detailed expenses of the Association for the three most recent fiscal years
- g. All rulings, letters, and other documents relating to the Association's federal, state and local tax status
- h. The Association's federal, state and local information of income tax returns for each of the Association's three most recent years.

Inspecting, Auditing and Copying: A member of the association, on written demand stating the purpose of the demand, is entitled to examine and copy at the member's expense, in person or by agent, accountant, or attorney, at any reasonable time and for a proper purpose, the books and records of the corporation relevant to that purpose. (Cite: BOC 22.351, Property Code 2009.005). The Association will respond on or before the 10th business day after the date the association receives the request, shall send written notice of dated during normal business hours that the owner may inspect the requested books and records to the extent those books and records are required to be retained by the association. (Cite: Property Code 209.005 (f) (1))

The charges for production and copying of any record and/or document by the association will include all reasonable costs of materials, and labor. The costs that would be applicable for an item will be exactly the charges allowed by 1 Texas Administrative Code, part 3, Section 70.3. The association will require advance payment of the estimated costs of compilation, production, and reproduction of the requested information. If the estimated costs are lesser or greater than the actual costs, the association shall submit a final invoice to the owner on or before the 30th business day after the date the information is delivered. If the final invoice includes additional amounts due from the owner, the additional amounts, if not reimbursed to the association before the 30th business day after the date the invoice is sent to the owner, may be added to the owner's account as an assessment. If the estimated costs exceeded the final invoice amount, the owner is entitled to a refund, and the refund shall be issued to the owner not later than the 30th business day after the date the invoice is sent to the owner. (Cite: Property Code, Section 209.005 (m))

Audits: Any member shall have the right to have an audit conducted of the Association's books. The member requesting the audit shall bear the entire expense of the audit. The member requesting the audit may select the accounting firm to conduct the audit. The request must be in writing with sufficient particularity detailing the association's books and records requested. (Cite: Property Code 209.005 (f)) The association will make every effort to reply within 10 days or provide reason the request cannot be completed within 30 days (Cite: Property code 209.005)

Article Nineteen Financial

The fiscal year of the Association will begin on the 1st day of January and conclude on the 31st day of December.

The Board of Directors shall annually prepare or approve a report of the financial activity of the Association for the preceding year.

No less than thirty days (30) prior to the beginning of the fiscal year, the Board will also prepare and approve an annual budget for the association. This annual Budget will be made available to members as an insert to the annual assessment billing in January of each year or as requested in writing by members.

All records, books, and annual reports of the financial activity of the corporation shall be kept at the registered office or at a location approved by the Board of Directors for at least seven years after the closing of each fiscal year and shall be available to the membership for inspection and copying by arranging an appointment with the treasurer.

Deposits: All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

Application of funds received: All monies received in payment by the Association shall be applied to the amounts outstanding to the extent possible, in the following order: (Cite: Property Code 209.0063)

- (1) Any delinquent assessment;
- (2) Any current assessment;
- (3) Any attorney's fees or third party collection costs incurred by the association associated solely with assessments or any other charge that could provide the basis for foreclosure;
- (4) Any attorney's fees incurred by the association that are not subject to Subdivision (3);
- (5) Any fines assessed by the association; and
- (6) Any other amount owed to the association.

If, at the time the property owners' association receives a payment from a property owner, the owner is in default under a payment plan entered into with the association: (1) the association is not required to apply the payment in the above order of priority and (2) in applying the payment, a fine assessed by the association may not be given priority over any other amount owed to the association. (Cite: Property Code 209.0063(b))

Checks and Drafts: The treasurer will prepare all checks, drafts, withdrawals, or other disbursements from association banking accounts and shall report transaction to the Board of Directors monthly with the financial reports. Disbursement transaction exceeding \$ 500 shall be approved in writing by at least two of the four Directors listed, President, Secretary, Treasurer, or First Vice President.

Gifts and Donations: The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the corporation. Payment of donations shall be voluntary and failure to contribute to the Association shall not be used to deny the rights of any property owner to be a member of the Association and participate in the activities.

Contracts: The Board of Directors by a majority vote must authorize any contract or execute or deliver any instrument in the name of or on behalf of the corporation. No Board member will grant or enter into any contracts with the association.

Loans: The Association shall not make any loan to a member or Director of the Association.

Assessments

Assessments shall be utilized for the maintenance, upkeep, and operation of the association and facilities, including buildings, pools, parks, grounds, signage, tennis courts, and recreational areas, other common areas of the subdivision and enforcement of deed restrictions. The Board of Directors shall determine the amount of assessments other than the annual assessment which is restricted by the Deed Restrictions.

The Board of Directors may direct and collect special assessments as well as specific fees, deed restriction fines, impose interest and late payment fees on annual and special assessments, and returned check fees, postage, attorney fees and collection agency fees, usage fees for operation or use of the common area and for services provided to property owners, Impose reasonable charges for preparing, recording, or copying amendments to the restrictions, resale certificates, or statements of unpaid assessments. (Cite: Property Code 207.001, 209.002)

Board directed fees, fines and penalties are found as an Annex to these By-Laws at the end of these By-Laws.

Assessments shall include two categories.

Annual Assessment: Paragraph 11 of the Deed Restrictions establishes an annual assessment of \$18 per annum for lot owners. Annual assessments shall be payable on the first day of May each calendar year and become past due or delinquent after May 31. At thirty (30) days past due, Assessments are in default. Late fees begin to accrue at this time along with interest charges. A Notice of Default and assessment of late payment fee and accrual of interest charges will be sent to the member. New members shall be charged a prorated assessment of 1/12th of the annual dues for each month of membership. New members automatically become members at date of purchase of real property.

Special Assessment: Under the advice of attorney, since our organizational documents (Deed Restrictions and Article of Incorporation) do not address Special Assessments, it is the opinion of the Board that without an amendment to the Articles of Incorporation, the Board would not consider special assessments

Instead of Special Assessments, the Board may ask for donations to cover the needs of a specific capital improvement or repair.

Fines, Fees and Penalties

(Cite: Property Code Chapter 209.002, 209.008)

WHEREAS Section 202.004 of the Texas Property Code permits the exercise of reasonable discretionary authority to a Property Owners' Association concerning the enforcement of restrictive covenants;

WHEREAS Canyon Springs Resort Property Owners' Association (hereafter the Association) is a duly registered Property Owners' Association with the Texas Secretary of State;

AND WHEREAS the Association desires to have an expedient method of enforcing properly construed and filed deed restrictions;

AND WHEREAS the Association Charter requires the Association to maintain adherence to the deed restrictions and Articles of Incorporation;

NOW, THEREFORE IT IS RESOLVED, that in addition to other methods of enforcement of the Deed Restrictions, the Board of Directors hereby establishes the Attached Fine and Fee Schedule as Annex A Policy.

Fines and usage fees: Fines and usage fees may be assessed by the Board of Directors. Deed Restriction Fines become due after completion of the hearing and decision of the Board of Directors and a remedy date

is established. Fees become due upon application by the member and are considered delinquent one (1) day after due date.

Late payment fees: Notice of delinquent accounts will be mailed not later than thirty (30) days past due, or as soon as the delinquency is noted.

Interest: A 6% simple per annum interest shall be added to the amount owed the Association. Owners will be notified by 1st class mail to the last known address of the owner. Interest is added by the following method: Each January 1st, 6% interest is added to each and all individual debt(s) owed the Association on October 1st of the preceding year.

Collection: Accounts past due may be turned over to a collection agency for collections. The cost of collection and related collection costs will be billed to the member. Fees, interest or fines will continue to accrue during the collection process. A decision not to refer the accounts for collections does not in any way waive the Association right to fines, fees, interest, or penalties due.

Returned Check Fee: A charge of \$35.00 per item will become due to any check tendered to the Association that the bank dishonors. Dishonored checks will be retained by the Association, and may be redeemed with cash, certified check, or money order. Dishonored checks which are not redeemed within thirty (30) days may be turned over to a collector, or the applicable court of jurisdiction.

This Assessment, Fine, and Permit Fee Collection Policy shall remain in force and effect until revoked, modified, or amended by a majority of the Board of Directors.

Alternative Payment Schedule: Should an owner owe more than the current annual assessment, the Board may approve an alternative payment plan of three equal payments. (Cite: Property code 209.0062). The owner should contact the Board for a hearing to establish an alternative payment Schedule.

Loss of membership rights

Any member's account which is past due one-hundred eighty (180) days is considered to be in default. The Association may suspend the offending member according to the procedures contained in the by-laws.

Liens and Foreclosure The Board has the right to file liens on property when assessments are past due. Notice will be given, (Cite: Property code 209.0091), to the member prior to filling the lien to provide the member an opportunity to appeal to the Board for a hearing of the Board and create an opportunity to cure the delinquency before the 61st day after the date the recipient receives the notice.

The authority to file foreclosure, (Cite: Property Code 209.009, Property Code 209.010, Property Code 209.0091), will used only as a last resort to collection action. Foreclosure on property for fines only, attorney fees only, amounts added to owner's account as an assessment under Property code 209.005 will not be processed. (Cite: Property Code 209.009)

Article Twenty Transactions of the Association

The **membership** may authorize any officer or agent of the Association to enter into a contract or execute and deliver any instrument in the name of and on behalf of the Association. This authority may be limited to a specific contract or instrument or it may extend to any number and type of possible contract and instruments.

Prohibited Acts: As long as the Association is in existence, no Director, Officer or Committee Member of the Association shall commit the following prohibited acts:

- a. Do any act in violation of the Deed Restrictions or of the by-Laws or a binding obligation of the Association
- b. Do any act with the intention of harming the Association or any of its operations
- c. Do any act that would make it impossible or unnecessarily difficult to carry on the intended or ordinary business of the Association
- d. Receive an improper personal benefit from the operation of the Association
- e. Use the assets of this Association, directly or indirectly, for any purpose other than carrying on the business of the Association
- f. Wrongfully transfer or dispose of Association property, including intangible property such as good will
- g. Use the name of the Association (or any substantially similar name) or any trade mark or trade name adopted by the Association, except on behalf of the Association in the ordinary course of the Associations business.

Article Twenty One Miscellaneous Provisions

Legal Authority Governing Construction of By-Laws: The by-Laws shall be construed in accordance with the laws of the State of Texas, with primary attention given to Texas Business Organization Code (BOC), Chapters 3, 6, 7, 8, 22, 252 and to Texas Property Code., Chapters 202, 205, 207, and 209.

Conflict between documents: In the event of conflict between the provisions of any Deed Restriction for property subject to the jurisdiction of the Association and the Articles of Incorporation, the provisions of the Deed Restrictions shall govern and control. In the event of any conflict between the terms of the Articles of Incorporation of the Association and these By-Laws, the terms of the Articles shall govern and control. (Cite: BOC 22.103)

Legal Construction: If any By-Law provision is held to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect any other provision and the By-Laws shall be construed as if the invalid, illegal, or unenforceable provision had not been included in the By-Laws.

Headings: The headings used in the By-Laws are used for convenience and shall not be considered in construing the terms of the By-Laws.

Article Twenty Two Declaration of Covenants Conditions and Restrictions (Deed Restrictions)

The Association or any Property Owner of Record shall have the right to call for enforcement, by any proceedings at law or in equity, all restrictions, conditions and reservations contained in the Canyon Springs Resort Subdivision, Units I, II, III, IIIA, IV and V as filed in the County Clerk's Office:

Unit 1 Filed 20 Sept 1960 in Volume 121 Page 145

Unit 2 and 3 filed on each deed filed with Comal County using reference to Volume 121 page 145

Unit 3A filed 20 Sept 1966 Volume 151 page 591

Unit 4 Filed 26 February 1968 Volume 161 page 583

Unit 5 Filed 3 July 1984 and amended April 1985 Volume 396 page 485 and Volume 442 page 373

Any prior variance to the Deed Restrictions granted by the Association does not cause a perpetual variance in the future.

Article Twenty Three Architectural Control

The Association enforces the requirements of the Deed Restrictions through an Architectural Review (Compliance) Committee. A majority of the Committee may act for the Committee. Subject to the terms set forth in the Deed Restrictions, the Board shall have the right to add members to the Committee and to fill vacancies in the Committee's membership and the Directors may assign such rights

The Committee shall have the express authority to perform fact finding functions. In the event of non-compliance with the Deed Restriction, the Architectural Review Committee shall have the power to halt such work through legal means, the first step of which shall be written notice to the non-complying Owner of the property, and to require the resolution of such non-compliance prior to continuation of construction. The Architectural Review Committee shall not be entitled to any compensation for services rendered pursuant to this By-Law.

New construction of a residence may only be built by contractors hired by members, or members. The members must live in the dwelling 12 months after completion of the build prior to being eligible for resale of the home.

MANUFACTURED HOMES

Singlewides installed prior to June 1, 2018 will be grandfathered in; however, installation of a singlewide after June 1, 2018 is prohibited. All manufactured or modular homes must be permanently installed and meet the minimum requirements:

- A. Tongues, axles, and wheels must be removed.
- B. Frames must be permanently mounted to an FHA or VA approved foundation.
- C. All aspects of the installation must qualify for surrender of title and attachment to real property according to the rules of TDHCA, State of Texas Statutes, and Comal County Property rules.

For Manufactured Housing please see document titled Permanent Installation of Manufactured Housing.

Article Twenty Four Noise

Noise is defined as any loud, vexing, or disturbing sound which causes distress, annoyance, discomfort, or injury to or interferes with the comfort or rest/sleep of any persons of reasonable nervous sensibilities in the vicinity of hearing thereof. This includes but not limited to any sound which endangers or injures the safety or health of others, interferes with the physical well-being of others, or endangers or injures others or real property. No person or entity shall make or cause any loud or raucous noise in Canyon Springs Resort which is offensive to the ordinary sensibilities of inhabitants thereof, including noise that renders the enjoyment of life or property uncomfortable or interferes with public peace and comfort. A person commits an offense if he intentionally or knowingly makes unreasonable noise in a public place or in or near a private residence.

Quiet times will be from 10:00 p.m. to 7:00 a.m. Sunday through Thursday and from 11:00 p.m. to 7:00 a.m. Friday and Saturday.

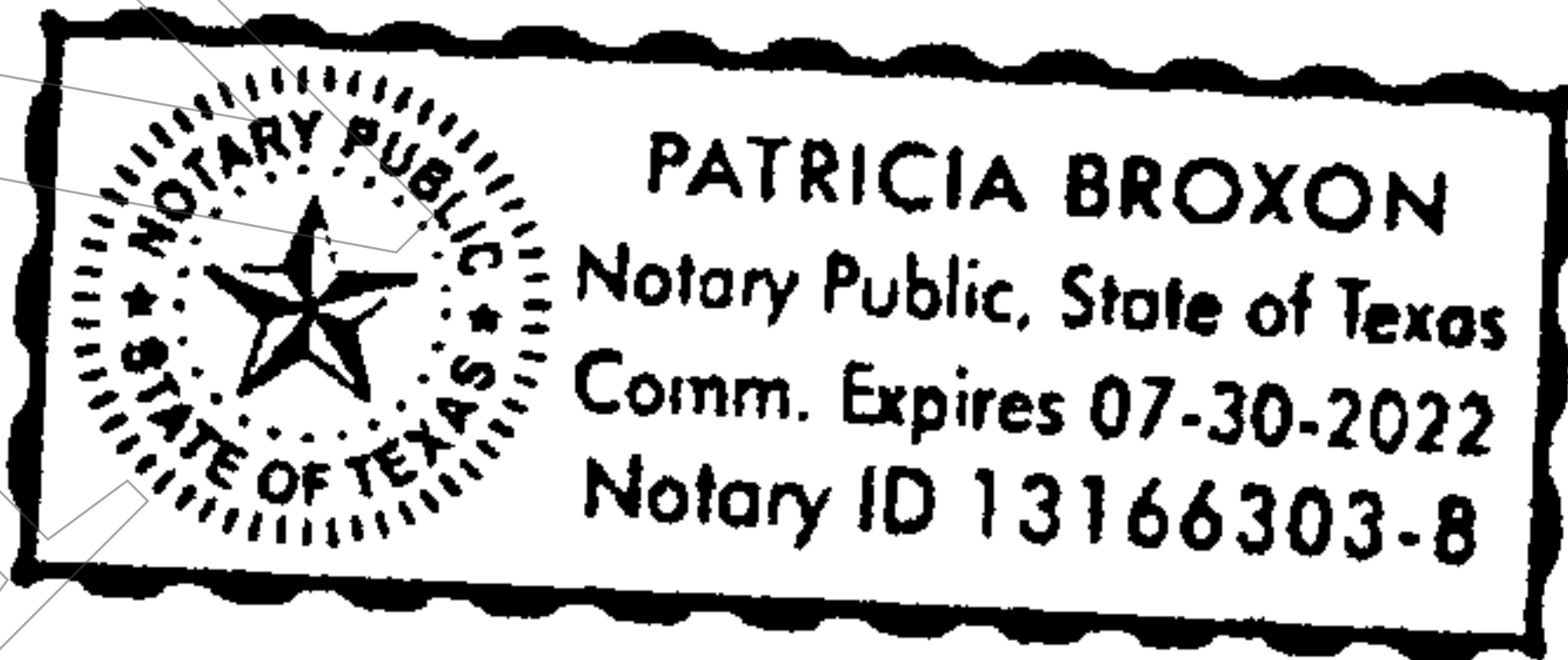
Exceptions will be allowed for July 4th and New Years Eve.

Certification of the President of the Board of Directors

I certify that I am a duly elected Director of Canyon Springs Resort Property Owners Association and the foregoing By-Laws constitute the By-Laws of the Association.

Name [Signature], President CSRPOA Date 1-25-19
approve/disapprove Printed name Anthony Timmermeyer
Name _____ date _____ approve/disapprove
Name _____ date _____ approve/disapprove
Name _____ date _____ approve/disapprove
Name _____ date _____ approve/disapprove
Name _____ date _____ approve/disapprove
Name _____ date _____ approve/disapprove
Name _____ date _____ approve/disapprove

25, January, 2019
PATRICIA BROXON
Commission Expires
7-30-2022
Patricia Broxon





**Canyon Springs Resort Property Owners
Association Inc.**

691 Canyon Springs Drive,
Canyon Lake, TM 78133

Hearing Notice of Non Compliance

To:

The Board of Directors of the Canyon Springs Resort Property Owners' Association has received a complaint concerning your property. The nature of this complaint is as follows:

Section 202.004(b) of the Texas Property Code permits a property owners' association to "intervene in a civil or administrative proceeding affecting the enforcement of a restrictive covenant or the protection, preservation, or operation of the property covered by the dedicatory instrument." A property owner's hearing is an administrative proceeding covered under this statute as discretionary authority.

Section 202.004(a) allows the exercise of discretionary authority by a property owners' association and finds that the exercise of this authority is presumed reasonable unless a court determines by preponderance of evidence that action was arbitrary, capricious, or discriminatory.

List of Violation of Deed restriction: Unit _____ Paragraph _____

Cite paragraph from deed restriction: _____

The Board of Directors has elected to exercise its discretionary authority by establishing a fine not to exceed \$105.00 per week that a violation continues beyond formal notice.

THIS LETTER BY REGISTERED MAIL CONSTITUTES FORMAL NOTICE.

A hearing has been set by the Board of Directors for (date) & time. The hearing will be conducted at the Association Clubhouse at the address above.

You are requested to be present at this hearing to show cause why the Association should not assess a fine against your property for the violation of deed restrictions. If you are unable to attend this hearing, contact the Secretary to request a new date.

President, CSRPOA

Date



Canyon Springs Resort Property Owners Association Inc.
691 Canyon Springs Drive,
Canyon Lake, Texas 78133

Results of Hearing (In Compliance)

To:

The Board of Directors of the Canyon Springs Resort Property Owners' Association received a complaint concerning your property. You were mailed a formal Notice of Hearing (attached). You were given an opportunity to be present at this hearing. The hearing was held at the above address on _____ (date).

The Board of Directors found at the hearing that YOU ARE NOT IN VIOLATION OF THE DEED RESTRICTIONS OF CANYON SPRINGS RESORT.

THIS LETTER BY REGISTERED MAIL CONSTITUTES FORMAL NOTICE OF COMPLIANCE.

CSRPOA

Date



**Canyon Springs Resort Property Owners
Association Inc.**

691 Canyon Springs Drive,
Canyon Lake, Texas 78133

Results of Hearing (Non-Compliance)

To:

The Board of Directors of the Canyon Springs Resort Property Owners' Association received a complaint concerning your property. You were mailed a formal Notice of Hearing (attached). You were given an opportunity to be present at this hearing. The hearing was held at the above address on _____ (date).

The Board of Directors found at the hearing that YOU ARE IN VIOLATION OF THE DEED RESTRICTIONS OF CANYON SPRINGS RESORT. YOU ARE DIRECTED TO MAKE NECESSARY CHANGES TO BRING YOUR PROPERTY INTO COMPLIANCE IMMEDIATELY, YOU ARE HEREBY ASSESSED A FINE OF \$105.00 PER WEEK FOR EACH WEEK THE VIOLADON CONTINUES BEYOND _____ (DATE) .

THIS LETTER BY REGISTERED MAIL CONSTITUTES FORMAL NOTICE OF NON-COMPLIANCE.

THIS LETTER IS A FORMAL DEMAND TO COMPLY WITH DEED RESTRICTIONS.

THIS LETTER ALSO SERVES AS A FORMAL DEMAND FOR PAYMENT SHOULD THE VIOLATION NOT BE CORRECTED.

You can avoid additional collection costs, attorney's fee, interest charges, and court costs by coming into compliance with the deed restriction.

This debt can be secured by a lien against your property.

Please contact the Treasurer for the amount currently owed. You may pay by check to the address listed above.

CSRPOA

Date



Date: _____

Name: _____

Legal Description: _____

Inquiry Acknowledged by:_____

Date _____

Date _____



Canyon Springs Resort Property Owners Association Inc.

PERMANENT INSTALLATION OF MANUFACTURED HOUSING

RESOLUTION ADOPTED BY MAJORITY VOTE OF THE BOARD OF DIRECTORS

Section 202.004 of the Texas Property Code permits the exercise of reasonable discretionary authority to a Property Owners' Association concerning the enforcement of a restrictive covenants. Canyon Springs Resort Property Owners' Association (hereafter the Association) is a duly registered Property Owners' Association with the Texas Secretary of State. The Association desires to have an expedient method of enforcing properly construed and filed deed restrictions; the Association Charter requires the Association to be the custodian and protector of the community; the deed restrictions do not define the term "Permanent installation" as it applies to the manufactured housing; the Board of Directors hereby defines "Permanent installation" as listed in the deed restrictions as the following:

1. That the Director of Texas Department of Housing and Community Affairs (TDHCA) by statute has the authority to define permanent installation of manufactured housing.
2. That the definition of recreational vehicle is contained in 24 CPR, Section 3282.8(g), and thus cannot be considered manufactured housing.
3. That to be considered "permanent installation" in Canyon Springs Resort, manufactured housing must meet the minimum requirements of the statute. To wit:
 - 3a. **Minimum requirement of a double-wide manufacture home.**
 - 3b. Tongues, axles, and wheels must be removed.
 - 3c. Frame must be permanently mounted to an FHA or VA approved foundation.
 - 3d. All aspects of the installation must qualify for surrender of title and attachment to real property according to the rules of TDHCA, State of Texas statutes, and Comal County property rules.
4. Failure to installed manufactured housing according to this definition of permanent installation shall be considered a violation of the deed restrictions of Canyon Springs Resort, and will be dealt with accordingly.

All singlewides installed prior to June 01, 2018 are grandfathered in.

This resolution shall be adopted as an attachment to the by-laws of the Association, and shall be effective upon adoption thereof and remain in force and effect until revoked, modified, or amended.



Canyon Springs Resort

Property Owners Association Inc.

Architectural Review Form

Permit # _____ CANYON SPRINGS RESORT Architectural Review application

Date _____ Name: _____

Address: _____

Phone/ Contact: _____ Address where work will be performed

Legal Description: Unit _____ Block _____ Lot _____ Start date: _____

Residential Construction: House _____ Mfg. Home (trailer) _____ Mfg. Home (modular) _____

Square footage/size: _____

Construction: Exterior Materials _____ Foundation: _____

(Manufactured Mobile homes must be permanently installed. See the CSRPOA Policy for Permanent Installation of Manufactured Housing)

Permit is good for 6-months only.

Additions/Exterior Remodeling: Remodel _____ Addition _____

Description of Work: _____

Size _____

Non-Residential: Garage _____ Carport _____ Shed _____ Driveway _____

Deck _____ Patio _____ Other (describe) _____

Size _____

Non-Permanent: Sidewalk _____ Fence _____ Other _____

Permit Application fee: \$ _____ Size: _____ Description _____

1. Please attach complete Plot Plan, which includes a drawing of the location of the improvement, property lines, setback lines, and any easements. Plot plan must show existing structures as well as new/proposed structures.

2. Please attach Comal County On Site Sewage Facility (OSSF) Permit/license. If unavailable at application time, please remember to provide the association with an approved copy once received. Residence cannot be occupied until OSSF certificate is approved by Comal County and CSRPOA has received a copy.
3. Failure to supply Plot Plan may be grounds for denial of Permit Application.
4. Failure to supply Plot Plan or OSSF certificate is a violation of deed restrictions, and may result in fines.
5. Building without an Architectural review approval is a violation of deed restrictions and may result in violation fines being issued.
6. By signature, the applicant certifies that s/he has read and understands the deed restrictions and policies of CSRPOA and promises to abide by all provisions of such dedicatory instruments.

Mail or bring to a Board meeting the completed application to: CSRPOA, 691 Canyon Springs Dr, Canyon Lake, Texas 78133. Phone (830) 899-8555.

Architectural Review Approval

Permit Number: _____

CSRPOA issues this approval on the date signed below, by official designated as Architectural Committee, for the following construction project in Canyon Springs Resort:

Name: _____

Address of work: _____ Unit _____ Block _____ Lot _____

Nature of Improvement: _____

Date begun: _____ Expiration date: _____

Approved Signature (Architectural Committee) _____

NOTICE: Above named owner holds approval to construct the above-described improvement between the dates listed. Owner agrees to complete construction within the time agreed, or to request an extension prior to expiration date. Failure to obtain approved extensions will be grounds for revocation of approval, and will be considered as a violation of deed restrictions.

Extension 1: Approved date: _____ New Expiration date: _____

Signed (Architectural Committee) _____

Extension 2: Approved date: _____ New Expiration date: _____

Signed (Architectural Committee) _____

This Permit may be presented to document to any person that CSRPOA has approved the construction/improvement listed.

Any changes to the project from that listed on the approval must be reported promptly to the Architectural Committee for amendment to the approved application. Failure to do so may be grounds for revocation of Permit.

Once OSSF certificate is received, a copy must be supplied to the Architectural Committee.

Manufactured housing (trailers) is only authorized on lots approved by deed restrictions for such use, and must comply with CSRPOA Permanent Installation Policy.

Any persons having questions concerning this permit shall address such to the President, CSRPOA, 691 Canyon Springs Drive, Canyon Lake, Texas 78133.

Checklist: (Completed and retained by Architectural Committee)

(Submitted to Board upon final completion)

1. Plot Plan Attached? _____
2. OSSF Certificate Attached? _____ N/A _____
3. Payment Submitted? _____ Amount Paid \$ _____ Check _____ Cash _____ MO _____ Other _____
4. Application Signed? _____
5. Deed Restriction Compliance? _____
6. Reported to Board? _____ Date: _____
7. Variances? _____

(Describe): _____

(Approved by Board)? _____ Date: _____

8. Site Inspected: _____ Date of Inspection: _____
9. Follow-up Inspections: Date _____

Notes: _____

10. Project Completed: _____ Date: _____

Field Notes:



Canyon Springs Resort

Property Owners Association Inc.

Clubhouse Use and Rental Rules

User/Renter is defined herein to include all Guest, Family Members, Employees, Agents or assigns of said User or Renter.

- I. The User/Renter, in whose name any of the facilities have been reserved, shall be liable for all damage and loss to any of the facilities.
- II. The User/Renter shall assume responsibility for any and all guest attending the event, and shall pay fines or damages for violation of any rules of the Association or for any damage to clubhouse facilities regardless of offender. Damages or cleaning in excess of the security deposit will be the responsibility of the User/Renter. User/Renter's liability would be the full extent of any fines or damages.
- III. The User/Renter is totally responsible for the welfare and actions of all persons using the facilities during the period of use and shall hold the Association harmless for any and all claims resulting from the rental.
- IV. The User/Renter is liable for any and all cost resulting from the Association defending itself against any and all claims or liability for any injury or damage to any person or property, either on or off the premises, when such injury shall be caused in whole or in part by the act, neglect or fault of the User/Renter, his/her agents, servants, employees or invitees.
- V. The User/Renter shall indemnify, defend and hold harmless the Canyon Springs Resort Property Owners' Association (CSRPOA), its officer, employees and volunteers against and from any claims or suits for damages or injury to the extent arising from the User/Renter's negligent act, error or omission of this rental procedure; and shall further indemnify and hold harmless the CSRPOA, its officers, employees and volunteers against and from claims or suits to the extent arising from negligent performance and against and from all cost, attorney's fees and costs of defense, expenses and liabilities relating to claim or action or proceeding brought within the scope of the indemnification.
- VI. The User/Renter (s) name on the contract must be in attendance for the entire function, including set-up, during the function and cleanup. This includes User/Renter-sponsored groups.
- VII. The fireplace shall not be used at any time, for any reason.
- VIII. Alcohol consumption is not allowed on the premises without prior approval and with proof of an insurance rider for liability. No alcohol will be allowed in the pool at any time.
- IX. All clean up must take place as soon as possible after the activity. The User/Renter is responsible for cleaning the facility and returning it to the Association in the same condition it was in prior to use. This includes:
 - a. Bagging all garbage and placing it in the designated receptacles. Trash shall be placed in the containers provided for such use. There is a \$25 trash removal fee, waived if User/Renter removes trash from premises.
 - b. General cleaning: Vacuum, mop, broom, and limited cleaning supplies are available in the supply closet.
- X. The Renter will be responsible for all the cost of any cleanup and/or repairs caused by their failure to leave the facility in the same condition as they received it.



Canyon Springs Resort Property Owners Association Inc.

Fee Schedule

Yearly Assessment Fees:	\$ 18.00 per year
Late Payment Fee:	\$30.00 per year
Club House Rental: Member in good standing	\$ 100.00(per day)
Club House Rental: Non-Member	\$ 200.00(per day)
Club House Deposit :	\$ 100.00 #
Club House Trash Removal	\$25.00
Resale Certificate (Cite property code 207.003 (b)) (16 items required)	\$ 150.00
Title Transfer Fee:	\$ 50.00
Returned Check Charge:	\$ 35.00
**Non-Compliance Fee:	\$105 per week

#Deposits are refundable if no damage or clean up after rental is required

****** A letter must be sent to the member advising the non-compliance with the deed restrictions and the member will be given a chance to remedy the non-compliance. If not in compliance after two weeks, a second letter will be sent advising that a hearing before the Board will be conducted. If a remedy is still not completed, the fee will be charged to the members account weekly.



Canyon Springs Resort

Property Owners Association Inc.

Pool rules

**Swim at
your own
risk, No
lifeguards
are
provided!**

1. Pool cards must be shown. No Payments may be made to the pool attendants. All property owners must sign-in
2. Eligible Property owners may bring guest. Guest must be signed in by the Property Owners
3. Property owners will not be allowed to bring CSR Property Owners who have not paid their assessments and fines or fees.
4. All children 10 years of age and under must be accompanied and supervised by a parent or a person no younger than 16 years of age. Proof of age may be required by the Pool Attendant. One such person can supervise only two children at a time
5. Only infants and toddlers are allowed in the baby pool.
6. No cut-offs, everyone must wear a "swim suit"
7. All children not potty trained must wear a swim diaper and the diaper be covered with a swimsuit
8. No non-swimmers are allowed in the deep end. Any swimmer might be asked by the pool attendant to pass a simple swim test.
9. No gum chewing in the pool area
10. No running, fighting or rough play. The Pool Attendant is authorized to remove swimmers who are behaving in an unacceptable manner.
11. The pool attendant will determine if safety permits flotation devices in the pool. All toys must be approved by the pool attendant on duty.
12. No alcoholic drinks, No Styrofoam or glass will be permitted inside the fenced areas
13. No smoking will be allowed in the pool area
14. At his or her discretion, the pool attendant may call for a 10-minute break, All swimmers will be asked to exit the pool
15. According to Red Cross regulations 35 is the maximum number of swimmers that can be in our pool at one time. The Pool attendant will determine when the pool is at capacity and swimmers may have to wait before entering the pool.
16. There will not a pool attendant for adult swim or exercises programs
17. Children coming with adults for adult swim or exercise programs must remain outside the pool.
18. Adult swim and water exercise programs may continue as long as weather permits.

FAILURE TO COMPLY WITH THESE RULES AFTER TWO WARNINGS WILL RESULT IN THE FOLLOWING:

1. First Offense: The person(s) will be asked to leave the pool and the area for the remainder of the day.
2. Second Offense: The person(s) will be restricted from the pool and the area for a period of one week.
3. Third Offense: The person(s) will be restricted from the pool and pool area until the problem is resolved through the Board of Directors.



Canyon Springs Resort Property Owners Association Inc.

Fencing guidelines:

Construction of a fence requires the approval of the Architecture committee.

Types of fencing permitted include chain link, wood Board or rail, metal or plastic (PVC) that looks like wood, wrought iron (or metal (aluminum) that looks like wrought iron), CMU with stucco finish, rock or manufactured to look like rock, brick.

For front yards, No use of field wire unless backed to other fence material as above, i.e. wood or metal frames.

Filed and Recorded
Official Public Records
Bobbie Koepp, County Clerk
Comal County, Texas
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