

BY-LAWS
OF THE
HOMEOWNER'S ASSOCIATION OF RIO ROBLES, INC.

ARTICLE I. NAME AND LOCATION.

- 1.01 Name. The name of the non-profit homeowner's association shall be the HOMEOWNER'S ASSOCIATION OF RIO ROBLES, INC. This name may be changed by a majority of the membership.
- 1.02 Location. The main office of the Association shall be in Austin, Texas, or in such other locality as may be determined by a majority vote of the membership.

ARTICLE II. OBJECTIVES.

The purposes for which the corporation is organized are to promote the health, safety, and welfare of the residents within Rio Robles Subdivision hereinafter referred to as the "properties", and such additions thereto as may hereafter be brought within the jurisdiction of this corporation, and for this purpose to:

- A. Own, acquire, build, operate, and maintain recreation parks, playgrounds, swimming pools, tennis courts, including buildings, and structures, all referred to as "Common Properties and Facilities";
 - B. Fix membership dues, assessments, fees and charges to be levied against the owners of private properties;;
 - C. Administer and enforce any and all covenants, restrictions, and agreements for preserving the architectural and general appearance of the properties within Rio Robles Subdivision;
 - D. Pay any taxes, if any, on the Common Properties and Facilities;
- and
- E. Insofar as permitted by law, including Section 528 of the 1954 Internal Revenue Code, to do any other thing, that in the opinion of the Board of Directors, will promote the common benefit and enjoyment of the residents of the Properties.

ARTICLE III. MEMBERSHIP.

Membership shall be all owner residents who choose to join and are current in their dues. Each Owner resident shall have one vote per lot on which dues have been paid. If an owner has two lots or more, he may only have two or more votes IF he has paid dues on each lots. Members, through an annual assessment or monthly dues, shall contribute to the operating expenses of the Association and its organization, nominal maintenance expenses of common areas, as well as receiving newsletters, membership directories, and other items which the Association publishes. The assessments shall be determined by the Association.

ARTICLE IV. BOARD OF DIRECTORS

- 4.01 The affairs of the Association shall be managed by its Board of Directors. Each Director shall be a current member.
- 4.02 The Board of Directors shall be composed of five residents of Rio Robles subdivision who are members of the Homeowner's Association of Rio Robles and are elected by a vote of the majority of the members present (either in person or represented by proxy) at an annual or special meeting of the members of the Association. The term of the directors selected by the membership shall be two years. The initial Board of Directors shall draw lots for one and two year terms, to the end that one half of the Board of Directors shall have two years terms and one half shall one year terms. By amendment to these by-laws, the membership may expand the number of Directors. Members of the Board of Directors are required to resign within 30 days of moving from the subdivision. Members of the Board of Directors are prohibited from serving more than two consecutive terms without a one year break in service.
- 4.03 Each Director shall be entitled to one vote on each matter voted upon by the Board of Directors.
- 4.04 The rights and powers of a Director are not transferable or assignable except as delegated to officers for the management of the Association.

- 4.05 Notice of meeting of the Board of Directors shall be given by the Secretary of the Association on the request of any three of the Board of Directors and shall be set at least seven days after mailing of said notice.
- 4.06 A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.
- 4.07 An act of the majority of the Directors present at a meeting at which a quorum is present shall be an act of the Board of Directors, unless the acts of a greater number is required by law or these by-laws.
- 4.08 Directors shall not receive any salaries for their services, but nothing herein contained shall be construed to preclude any Director from serving the corporation in any other capacity and receiving compensation therefore.
- 4.09 Any action required by law to be taken at a meeting of Directors, or any action which may be taken at a meeting of Directors, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Directors.
- 4.10 Whenever, for whatever reason, the composition of the Board of Directors fall below three-fourths of the number of Directors approved by the membership, a special meeting may be called, as provided for in Section 6.02 of Article VI and Article XII of the By-Laws, for the purpose of election Directors to fill the unexpired terms of the vacancies.

- 4.11 The Board of Directors shall have the power to promulgate rules and regulations to implement the enforcement of all Covenants, Conditions, and Restrictions for the subdivision. The steps that will be followed are:
1. A letter from the Board or Architectural Control Committee, as appropriate will be sent to the homeowner in question citing the violation and requesting specific compliance or other action required.
 2. A second certified letter repeating the request with a specific date for action.
 3. An application to the dispute Resolution Center in Austin requesting a mediation, where upon the Center sends a letter to the homeowner in question with a request for voluntary mediation on an agreeable date.
 4. Legal action instituted, with an initial attorney letter requesting compliance, followed, if necessary by initiation of appropriate legal remedies.
 5. Publication of violation and all factual information including legal costs to the Association will occur in the newsletter whenever the issue has not been resolved by the end of step three.
- 4.12 Prior to spending money on, or committing the Association to spending money on any project, expense, or cost (excluding normal recurring administrative, repair, or maintenance costs) exceeding \$500.00 estimated completion costs, the Board of Directors shall have published in the newsletter at least 30 days in advance of such spending or such spending commitment, general details (including estimated costs, timing, and expected impact on residents) of such project.

ARTICLE V. FEES.

An initial membership fee of \$50.00 will be assessed each member unit and will be due upon acceptance into the Association. Dues shall be payable yearly, in advance, the amount to be determined by a majority vote of the membership in attendance at a meeting where the question of membership fee is being considered.

ARTICLE VI. MEETING

- 6.01 Annual Meeting. The annual meeting of the members shall be held at such a place as may be designated in the notice of such meeting and will be held in the month of February for the purpose of electing Directors and for the transaction of any other business brought before the meeting.
- 6.02 Special Meetings. Special meetings may be called by the President. A special meeting of the members shall be called the President upon receipt of a written request signed by 25% of the members.
- 6.03 Notice of Meetings. Notice of the time and place of all special and annual meetings shall be mailed to each member not less than 10 (ten) days before the date of the meeting.
- 6.04 Quorum. At any annual meeting or special meeting, a quorum shall consist of at least ten percent of the membership in person or represented in duly recognized proxy.
- 6.05 Proxies. To be valid, proxies must be in writing, signed by the Association member, and received by the Association's Secretary by 5 PM on the Friday preceding the actual meeting.

- 6.07 Scope of Proxies. Proxies may be granted to another person only for voting on specific issues listed on the proxy. "Blanket Proxies" giving the proxy holder the power to vote on anything proposed at a meeting shall not be valid.
- 6.08 Parliamentarian. The parliamentarian shall rule on any question of procedure at general membership meetings by following Robert's Rules of Order.

ARTICLE VII. OFFICERS.

- 7.01 Designation and number. The officers of the Association shall be a President, a Vice-President, a Secretary and a Treasurer.
- 7.02 Election and terms of Officers. The officers of the Association shall be elected by a vote of the Board of Directors for a term of one year, and shall hold office uniting their successors are duly elected and qualified. All officers must be Directors of the Association.
- 7.03 Vacancies. A vacancy in any office may be filled by an appointment by the President. Such an appointment must be ratified by a majority of the Board of Directors at the Directors next meeting if more than 6 months remains in the term.
- 7.04 President. The President shall be the principal officer of the Association and shall in general supervise and control all of the business and property of the Association. He may sign, with the Treasurer or any other proper officer of the corporation, any deeds, mortgages, bonds, contracts, other instruments which the Board of Directors have authorized to be executed. He shall poll the membership on issues and problems to the extent feasible and practical, and shall preside at all meetings.
- 7.05 Vice-President. In the absence of the President, or in the event of his death or inability or refusal to serve, the Vice-President shall perform the duties of the President. He shall perform such other duties as may be designated by the President.

- 7.06 Secretary. The Secretary shall attend all meetings and keep minutes of the meetings. He shall maintain a correct membership list and issue notice of all meetings to the members. He shall be custodian of the records. He shall perform all other duties incident to this office.
- 7.07 Treasurer. The Treasurer shall have custody of all monies and financial records of the Association and shall deposit such money in those banks or other depositories as the Board of Directors may select. He shall report on the financial condition of the Association at all meetings. He shall perform all other such duties as are incident to this office, and other duties delegated to him by the President. The Treasurer or the President are authorized to disburse funds of the organization by way of checks, drafts, or other orders for payment of money. Unless specifically authorized by the Board of Directors, neither the President nor the Treasurer can encumber the Association in an amount in excess of the unencumbered amount available in the corporate bank accounts. No officer can make any disbursements for any expenses not in furtherance of one of the purposes of the Association as set forth in the Articles of Incorporation.

ARTICLE VIII. BOOKS AND RECORDS.

The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors, and committees having any of the authority of the Board of Directors.

ARTICLE IX. FISCAL YEAR.

The fiscal year of the Association shall begin on the first day of January and end on the last day of December in each year.

ARTICLE X. INCOME AND EXPENDITURES.

Sixty percent (60%) or more of the gross income of the Association for each taxable year shall be amounts received as membership dues, fees, or assessments from owners of residences or residential lots located in Rio Robles Subdivision. Ninety percent (90%) or more of the expenditures of the Association for each taxable year shall be for the acquisition, construction, management, maintenance, and care of Association Property as defined in Section 528 of the 1952 Internal Revenue Code.

ARTICLE XI. ASSETS UPON DISSOLUTION.

Upon dissolution, all assets of the Association remaining, after the payment of the corporate liabilities, shall be distributed on a pro rata basis to the membership of the Association.

ARTICLE XII. AMENDMENTS.

Members at any annual or special meeting, by a vote of a majority of the members present (either in person or represented by proxy), shall have the power to alter, amend, make or repeal By-Laws of the Association provided that written notice of the exact wording of any proposed change in the By-Laws is sent, along with the time and location of the meeting, to all members of the Association at least 30 days, but not more than 60 days, before such meeting is held.

ARTICLE XIII. ALCOHOLIC BEVERAGES.

No alcoholic beverages shall be served by, or provided by the Homeowner's Association of Rio Robles, Inc. or its directors, employees or agent in their capacity as such, at any meeting, event or function.