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Document Number: 2011-0005495 -
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BY-LAWS

Grantor: DECORDOVA RANCH PROPERTY OWNER'S ASSOCIATION

Pages: 24


Recorded On: 05/12/2011 01:37 PM

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Amount:	\$104.00	
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Mary Burnett
County Clerk
Hood County, Texas



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JEFFREY B THOMPSON
1030 EAST HIGHWAY 377
GRANBURY, TX 76048



**AMENDED AND RESTATED BYLAWS 2011
DECORDOVA RANCH PROPERTY OWNER'S ASSOCIATION
(A Texas Property Owners Association)**

**ARTICLE 1
INTRODUCTION**

1.1. PROPERTY. These Amended and Restated Bylaws provide for the governance of Oak Grove Farm (Decordova Ranch), a subdivision located in Hood County, Texas, according to the plat thereof recorded in Slide B-142, Plat Records, Hood County, Texas and all of DECORDOVA RANCH, Phase One, a subdivision in Hood County, Texas, according to the plat thereof recorded in Slide C-29, Plat Records, Hood County, Texas (the "Property") and amend and restate the prior bylaws of DECORDOVA RANCH PROPERTY OWNER'S ASSOCIATION which are recorded at Vol 2295, Pg. 226 of the Real Records of Hood County, Texas.

1.2. DECLARATION. The Property is subject to the Declaration of Covenants, Conditions, and Restrictions for Decordova Ranch, recorded in Volume 2137, Page 579, Real Records, Hood County, Texas, and Annexation recorded in Volume 2238, Page 674, Real Records, Hood County, Texas, and those other properties which may be annexed according to the provisions of the Declaration of Covenants, Conditions and Restrictions (the "Declaration").

1.3. DEFINITIONS. Words and phrases defined in the Declaration have the same meanings when used in these Bylaws.

1.4. DECLARANT CONTROL. Notwithstanding anything to the contrary in these Bylaws, provisions in these Bylaws are modified by Declarant's rights and reservations under the Declaration. Any such Declarant's rights and reservations have priority over these Bylaws.

1.5. PARTIES TO BYLAWS. All present or future lot owners and all other persons who use or occupy the Property in any manner are subject to these Bylaws and the Declaration. The mere acquisition of a lot or occupancy of a dwelling will signify that these Bylaws are accepted, ratified, and will be strictly followed.

1.6. TYPE OF ORGANIZATION. As an organization of lot owners, the Association is created by the Declaration and these Bylaws. The Association is a nonprofit organization, and may be incorporated or unincorporated.

1.7. APPLICABLE LAW. The Association is a domestic nonprofit corporation subject to Chapter 22 of Title 2 of the Code, the Texas Nonprofit Corporation Law of the Texas Business Organizations Code (the "Code").

1.8. GENERAL POWERS AND DUTIES. The Association, acting through the board, has the powers and duties necessary for the administration of the affairs of the Association and

for the operation and maintenance of the Property as may be required or permitted by the Declaration and applicable law. The Association may do any and all things that are lawful and which are necessary, proper, or desirable in operating for the best interests of its members, subject only to limitations upon the exercise of such powers as may be contained in applicable law or the Declaration.

ARTICLE 2

BOARD OF DIRECTORS

2.1 **NUMBER, QUALIFICATIONS, AND TENURE OF DIRECTORS.** After the expiration of the terms of the initial Board of Directors under the provisions of Article V of the Declaration, the number of Directors will be a number determined by resolution adopted by the Board that is not less than three and not greater than seven. The First Board of Directors after expiration of the terms of the initial Board of Directors shall be composed of three directors. Thereafter, the number may be determined as set out above. Directors need not be Texas residents. Directors will be members of the Association.

2.2 **ESTABLISHMENT OF DIRECTORSHIPS.** There are three directorships established by these Bylaws. It is the intention of these Bylaws, following expiration of the initial terms shorter than three years, to elect only one director each year with that director having a term of three years, as described below:

a. Director, Place 1 shall be initially elected by the Members at a special meeting following expiration of the terms of the initial Board of Directors held for that purpose to serve until the election of Directors at the next Annual Meeting of the Members. At such annual meeting, this directorship shall be subject to election by the Members for a one year term. Thereafter, the term of this Directorship shall be three years.

b. Director, Place 2 shall be initially elected by the Members at a special meeting following expiration of the terms of the initial Board of Directors held for that purpose to serve until the election of Directors at the next Annual Meeting of the Members. At such annual meeting, this directorship shall be subject to election by the Members for a two year term. Thereafter, the term of this Directorship shall be three years.

c. Director, Place 3 shall be initially elected by the Members at a special meeting following expiration of the terms of the initial Board of Directors held for that purpose to serve until the election of Directors at the next Annual Meeting of the Members. From and after such annual meeting, the term of this Directorship shall be three years.

2.3 **NOMINATING DIRECTORS.** At any meeting at which the election of a director is held, a voting member in good standing may nominate a person with the second of any other voting member in good standing. In addition to nominations made at meetings, a nominating committee may consider possible nominees and make nominations for each election of directors. The Secretary will include the names nominated by that committee, and any report

of the committee, with the notice of the meeting at which the election occurs.

2.4 ELECTING DIRECTORS. A person who meets the qualifications for director and who has been duly nominated may be elected as a director. Directors will be elected by the vote of the members, each member having one vote per Lot owned. Each director will hold office until a successor is elected and qualifies. A director may be elected to succeed himself or herself as director.

2.5 VACANCIES. The Board will fill any vacancy in the Board and any director position to be filled due to an increase in the number of directors. A vacancy is filled by the affirmative vote of a majority of the remaining directors, even if it is less than a quorum of the Board, or if it is a sole remaining director. A director selected to fill a vacancy will serve for the unexpired term of his or her predecessor in office.

2.6 ANNUAL MEETING. The annual Board meeting will be held immediately after, and at the same place as, the Annual Meeting of the Members.

2.7 REGULAR MEETINGS. The Board may provide for regular meetings by resolution stating the time and place of such meetings. The meetings may be held inside or outside Texas, and will be held at the Association's registered office in Texas if the resolution does not specify the location of the meetings. No notice of regular Board meetings is required other than the Board resolution stating the time and place of the meetings.

2.8 SPECIAL MEETINGS. Special Board meetings may be called by, or at the request of, the President or any two directors. A person or persons authorized to call special meetings of the Board may fix any place within Hood County, Texas, as the place for holding a special meeting. The person or persons calling a special meeting will inform the Secretary of the Association of the information to be included in the notice of the meeting. The Secretary of the Association will give notice to the directors as these Bylaws require.

2.9 NOTICE. Written or printed notice of any special meeting of the Board will be delivered to each director not less than seven, nor more than thirty days before the date of the meeting. The notice will state the place, day, and time of the meeting, who called it, and the purpose or purposes for which it is called.

2.10 QUORUM. A majority of the number of directors then in office constitutes a quorum for transacting business at any Board meeting. The directors present at a duly called or held meeting at which a quorum is present may continue to transact business even if 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 for a quorum. If a quorum is never present at any time during a meeting, a majority of the directors present may adjourn and reconvene the meeting once without further notice.

2.11 DUTIES OF DIRECTORS. Directors will discharge their duties, including any duties as committee members, in good faith, with ordinary care, and in a manner they reasonably believe to be in the Association's best interest. In this context, the term "ordinary care" means the care that ordinarily prudent persons in similar positions would exercise under similar circumstances. In discharging any duty imposed or power conferred on directors, directors may, in good faith, rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Association or another person that has been prepared or presented by a variety of persons, including officers and employees of the Association, professional advisors or experts such as accountants or legal counsel. A director is not relying in good faith if he or she has knowledge concerning a matter in question that renders reliance unwarranted.

Directors are not deemed to have the duties of trustees of a trust with respect to the Association or with respect to any property held or administered by the Association, including property that may be subject to restrictions imposed by the donor or transferor of the property.

2.12 ACTIONS OF BOARD OF DIRECTORS. The vote of a majority of directors present and voting at a meeting at which a quorum is present is enough to constitute the act of the Board, unless the act of a greater number is required by law or by some other provision of these Bylaws. A director who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the Board's decision. For the purpose of determining the decision of the Board, a director who is represented by proxy in a vote is considered present.

2.13 PROXIES. A director may vote by proxy. All proxies must be in writing, must bear the signature of the director giving the proxy, and must bear the date on which the proxy was executed by the director. No proxy is valid after three months from the date of its execution.

2.14 COMPENSATION. Directors may not receive salaries for their services as directors unless such salary is approved, in advance, by a vote of the Members. The Board may adopt a resolution providing for paying directors expenses of attendance, if any, for attending each Board meeting. A director may serve the Association in any other capacity and receive compensation for those services. Any compensation that the Association pays to a director will be reasonable and commensurate with the services performed.

2.15 REMOVING DIRECTORS. The members may vote at an annual or special meeting of the members to remove a director at any time without cause. A meeting to consider removing a director may be called and noticed following the procedures provided in these Bylaws for a special meeting of the members of the Association. The notice of the meeting will state that the issue of possibly removing the director will be on the agenda. A director may be removed by the affirmative vote of fifty-one percent (51%) of the members. At the meeting, the director may present evidence of why he or she should not be removed and may be represented by an attorney at and before the meeting.

2.16 ENTITY MEMBER. If a lot is owned by a legal entity, such as a partnership or corporation, any officer, partner, agent, or employee of that entity member is eligible to serve as a director and is deemed to be a member for the purposes of this Section. If the relationship between the entity member and the director representing it terminates, that directorship will be deemed vacant.

2.17 ACTION WITHOUT MEETING. Any action required or permitted to be taken by the board at a meeting may be taken without a meeting, subject to the following requirements:

2.17.1 Unanimous Consents. If all directors individually or collectively consent in writing to such action, the written consents have the same force and effect as the unanimous approval of directors at a meeting.

2.17.2 Majority Consents. If at least a majority of the directors, individually or collectively, consent in writing to such action, the written consents have the same force and effect as approval by a majority of the directors at a meeting. Prompt notice of the action so approved must be delivered to each non-consenting director.

2.17.3 Procedures. Written consents must state the date of each director's signature. The required number of written consents must be received by the Association within 60 days after the date of the earliest dated consent. Written consents must be filed with the minutes of board meetings. Additional procedures may be required by the Code.

ARTICLE 3 **OFFICERS**

3.1. DESIGNATION. The principal officers of the Association are the president, the vice-president, the secretary, and the treasurer. The board may appoint one or more vice-presidents and other officers and assistant officers as it deems necessary. During the term of office of the initial board of directors there are no restrictions on who may serve as an officer of the Association. Following the expiration of the term of office of the initial board of directors, the president and secretary must be directors. Other officers may, but need not, be members or directors. Any two offices may be held by the same person, except the offices of president and secretary. If an officer is absent or unable to act, the board may appoint a director or a committee to perform the duties of that officer and to act in place of that officer, on an interim basis.

3.2. ELECTION OF OFFICERS. The officers are elected no less than annually by the directors at the organizational meeting of the board and hold office at the pleasure of the board. Except for resignation or removal, officers hold office until their respective successors have been designated by the board.

3.3. REMOVAL AND RESIGNATION OF OFFICERS. A majority of directors may remove any officer, with or without cause, at any regular meeting of the board or at any special meeting of the board called for that purpose. A successor may be elected at any regular or special

meeting of the board called for that purpose. An officer may resign at any time by giving written notice to the board. Unless the notice of resignation states otherwise, it is effective when received by the board and does not require acceptance by the board. The resignation or removal of an officer who is also a director does not constitute resignation or removal from the board.

3.4. DESCRIPTION OF PRINCIPAL OFFICES.

3.4.1. President. As the chief executive officer of the Association, the president: (1) presides at all meetings of the Association and of the board; (2) has all the general powers and duties which are usually vested in the office of president of any organization; (3) has general supervision, direction, and control of the business of the Association, subject to the control of the board, and (4) sees that all orders and resolutions of the board are carried into effect.

3.4.2. Vice-President. The vice-president acts in place of the president in event of the president's absence, inability, or refusal to act. The vice-president also exercises and discharges any duty required of the vice-president by the board.

3.4.3. Secretary. The secretary: (1) keeps the minutes of all meetings of the board and of the Association; (2) has charge of such books, papers, and records as the board may direct; (3) maintains a record of the names and addresses of the members for the mailing of notices; and (4) in general, performs all duties incident to the office of secretary.

3.4.4. Treasurer. The treasurer: (1) is responsible for Association funds; (2) keeps full and accurate financial records and books of account showing all receipts and disbursements; (3) prepares all required financial data and tax returns; (4) deposits all monies or other valuable effects in the name of the Association in depositories as may from time to time be designated by the board; (5) prepares the annual and supplemental budgets of the Association; (6) reviews the accounts of the managing agent on a monthly basis in the event a managing agent is responsible for collecting and disbursing Association funds; and (7) performs all the duties incident to the office of treasurer.

3.5. AUTHORIZED AGENTS. Except when the Declarations require execution of certain instruments by certain individuals, the board may authorize any person to execute instruments on behalf of the Association. In the absence of board designation, the president and the secretary are the only persons authorized to execute instruments on behalf of the Association.

ARTICLE 4

MEETINGS OF THE ASSOCIATION

4.1. ANNUAL MEETING. An annual meeting of the Association will be held during the second calendar quarter of each year. At annual meetings the members will elect directors in accordance with these Bylaws, and may also transact such other business of the Association as

may properly come before them.

4.2. SPECIAL MEETINGS. It is the duty of the president to call a special meeting of the Association if directed to do so by a majority of the board or by one or more petitions signed by owners of at least 20 percent of the lots in the Property. If the petition process is used, petitions may be in any form that is customary for the time. The board may not require a specific form of petition, nor require that the petition be offered to every member of the Association. Signatures on petitions need not be notarized or witnessed. An electronic or faxed petition is acceptable if the "signer's" identity is reasonably discernible.

4.3. PLACE OF MEETINGS. Meetings of the Association may be held at the Property or at a suitable place convenient to the members, as determined by the board.

4.4. NOTICE OF MEETINGS. Subject to the provisions below, at the direction of the board, written notice of meetings of the Association will be given to an owner of each lot at least 10 days but not more than 60 days prior to the meeting. Notices of meetings will state the date, time, and place the meeting is to be held. Notices will identify the type of meeting as annual or special, and will state the particular purpose of a special meeting. Notices may also set forth any other items of information deemed appropriate by the board.

4.4.1. Notice Exception. Individual notice of the regular annual meeting of the Association is not required if (1) the time and place of the meeting is largely unchanged from year to year and (2) information about the time and place is routinely available to all members, such as by year-long posting on the Association's official website or repetitive announcements in the Association's newsletter. This exception does not apply to special meetings of the Association, or to changes in the time and place of the regular annual meeting.

4.4.2. Special Meeting Notice. Within 30 days after the board resolution or receipt of petition, the board must give all members notice of the special meeting. If the board fails or refuses to call the special meeting in a timely manner, an ad hoc committee of owners may do so provided the notice of meeting names the ad hoc committee and its individual members, and further provided that the notice is delivered to an owner of every lot in accordance with these Bylaws. The notice of any special meeting must state the time, place, and purpose of the meeting. No business, except the purpose stated in the notice of the meeting, may be transacted at a special meeting.

4.5. RECORD DATE. Before each meeting of the Association, the board will establish a list of all members for purposes of receiving a meeting notice, and a list or way of identifying members who are ineligible to vote at the meeting because of a delinquent account. These membership lists are described in the Association Records Article below. The "cut off" date on which these lists are based is referred to in the Code as the "Record Date." The Record Date for an Association meeting for which notice is given is 10 calendar days before the date the notice is distributed or published to the members. The Record Date for an Association meeting

for which no notice is given is 45 calendar days before the meeting.

4.6. ELIGIBILITY. Every member is entitled to receive notice of Association meetings, to attend Association meetings, and to be counted towards a quorum, even if the member is ineligible to vote or to stand for election to the board.

4.6.1. Meeting Notice. An owner of each lot in the Property as of the record date is eligible to receive notices of meetings of the Association. Because the ownership of lots may change during a year, the ownership as of the Record Date is used to produce the membership list for use in connection with the meeting.

4.6.2. Voting. The board may determine that a member may not vote at a meeting of the Association if the member's financial account with the Association is in arrears on the Record Date, provided (1) the ineligibility applies to every member whose financial account is delinquent, and (2) each ineligible member is given notice of the arrearage and an opportunity to become eligible. The board may specify the manner, place, and time for payment for purposes of restoring eligibility. The Record Date determination of members entitled to vote at a meeting of the Association is effective for any adjournment of the meeting, provided the date of the adjourned meeting is not more than 30 days after the original meeting. The board is not required to disqualify owners with delinquent accounts, and may allow all owners to vote regardless of arrearages.

4.7. QUORUM. At any meeting of the Association, the presence in person or by proxy of owners of at least 10 percent of the lots in the Property constitutes a quorum. Members present at a meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal, during the course of the meeting, of members constituting a quorum.

4.8. LACK OF QUORUM. If a quorum is not present at any meeting of the Association for which proper notice was given, members representing at least a majority of the votes present at the meeting, although not constituting a quorum, may vote to recess the meeting for not more than 24 hours in order to attain a quorum, provided the place of the meeting remains as stated in the notice. If the meeting is adjourned without attainment of a quorum, notice of a new meeting for the same purposes within 15 to 30 days may be given to an owner of each lot, at which re-called meeting the quorum requirement is lowered to half the number of lots required for the first call of the meeting.

4.9. VOTES. The vote of members representing at least a majority of the votes cast at any meeting at which a quorum is present binds all members for all purposes, except when a higher percentage is required by these Bylaws, the Declaration, or by applicable law. Cumulative voting is prohibited. As established by the Declaration in Article V Section 1, one vote is allocated to each Lot.

4.9.1. Co-Owned Lots. If a lot is owned by more than one member, the vote

appurtenant to that lot is cast as follows. If only one of the multiple owners of a lot is present at a meeting of the Association, that person may cast the vote allocated to the lot. If more than one of the multiple owners is present, the vote allocated to the lot may be cast only in accordance with the owners' unanimous agreement. Multiple owners are in unanimous agreement if one of the multiple owners casts the vote allocated to a lot and none of the other owners makes prompt protest to the person presiding over the meeting.

4.9.2. Entity-Owned Lots. If a lot is owned by an entity, such as a corporation or partnership, the vote appurtenant to that lot may be cast by any officer, manager, or partner of the entity in the absence of the entity's written appointment of a specific person to exercise its vote. The person presiding over a meeting or vote may require reasonable evidence that a person voting on behalf of an entity is qualified to vote.

4.9.3. Association-owned Lots. Votes allocated to a lot owned by the Association may be counted towards a quorum only, and may not be voted.

4.10. PARTICIPATION. Members may participate in person or by proxy at meetings of the Association. A member who participates is deemed "present" and may be counted towards a quorum unless the member participates for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

4.11. PROXIES. A member may participate in the affairs of the Association through a power of attorney or through a proxy. To be valid, each proxy must (1) be signed and dated by a member or his attorney-in-fact; (2) identify the lot to which the vote is appurtenant; (3) designate the person or position (such as "presiding officer") in favor of whom the proxy is granted, such person having agreed to exercise the proxy, (4) identify the meeting for which the proxy is given; (5) not purport to be revocable without notice; and (6) be delivered to the secretary, to the person presiding over the Association meeting for which the proxy is designated, or to a person or company is designated by the board. Unless the proxy specifies a shorter or longer time, it terminates 11 months after the date of its execution. Perpetual or self-renewing proxies are permitted, provided they are revocable. To revoke a proxy, the granting member must give actual notice of revocation to the person presiding over the Association meeting for which the proxy is designated. Unless revoked, any proxy designated for a meeting which is adjourned, recessed, or rescheduled is valid when the meeting reconvenes. A proxy delivered by email or by fax may be counted if any of the following occurs: (1) the proxy's authenticity can be confirmed to the reasonable satisfaction of the board, (2) the proxy has been acknowledged or sworn to by the member, before and certified by an officer authorized to take acknowledgments and oaths, or (3) the Association also receives the original proxy within 5 days after the vote.

4.12. CONDUCT OF MEETINGS. The president, or any person designated by the board, presides over meetings of the Association. The secretary keeps, or causes to be kept, the minutes of the meeting which should record all resolutions adopted and all transactions occurring at the meeting, as well as a record of any votes taken at the meeting. The person presiding over the meeting may appoint a parliamentarian. The then current edition of Robert's Rules of Order

governs the conduct of meetings of the Association when not in conflict with the Declaration. Votes should be tallied by tellers appointed by the person presiding over the meeting.

4.13. ORDER OF BUSINESS. Unless the notice of meeting states otherwise, or the assembly adopts a different agenda at the meeting, the order of business at meetings of the Association is as follows:

- Determine votes present by roll call or check-in procedure
- Announcement of quorum
- Proof of notice of meeting
- Approval of minutes of preceding meeting
- Reports
- Election of directors (when required)
- Unfinished or old business
- New business

4.14. ADJOURNMENT OF MEETING. At any meeting of the Association, a majority of the members present at that meeting, either in person or by proxy, may adjourn the meeting to another time and place.

4.15. ACTION WITHOUT MEETING. Subject to board approval, any action which may be taken by a vote of the members at a meeting of the Association may also be taken without a meeting by written consents. The board may permit members to vote by ballots delivered by any method allowed by applicable law, which may include hand delivery, mail, fax, email, electronic balloting or any combination of these. Written consents by members representing at least a majority of votes in the Association, or such higher percentage as may be required by the Declaration, constitutes approval by written consent. This Section may not be used to avoid the requirement of an annual meeting.

4.16. MEETINGS BY REMOTE COMMUNICATIONS. Members of the Association may participate in and hold meetings of the Association by means of electronic town halls, conference telephone or similar communications equipment by means of which all persons participating in the meeting can communicate concurrently. Participation in the meeting constitutes presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. By acquiring an interest in a lot, each owner automatically consents to the use of communication technology to effect meetings of the Association, provided the owners of at least 85 percent of the lots in the Property have access to the form of technology chosen by the board, and further provided that the Association arranges a place or method of participation for those who do not have the technology.

ARTICLE 5

RULES

5.1. **RULES.** The board has the right to establish and amend, from time to time, reasonable rules and regulations for: (1) the administration of the Association and the Declaration; (2) the maintenance, management, operation, use, conservation, and beautification of the Property; and (3) the health, comfort, and general welfare of the residents; provided, however, that such rules may not be in conflict with applicable law or the Declaration. The board will, at all times, maintain the then current and complete rules in a written form which can be copied and distributed to the members.

5.2. **ADOPTION AND AMENDMENT.** Any rule may be adopted, amended, or terminated by the board, provided that the rule and the requisite board approval are properly recorded as a resolution in the minutes of the meeting of the board.

5.3. **NOTICE AND COMMENT.** At least 10 days before the effective date, the board will give written notice to an owner of each lot of any amendment, termination, or adoption of a rule, or will publish same in a newsletter, on the Association's website, or in any form or medium that is circulated or available to the members. The board may, but is not required, to give similar notice to residents who are not members. Any member or resident so notified has the right to comment orally or in writing to the board on the proposed action.

5.4. **DISTRIBUTION.** On request from any member or resident, the board will provide a current and complete copy of rules. Additionally, the board will, from time to time, distribute copies of the current and complete rules to owners and, if the board so chooses, to non-member residents.

ARTICLE 6

ENFORCEMENT

6.1. **ACTIONS REQUIRING NOTICE AND HEARING.** Before taking any of the below-described actions, the Association must give written notice and an opportunity for a hearing according to the requirements of this Article and the notice and hearing requirements of applicable law, such as Chapter 209 Texas Property Code. The following actions by or with the approval of the board, or the Association, require notice and hearing as provided by this Article:

- a. Suspension of use of any common area.
- b. Imposition of a fine for violation of any provision of the Declaration, other than fines, interest, or collection fees charged for delinquent accounts.
- c. Charging an owner or a lot for property damage.
- d. Filing suit against an owner other than a suit related to the collection of

assessments or foreclosure of the Association's assessment lien.

6.2. NOTICE. The required written notice must contain (1) the date the violation notice is prepared or mailed; (2) a statement that not later than the 30th day after the date the owner receives the notice; the owner may request a hearing to discuss and verify facts and resolve the matter in issue, pursuant to this Article and applicable law, such as Section 209.007 Texas Property Code; (3) a statement of how or where the request for hearing should be made or delivered; (4) a statement that if the hearing is before a committee or any body other than the board, the owner has the right to appeal the decision to the board by written notice to the board; (5) a statement that the owner may be liable for reimbursement of attorneys fees and costs if the violation continues or the damage is not paid by a stated date; and (6) the following contents applicable to violations or damage claims, as the case may be:

6.2.1. Notice of Violation. In the case of a violation of a provision of the Declaration, the written notice must also contain the following: (1) a description of the violation; (2) a reference to the rule or provision of the Declaration that is being violated, if applicable; (3) a description of the action required to cure the violation; (4) the amount of the fine or charge to be levied, the nature of the common area suspension, and/or the abatement action to be taken; (5) unless the owner was given notice and a reasonable opportunity to cure a similar violation within the preceding 6 months, a statement that the owner may avoid the fine or suspension by curing the violation in a reasonable period of time, which may be specified in the notice.

6.2.2. Notice of Damage. In the case of property damage for which the Association seeks reimbursement or imposition of a charge on the owner or the lot, the written notice must also contain (1) a description of the property damage and (2) the amount of the Association's claim against the owner or the lot.

6.2.3. Notice to Resident. In addition to giving the violation notice to the owner, the board may also give a copy of the notice to the non-owner resident, if the board deems it appropriate.

6.2.4. Receipt of Notice. Unless applicable law provides otherwise, any notice given to an owner pursuant to this Article will be deemed received by the owner (1) on personal delivery to the owner or to a person at the owner's address, or (2) on the third business day after the notice is deposited with the U.S. Postal Service, addressed to the owner at the most recent address shown on the Association's records, whether or not the owner actually receives the notice.

6.3. HEARING.

6.3.1. Request for Hearing. To request a hearing an owner must submit a written request within 30 days after receiving the Association's written notice. Within 10 days after receiving the owner's request for a hearing, and at least 10 days before the hearing

date, the Association will give the owner notice of the date, time, and place of the hearing. If the Association or the owner requests a postponement of the hearing, the hearing will be postponed for up to 10 days. Additional postponements may be granted by agreement of the parties.

6.3.2. Pending Hearing. Pending the hearing, the board may continue to exercise the Association's other rights and remedies for the violation, as if the declared violation were valid. The owner's request for a hearing suspends only the action described in the Association's written notice.

6.3.3. Attendance. The hearing may be held with or without the presence of the owner or the owner's representative.

6.3.4. Hearing. The hearing may be held in a closed or executive session of the board. At the hearing, the board will consider the facts and circumstances surrounding the violation. The owner may attend the hearing in person, or may be represented by another person or written communication.

6.3.5. Minutes of Hearing. The minutes of the hearing must contain a statement of the results of the hearing and the amount of fine or charge, if any, imposed, or abatement or suspension action, if any, authorized. A copy of the notice and request for hearing should be placed in the minutes of the hearing. If the owner appears at the hearing, the notice requirement will be deemed satisfied.

6.4. ACTIONS EXEMPT FROM NOTICE AND HEARING REQUIREMENTS. As a general rule, every action other than the above-described actions requiring notice and hearing are impliedly exempt from the requirements of this Article. As permitted by applicable law, such as Section 209.007 of Texas Property Code, the following actions are expressly exempt:

- a. A temporary suspension of a person's right to use common areas if the temporary suspension is the result of a violation that occurred in a common area and involved a significant and immediate risk of harm to others in the Property. The temporary suspension is effective until the board makes a final determination on the suspension action after following the notice and hearing procedures prescribed by this Article.
- b. A lawsuit in which the Association seeks a temporary restraining order or temporary injunctive relief.
- c. A lawsuit filed by the Association that includes foreclosure as a cause of action.
- d. The collection of delinquent assessments.

6.5. IMPOSITION OF FINE. Within 30 days after levying the fine or authorizing the abatement, the board must give the owner notice of the levied fine or abatement action. If the fine or action is announced at the hearing at which the owner is actually present, the notice requirement will be satisfied. Otherwise, the notice must be in writing.

6.5.1. Amount. The board may set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, frequency, and effects of the violation. The board may establish a schedule of fines for certain types of violations. The amount and cumulative total of a fine must be reasonable in comparison to the violation. If the board allows fines to accumulate, it may establish a maximum amount for a particular fine, at which point the total fine will be capped.

6.5.2. Type of Fine. If the violation is ongoing or continuous, the fine may be levied on a periodic basis (such as daily, weekly, or monthly). If the violation is not ongoing, but is instead sporadic or periodic, the fine may be levied on a per occurrence basis.

6.5.3. Other Fine-Related. The Association is not entitled to collect a fine from an owner to whom it has not given notice and an opportunity to be heard. The Association may not charge interest on unpaid fines. The Association may not foreclose its assessment lien on a debt consisting solely of fines.

6.6. REIMBURSEMENT OF EXPENSES AND LEGAL FEES. In addition to any other rights set forth in the Declaration for violation of a provision of the Declaration, the board may levy and collect individual assessments for reimbursement of reasonable fees and expenses, including without limitation legal fees, incurred by the Association to enforce the Declaration, including the collection of delinquent assessments, subject to the following conditions:

6.6.1. Notice. The Association must give the owner written notice that the owner will be liable for reimbursement of any such fees and expenses incurred by the Association if the delinquency or violation continues after a date certain that is stated in the notice. This notice requirement does not apply to legal fees incurred by the Association in connection with the Association's counterclaim in a lawsuit to which an owner is a plaintiff.

6.6.2. Hearing. If legal fees are incurred by the Association for an action requiring notice and hearing, the owner is not liable for reimbursement of legal fees incurred (1) before the date by which the owner must request a hearing, if the owner does not request a hearing, or (2) before conclusion of the hearing, if the owner does request a hearing.

6.6.3. Records. By written request, an owner may obtain from the Association copies of any invoices for charges, including legal fees, for which the Association seeks reimbursement.

6.6.4. Foreclosure. In connection with a nonjudicial foreclosure of the Association's assessment lien, applicable law, such as Chapter 209 of the Texas Property Code, may establish a limit for the amount of attorneys fees that the Association may include in its lien.

6.7. ADDITIONAL ENFORCEMENT RIGHTS. Notwithstanding the notice and hearing requirement, the board may take immediate and appropriate action, without giving the notices required in this Article, against violations of the Declaration which, in the board's opinion, are (1) self-evident, such as vehicles parked illegally or in violation of posted signs; (2) threatening to life or property, or (3) repeat violations of the same provision by the same owner to whom prior notices and demands have been given for the same violation. Further, the provisions of this Article do not apply to specific remedies provided in the Declaration for certain violations, such as nonpayment of assessments.

ARTICLE 7

OBLIGATIONS OF THE OWNERS

7.1. MAILING ADDRESS. The owner or the several co-owners of a lot must register and maintain one mailing address to be used by the Association for mailing of notices, demands, and all other communications. If an owner fails to maintain a current mailing address with the Association, the address of the owner's lot is deemed to be his mailing address.

7.2. ASSESSMENTS. All owners are obligated to pay assessments imposed by the Association to meet the common expenses as defined in the Declaration. A member is deemed to be in good standing and entitled to vote at any meeting of the Association if he is current in the assessments made or levied against him and his lot.

7.3. COMPLIANCE WITH DOCUMENTS. Each owner will comply with the provisions and terms of the Declaration, and any amendments thereto. Further, each owner will always endeavor to observe and promote the cooperative purposes for which the Property was established.

ARTICLE 8

ASSOCIATION RECORDS

8.1. INSPECTION OF BOOKS AND RECORDS. Books and records of the Association will be made available for inspection and copying pursuant to applicable law, such as Section 22.351 of the Code and Section 209.005 Texas Property Code.⁷³

8.1.1. Proper Purpose. The board may require a member to submit a written demand for inspection, stating the purpose for which the member will inspect the books and records. The board has the following rights:

- (1) to determine whether the member's purpose for inspection is proper; (2) to deny

the request if the board determines that the member's purpose is not proper; (3) if granting the request, to identify which books and records are relevant to the member's stated purpose for inspection.

8.1.2. Copies. A member, at member's expense, may obtain photocopies of books and records for which the board grants the right of inspection. The board has the right to retain possession of the original books and records, to make copies requested by the member, and to charge the member a reasonable fee for copying.

8.1.3. Member's Agent. A member's inspection of the books and records may be assisted or performed by the member's agent, accountant, or attorney.

8.1.4. Records of Attorneys and Accountants. The files and records of an attorney or accountant who performs services for the Association are not records of the Association, are not subject to inspection by members, and are not subject to production in a legal proceeding.

8.2. RESALE CERTIFICATES. Any officer may prepare, or cause to be prepared, assessment estoppel certificates or resale certificates pursuant to applicable law, such as Chapter 207 of the Texas Property Code, titled Disclosure of Information by Property Owners Association. The Association may charge a reasonable fee for preparing such certificates, and may refuse to furnish such certificates until the fee is paid. Any unpaid fees may be assessed against the lot for which the certificate is furnished. The Association may delegate the responsibility for a resale certificate to its managing agent, if any.

8.3. MANAGEMENT CERTIFICATE. As required by applicable law, such as Section 209.004 of the Texas Property Code, the Association will maintain a current management certificate in the county's public records. When the Association has notice of a change in any information in the recorded certificate, the Association will prepare a restated or amended certificate and deliver it to the county clerk for filing. Absent gross negligence, the Association is not liable for a delay or failure to record a certificate. The Association may delegate the responsibility for a management certificate to its managing agent, if any.

8.4. MEMBERSHIP LIST. The board must maintain a comprehensive list of Association members for compliance with the Code as well as the Declaration. The Association must make the membership list available to any owner on written request, and may charge a reasonable fee for cost of copying and delivering the owners list.

8.4.1. Types of Information. At a minimum, the Association must maintain for each lot the name and mailing address of at least one owner, and a description of the lot owned (if different from the mailing address). The Association may also maintain, as an Association record, additional contact information for owners, such as phone numbers, fax numbers, email addresses, places of employment, emergency contact information, mortgage information, and any other items of information provided by owners or obtained

by the Association.

8.4.2. Source of Ownership Information. In compiling the ownership or membership list, the Association may rely on any combination of (1) public records, such as tax rolls, (2) documentation provided by title insurance companies, (3) self-reporting by owners and residents, and (4) any other reasonably reliable and customary source of ownership information. The requirement of maintaining ownership records may not be construed to require the Association to affirmatively investigate or research title to a lot.

8.4.3. Information Available to Members. Membership information to be maintained by the Association is similar to what is typically available to the public on the website of the appraisal district, and may not be considered confidential, private, or protected information as between the Association and its members. Neither the Association nor a member of the Association may sell or otherwise market the Association's membership information without the express prior consent of the owners. Each owner, by acquiring an ownership interest in a lot, acknowledges that the owner's contact information is a record of the Association that is available to all members of the Association.

8.4.4. Inspection List. In accordance with applicable law, the Association will prepare a list of owners of all lots in the Property for inspection by the members prior to the meeting. The purpose of the list is to enable members to communicate with each other about the meeting. The inspection list must be available for inspection by the members from the second business day after the date notice of the meeting is given until adjournment of the meeting for which it was prepared. The list may be inspected or copied by an owner or the owner's attorney or agent. The inspection list must have the following characteristics:

- a. The list must be in alphabetical order of owners' surnames, or in numerical order of street addresses.
- b. The list must contain the name of at least one owner of each lot, or an indication that the current ownership cannot be determined and the identity of the last known owner.
- c. The list must contain an address for each member.
- d. The list must identify how many lots are owned by each owner, if that cannot otherwise be determined from the list.
- e. If all lots do not have uniform votes, such as lots owned by Declarant during the Declarant Control Period, the list must identify the number or weight of votes attached to each lot.

- f. The list must identify which owners or lots are ineligible to vote at the meeting due to an assessment delinquency or other disqualifying condition.

ARTICLE 9

NOTICES

9.1. **CO-OWNERS.** If a lot is owned by more than one person, notice to one co-owner is deemed notice to all co-owners. Similarly, notice to one resident of a lot is deemed notice to all residents of the lot.

9.2. **DELIVERY OF NOTICES.** Any written notice required or permitted by these Bylaws may be given personally, by mail, by fax, by email, or by any other method permitted by applicable law, such as the Texas Business Organizations Code. If mailed, the notice is deemed delivered when deposited in the U.S. mail addressed to the member at the address shown on the Association's records. If transmitted by fax or email, the notice is deemed delivered on successful transmission of the facsimile or electronic correspondence. The notice must be sent to the party's last known address as it appears on the records of the Association at the time of transmission. If an owner fails to give the Association an effective address, the notice may be sent (1) to the address of the owner's lot and/or (2) to the owner's address shown on the then-current property tax rolls for the lot. If the Association properly transmits the notice, the owner is deemed to have been given notice whether or not he actually receives it.

9.3. **WAIVER OF NOTICE.** Whenever a notice is required to be given to an owner, member, or director, a written waiver of the notice, signed by the person entitled to the notice, whether before or after the time stated in the notice, is equivalent to giving the notice. Attendance by a member or director at any meeting of the Association or board, respectively, constitutes a waiver of notice by the member or director of the time, place, and purpose of the meeting. If all members or directors are present at any meeting of the Association or board, respectively, no notice is required and any business may be transacted at the meeting.

ARTICLE 10

INDEMNIFICATION

10.1. **GENERAL.** The purpose of this Article is to mandate some of the permissive provisions of Chapter 8 of the Code, and to indemnify Association Leaders whether or not the Association is incorporated at the time indemnification is needed. The definitions of Chapter 8 of the Code are hereby incorporated by reference, without regard to the corporate status of the Association. As used in this Article, "Association Leader" means a person who is a current or former officer or director of the Association, or a current or former committee chair or committee member of the Association.

10.2. **MANDATORY INDEMNIFICATION.** The Association will indemnify an Association Leader who was, is, or is threatened to be made a named defendant or respondent in a proceeding because the person is or was an Association Leader, if the following determinations

are made.

10.2.1. Determinations. It must be determined that the person acted in good faith, and that:

- a. the person reasonably believed (1) in the case of conduct in the person's official capacity, that the person's conduct was in the Association's best interest, or (2) in any other case, that the person's conduct was not opposed to the Association's best interests;
- b. in the case of a criminal proceeding, the person did not have a reasonable cause to believe the person's conduct was unlawful;
- c. with respect to expenses, the amount of expenses other than a judgment is reasonable; and
- d. indemnification should be paid.

10.2.2. Effect of Proceeding Termination. A person does not fail to meet the determination standard solely because of the termination of a proceeding by judgment, order, settlement, conviction, or a plea of *nolo contendere* or its equivalent.

10.2.3. How Determinations Are Made. If all of the directors are disinterested and independent, as defined in the Code, the determinations required under this Section will be made by a special legal counsel selected by the board. Otherwise, the determinations will be made by the owners of a majority of lots in the Property, other than lots owned by persons who are not disinterested and independent as defined in the Code, or by a special legal counsel selected by those owners.

10.3. EXCEPTIONS TO MANDATORY INDEMNIFICATION. A person who is found liable to the Association or is found liable because the person improperly received a personal benefit is not entitled to indemnification under this Article if, in a legal proceeding, the person has been found liable for (1) wilful or intentional misconduct in the performance of the person's duty to the Association, (2) breach of the person's duty of loyalty owed to the Association, or (3) an act or omission not committed in good faith that constitutes a breach of a duty owed by the person to the Association. In all other instances, indemnification of a person who is found liable to the Association is limited to reasonable expenses actually incurred by the person in connection with the proceeding, excluding a judgment, a penalty, a fine, or any other type of sanction. A person indemnified by the Association is considered to have been found liable in relation to a claim, issue, or matter only if the liability is established by an order, including a judgment or decree of a court, and all appeals of the order are exhausted or foreclosed by applicable law.

10.4. EXPENSES. The indemnification provided by this Article covers reasonable expenses and costs, such as legal fees, actually and necessarily incurred by the indemnified person

in connection with a qualified claim.

10.4.1. Advancement of Expenses. The Association may pay or reimburse reasonable expenses incurred by an indemnified person who was, is, or is threatened to be made a respondent in a proceeding in advance of the final disposition of the proceeding without making the determinations required under the Section above titled "Mandatory Indemnification," after the Association receives a written affirmation by the person of the person's good faith belief that the person has met the standard of conduct necessary for indemnification under this Article, and a written undertaking by or on behalf of the person to repay the amount paid or reimbursed if the final determination is that the person has not met that standard or that indemnification is prohibited by this Article. The required written undertaking must be an unlimited general obligation of the person but need not be secured and may be accepted by the Association without regard to the person's ability to make repayment

10.4.2. Witness Expenses. The Association may pay or reimburse reasonable expenses incurred by an Association Leader, member, employee, agent, or other person in connection with that person's appearance as a witness or other participation in a proceeding at a time when the person is not a respondent in the proceeding.

10.5. INDEMNIFICATION OF OTHER PERSONS. Subject to the same limitations, determinations, and exceptions for Association Leaders, the Association may indemnify and advance expenses to a person who is not otherwise covered by this Article's indemnification as provided by (1) a provision in a Governing Document of the Association, (2) a contract to which the Association is a party, (3) common law, (4) a board resolution, or (5) a resolution approved by the Association's members. A person indemnified under this Section may seek indemnification or advancement of expenses from the Association to the same extent that an Association Leader may seek indemnification or advancement of expenses under this Article.

ARTICLE 12

DECLARANT PROVISIONS

11.1. CONFLICT. The provisions of this Article control over any provision to the contrary elsewhere in these Bylaws.

11.2. BOARD OF DIRECTORS. During the terms of the initial Board of Directors under the provisions of Article V of the Declaration, the Declarant governs the number, qualification, and appointment of directors. The initial directors will be appointed by Declarant and need not be owners or residents. Directors appointed by Declarant may not be removed by the owners and may be removed by Declarant only. Declarant has the right to fill vacancies in any directorship vacated by a Declarant appointee.

11.3. TRANSITION MEETING. Within 60 days after the end of the term of the initial Board of Directors under the provisions of Article V of the Declaration, or sooner at Declarant's

option, Declarant will call a meeting of the members of the Association for the purpose of electing directors, by ballot of members. Notice of the transition meeting will be given as if it were notice of an annual meeting.

ARTICLE 12

AMENDMENTS TO BYLAWS

12.1. **AUTHORITY.** Although the general authority for amending the Bylaws resides with the members of the Association, certain amendments may be made by the board or by Declarant, without a vote of the members, as follows:

12.1.1. **Amendments by Board.** For the following limited purposes, the board may amend these Bylaws with or without approval by the members, provided the proposed amendment has the prior unanimous approval of the directors: (1) to correct mistakes in the Bylaws, (2) to conform the Bylaws to changes in controlling law applicable to any topic addressed in these Bylaws, (3) to change the name of the Association, and (4) to restate previously amended Bylaws for the sole purpose of incorporating the amendments into the body of the Bylaws.

12.1.2. **Amendments by Declarant.** During the term of the initial Board of Directors under the provisions of Article V of the Declaration, Declarant may amend these Bylaws with or without approval by the board or the members, for any purpose.

12.1.3. **Amendments by Members.** All other amendments of these Bylaws must be approved by the members according to the terms of this Article.

12.2. AMENDMENTS BY MEMBERS.

12.2.1. **Proposal.** The Association will provide or make available to an owner of each lot description, if not exact wording, of any proposed amendment. The proposed amendment, description of the proposed amendment, or instructions for obtaining a copy of the proposed amendment at no cost will be included in the notice of any annual or special meeting of the Association at which the proposed amendment is to be considered.

12.2.2. **Consents.** Subject to the following limitation, an amendment of these Bylaws must be approved by members representing at least a majority of the votes present (in person or by proxy) at a properly called meeting of the Association for which a quorum is obtained, in other words, if a quorum is present (in person or by proxy) at an Association meeting, the owners of a majority of the lots represented at the meeting (in person or by proxy) — even if less than a majority of the total lots — may approve an amendment to these Bylaws. This Section, however, may not be amended without the approval of owners representing at least a majority of the total lots in the Property.

12.3. **EFFECTIVE.** To be effective, an amendment must be in the form of a written

instrument (1) referencing the name of the Property, the name of the Association, and the recording data of these Bylaws and any amendments hereto; (2) signed and acknowledged by at least one officer of the Association, certifying the requisite authority and/or approvals; and (3) recorded in the Real Property Records of Hood County, Texas. An amendment may be effective immediately if adopted at an Association meeting at which owners of two-thirds of the lots are represented. Otherwise, an amendment is not effective until 10 days after an owner of each lot is notified of the amendment and provided with a copy of the amendment or instructions for obtaining a copy.

12.4. MORTGAGEE PROTECTION. If a provision in the Declaration or applicable law requires notices to and consent of mortgagees for certain actions and amendments, the Association must give the required notices to and obtain the required approvals from applicable mortgagees.

12.5. DECLARANT PROTECTION. No amendment of these Bylaws may affect Declarant's rights herein, or in the Declaration, without Declarant's written and acknowledged consent. Specifically, this Section, the article titled "Declarant Provisions," and the sections titled "Declarant Control" may not be amended until after the end of the term of the initial Board of Directors under the provisions of Article V of the Declaration, without prior written approval of Declarant. Declarant's written consent must be part of the amendment instrument.

ARTICLE 13 **GENERAL PROVISIONS**

13.1. CONFLICTING PROVISIONS. If any provision of these Bylaws conflict with any provision of the applicable laws of the State of Texas, the conflicting Bylaws provision is null and void, but all other provisions of these Bylaws remains in full force and effect. If a provision of the Association's certificate of formation or Articles of Association conflicts with these Bylaws, the certificate of formation or Articles controls. In the case of any conflict between the Declaration and these Bylaws, the Declaration controls.

13.2. SEVERABILITY. Whenever possible, each provision of these Bylaws will be interpreted in a manner as to be effective and valid. Invalidation of any provision of these Bylaws, by judgment or court order, does not affect any other provision which remains in full force and effect.


13.3. CONSTRUCTION. The effect of a general statement is not limited by the enumerations of specific matters similar to the general. The captions of articles and sections are inserted only for convenience and are in no way to be construed as defining or modifying the text to which they refer. The singular is construed to mean the plural, applicable, and the use of masculine or neuter pronouns includes the feminine.

13.4. FISCAL YEAR. The fiscal year of the Association will be set by resolution of the board, and is subject change from time to time as the board determines. In the absence of a resolution by the board, the calendar year is a fiscal year.

13.5. WAIVER. No restriction, condition, obligation, or covenant contained in these Bylaws may be deemed to have been abrogated or waived by reason of failure to enforce the same, irrespective of the number of violations breaches thereof which may occur.

Decordova Ranch Property Owner's Association

By:



Philip W. Hope, President

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of DECORDOVA PROPERTY OWNER'S ASSOCIATION and that these Amended and Restated Bylaws were adopted by the Declarant pursuant to Paragraph 13.1.2 of the prior Bylaws on May 10, 2011.

Dated: May 10th 2011

RETURN:


Joseph Parner, Secretary of the Association
Secretary of the Association

JEFFREY THOMPSON
1030 E Hwy 377
STE 110 - 370
GRANBURY TX 76048

ACKNOWLEDGMENT

STATE OF TEXAS

COUNTY OF HOOD

This instrument was acknowledged before me on the 10 day of May, 2011, by Philip W. Hope, President DECORDOVA RANCH PROPERTY OWNER'S ASSOCIATION, a Texas non-profit corporation and property owners association.


Cathy Kidd
Notary Public, State of Texas

My Commission Expires: November 24, 2013