

**BYLAWS
OF
BRIDLEWOOD RANCHES PROPERTY OWNERS ASSOCIATION
A NONPROFIT CORPORATION**

1. NAME AND LOCATION

- 1.1 The name of the corporation is **BRIDLEWOOD RANCHES PROPERTY OWNERS ASSOCIATION**.
- 1.2 The principal office of the corporation shall be located at 9670 Ranch Road 12, Wimberley, Texas 78676.

2. DEFINITIONS

- 2.1 "Association" shall mean and refer to **BRIDLEWOOD RANCHES PROPERTY OWNERS ASSOCIATION**, its successors and assigns.
- 2.2 "Common Area" shall mean all real property owned by or dedicated to the Association for the common use and enjoyment of the Owners.
- 2.3 "Declarant" shall mean and refer to **RIVER CHASE VENTURE, LTD.**, a Texas Limited Partnership, acting herein by and through **SOUTHERLAND/RCR MANAGEMENT, INC.**, a Texas Corporation, its General Partner, its successors and assigns, if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.
- 2.4 "Declarations" shall mean and refer to the Declarations of Covenants, Conditions, and Restrictions applicable to the Subdivision and now or hereafter of record in the Office of the County Clerk of Hays County, Texas.
- 2.5 "Lot" shall mean and refer to any plot of land within the BridleWood Ranches Subdivision to be used as a Homesite.
- 2.6 "Member" shall mean and refer to those persons entitled to membership in the Association as provided in the Declarations.
- 2.7 "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Subdivision; provided, however, that the Seller under a recorded Contract for Deed shall be deemed the "Owner" of any such Lot until such time a Warranty Deed is given.
- 2.8 "Subdivision" shall mean and refer to that certain 1676.25 acres, more or less, of real property known as BridleWood Ranches together with any other property developer may own or hereafter acquire and annex into BridleWood Ranches.

3. MEETINGS OF MEMBERS

- 3.1 **Annual Meetings.** The first annual meeting of Members shall be within one year from the date of incorporation of the Association or not later than thirty (30) days after Developer has conveyed a total of 1660 acres out of the Subdivision, whichever last occurs. Subsequent annual meetings of Members shall be held on the same day of the same month of each year thereafter at the hour of 7:00 o'clock p.m. If the day for the annual meetings of Members is a legal holiday, the meeting will be held at the same hour on the next following day which is not a legal holiday.
- 3.2 **Special Meetings.** Special meetings of the Members may be called at any time by the President or by the Board of Directors, or on written request of Members who are entitled to cast one-fourth of all votes.
- 3.3 **Notice of Meetings.** Except as provided in the Declarations, written notice of each meeting of Members shall be given by, or at the direction of, the Secretary or other person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) but not more than fifty (50) days before such meeting to each Member entitled to vote thereafter, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of receiving notice, or by publishing in a weekly Hays County newspaper notice of the meeting for at least two (2) consecutive weeks prior to said meeting. Such notice shall specify the day, hour, and place of the meeting, and in the case of a special meeting, the purpose of the meeting.
- 3.4 **Quorum.** The presence at the meeting, in person or by proxy, of Members entitled to cast twenty percent (20%) of the votes of the membership shall constitute a quorum for authorization of any action, except as may otherwise be provided in the Declarations, the Articles of Incorporation, or these Bylaws. If a quorum is not present at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.
- 3.5 **Proxies.** At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Proxies shall be revocable and shall have a duration of no longer than one year unless otherwise specified on the face of the proxy. The proxy of any power shall automatically terminate on conveyance by the Member of his Lot.

4. MEMBER VOTING RIGHTS

- 4.1 **Voting Member.** Any Member who is current in the payment of any and all assessments due to the Association and is not otherwise in default under any of the subdivision restrictions shall be allowed to vote at any and/or all meetings.
- 4.2 **Nonvoting Members.** Any Member who is not current in the payment of any

assessment due to the Association or is in default under any of the subdivision restrictions shall not be allowed to vote at any meeting until such payment is made in full or such default is cured.

5. **BOARD OF DIRECTORS - TERM OF OFFICE; FIRST ELECTION; REMOVAL**

5.1 **Number.** A Board of three (3) Directors, who need not be Members of the Association, shall manage the affairs of the Association.

5.2 **Term of Office.** The initial Board of Directors shall serve until the Control Transfer Date (as defined in the Restrictions) occurs. Upon the Control Transfer Date, the Developer shall appoint the Board of Directors. The Directors shall be classified with respect to the time for which they hold office by dividing them into three classes, each class consisting of one Director, and each Director shall hold office until his successor shall be elected and shall qualify. At the first annual meeting of the Members, the Director in the first class shall be elected for a one (1) year term; the Director in the second class shall be elected for a term of two (2) years; the Director in the third class shall be elected for a term of three (3) years; and at each annual election thereafter the successors to the class whose term shall expire that year shall be elected to hold office for the term of three (3) years, so that the term of office of one class shall expire in each year.

5.3 **Removal.** Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation, or removal of a Director, his successor shall be selected by the remaining Directors of the Board and shall serve for the unexpired term of his predecessor.

5.4 **Compensation.** No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

6. **BOARD OF DIRECTORS - NOMINATION AND ELECTION**

6.1 **Nomination.** Nomination for election to the Board of Directors shall be by nominating committee. However, nominations may also be made from the floor at any annual meeting of Members. The nominating committee shall consist of a chairman who shall be a Member of the Board of Directors, and two (2) or more Members of the Association. The committee shall be appointed by the Board of Directors prior to each annual meeting to serve from the close of such meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The nominating committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but in no event shall it nominate less than the number of vacancies to be filled.

6.2 **Election.** Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as

many votes as they are entitled to exercise under the provisions of the Declarations. Persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

7. BOARD OF DIRECTORS - MEETINGS

- 7.1 **Regular Meetings.** Regular meetings of the Board of Directors shall be held annually on the first day of February without notice, at such place and hour as may be fixed from time to time by resolution of the Board. In the event the regular date for a meeting falls on a legal holiday, such meeting shall be held at the same time on the next following day which is not a legal holiday.
- 7.2 **Special Meetings.** Special Meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Directors, after not less than three (3) days' notice to each Director.
- 7.3 **Quorum.** A majority of the Directors shall constitute a quorum for the transaction of business. Every act performed or decision made by a majority of Directors present at a duly held meeting in which a quorum is present shall constitute the act or decision of the Board.

8. BOARD OF DIRECTORS - POWERS AND DUTIES

- 8.1 **Powers.** The Board of Directors shall have power to:
 - 8.1.1 Adopt and publish rules and regulations governing the use of the common areas and facilities including the personal conduct of the Members and their guests thereon; and to establish penalties for infractions of such rules and regulations;
 - 8.1.2 Suspend the voting rights and right to use of the recreational facilities of any Member during any period in which such Member is in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed thirty (30) days; for infraction of published rules and regulations;
 - 8.1.3 Exercise on behalf of the Association all powers, duties, and authority vested in or delegated to the association and not specifically reserved to the membership by the Declarations, Articles of Incorporation, or by other provisions of these Bylaws;
 - 8.1.4 Declare the office of a member of the Board of Directors to be vacant in the event that such member is absent from three (3) consecutive regular meetings of the Board of Directors; and
 - 8.1.5 Employ a manager, independent contractors, and such other employees as

they may deem necessary, and to prescribe their duties.

8.2 **Duties.** It shall be the duty of the Board of Directors to:

- 8.2.1 Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at each annual meeting, or at any special meeting at which such a statement is required in writing by the Members entitled to cast one-fourth of the votes thereat;
- 8.2.2 Supervise all officers, agents, and employees of the Association and see to it their duties are properly performed;
- 8.2.3 (1) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
- 8.2.3 (2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
- 8.2.3 (3) As an option to enforce the lien, foreclosure of same against any property for which assessments are not paid within thirty (30) days after the due date, or to bring an action at law against the Owner personally obligated to pay the same.
- 8.2.4 Issue, or cause an appropriate officer to issue, on demand by any person, a certificate setting forth whether or not any assessment has been paid. A statement in a certificate to the effect that an assessment has been paid shall constitute conclusive evidence of such payment. The Board may impose a reasonable charge for the issuance of these certificates.
- 8.2.5 Procure and maintain adequate liability and hazard insurance on all property owned by the Association;
- 8.2.6 Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and
- 8.2.7 Cause the Common Area to be maintained.

9. **OFFICERS AND THEIR DUTIES**

- 9.1 **Enumeration of Offices.** The officers of the Association shall be a President and Vice President, who shall at all times be Members of the Board of Directors, and a Secretary, Treasurer, and such other officers as the Board may from time to time by resolution create.
- 9.2 **Election of Officers.** The election of officers shall take place at the first meeting of

the Board of Directors following each annual meeting of Members.

- 9.3 **Term.** The officers of the Association shall be elected annually by the Board. Each shall hold office for a term of one (1) year unless he shall sooner resign, or shall be removed or otherwise disqualified to serve.
- 9.4 **Special Appointments.** The Board may elect such other officers as the affairs in the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time, determine.
- 9.5 **Resignation and Removal.** Any officer may be removed from office by the Board at any time with or without cause. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
- 9.6 **Vacancies.** A vacancy in any office may be filled by appointment of the Board. The officer appointed to such vacancy shall serve for the unexpired term of the officer he replaces.
- 9.7 **Multiple Offices.** The offices of Secretary and Treasurer may be held by the same person.
- 9.8 **Duties.** The duties of the officers are as follows:
- 9.8.1 **President.** The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, and other instruments, and shall co-sign all checks and promissory notes.
- 9.8.2 **Vice President.** The Vice President shall act in the place of the President in the event of his absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.
- 9.8.3 **Secretary.** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of Members; keep appropriate current records showing the Members of the Association together with their addresses; and perform such other duties as may be required by the Board or by law.
- 9.8.4 **Treasurer.** The Treasurer shall receive and deposit in appropriate bank accounts all funds of the Association, and shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign all checks and promissory notes of the Association; shall keep proper books of account; shall cause an annual audit of the Association books to be made by a certified

public accountant at the completion of each fiscal year; and shall prepare an annual budget and statement of income and expenditures, a copy of which documents shall be delivered to each Member, and a report on which shall be given at the regular meeting of Members.

10. COMMITTEES

10.1 The Association shall have an architectural committee, as provided in the Declarations, and a nominating committee as provided in Article 6 of these Bylaws. In addition, the Board of Directors may appoint such other committees as it may deem appropriate in the performance of its duties.

10.2 **Term.** The initial Board of Directors shall serve as the Architectural Control Committee until the Control Transfer Date (as defined in the Restrictions). Upon the Control Transfer Date, the Developer shall appoint the Architectural Control Committee, which shall serve staggered three year terms, with the first member of the Architectural Control Committee being elected at the next annual meeting.

11. ASSESSMENTS

11.1 As more fully provided in the Declarations, each Member is obligated to pay the Association annual and special assessments which are secured by a continuing lien on the property against which such assessments are made. Any assessments which are not paid when due are considered delinquent. If an assessment is not paid within thirty (30) days after the due date, the assessment bears interest from the date of delinquency at the lesser of (i) the rate of eighteen percent (18%) per annum or (ii) the maximum rate permitted by law, and the Association may bring an action at law against the Owner personally obligated to pay the same, or may foreclose the lien against his property. Interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of any assessment due. No Owner may waive or otherwise escape liability for assessments by nonuse of the Common Area or abandonment of his Lot.

12. BOOKS AND RECORDS; INSPECTION

12.1 The books, records, papers of the Association shall be subject to inspection by any Member during ordinary business hours. The Declarations, Articles of Incorporation, and Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies shall be made available for sale at a reasonable price.

13. FISCAL YEAR

13.1 The fiscal year of the Association shall be the calendar year, except that the first fiscal period shall begin on the date of incorporation and shall end on December 31st of the year of incorporation.

14. **AMENDMENTS**

14.1 These Bylaws may be amended by the Board of Directors at any annual or special meeting, or by the Members at a regular or special meeting of Members, by vote of a majority of a quorum of Members present in person or proxy.

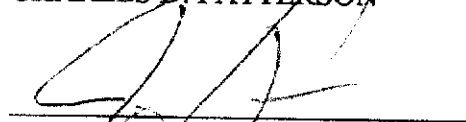
15. **CONFLICTS**

15.1 In the case of any conflict between the Articles of Incorporation and these Bylaws, the articles shall control; in the case of any conflict between the Declarations and these Bylaws, the Declarations shall control.

Unanimously adopted by the Board of Directors on the 17th day of September, 2002.



CHARLES D. PATTERSON



JAY PATTERSON



MIKE BURTON