

**BYLAWS
OF
CROSS MOUNTAIN RANCH HOMEOWNERS COOPERATIVE**

SECTION I

NAME AND LOCATION

Section 1.1 Name

The name of the cooperative association is CROSS MOUNTAIN RANCH HOMEOWNERS COOPERATIVE, hereinafter referred to as the "Association".

Section 1.2 Location

The principal office of the Association shall be located at P.O. Box 690683, San Antonio, Bexar County, Texas 78269, or such other location within Bexar County, Texas, as may be designated from time to time by the Board of Directors.

SECTION II

DEFINITIONS

Section 2.1 Articles

"Articles" shall mean and refer to the Articles of Incorporation of the Association.

Section 2.2 Association

"Association" shall mean and refer to CROSS MOUNTAIN RANCH HOMEOWNERS COOPERATIVE, a Texas cooperative association, its successors and assigns.

Section 2.3 Board

"Board" shall mean and refer to the Board of Directors of the Association.

Section 2.4 Common Area

"Common area" shall mean and refer to all real property and improvements thereon owned by the Association for the common use and enjoyment of the members.

Section 2.5 Declaration

“Declaration” shall mean and refer to the instruments applicable to the various units for the CROSS MOUNTAIN RANCH subdivision of Bexar County, as recorded at:

1. For Unit I, Volume 1934, Pages 552 through 558 of the Real Property Records of Bexar County, Texas,
2. For Unit II, Volume 2405, Pages 1493 through 1501 of the Real Property Records of Bexar County, Texas,
3. For Unit III, Volume 3028, Pages 1691 through 1698 of the Real Property Records of Bexar County, Texas,
4. For Unit IV, volume 3577, Pages 1861 through 1868 of the Real Property Records of Bexar County, Texas,

and as same are amended or extended from time to time.

Section 2.6 CROSS MOUNTAIN RANCH

“CROSS MOUNTAIN RANCH” shall refer to that area which, in the aggregate, comprises the Properties as defined herein.

Section 2.7 Lot

“Lot” shall mean and refer to any parcel of land shown upon the recorded subdivision maps or plats of the Properties, with the exception of the common area.

Section 2.8 Member

“Member” shall mean and refer to every record owner, whether one or more persons or entities, of fee simple title in any lot which is subject by covenants of record to assessment by the Association, and shall include contract sellers but shall not include persons or entities holding an interest merely as security for the performance of an obligation. For example, if three persons together own one such lot, then (i) the three persons together shall be deemed to be one member; and (ii) such three persons must determine among themselves how to cast the one vote attributable to such lot in connection with any vote of members.

Section 2.9 Good Standing

“Good Standing” shall mean members whose annual dues are current and who are not in violation of the Declaration.

Section 2.10 Properties

“Properties” shall mean and refer to that certain real property described in the Declaration and any amendment, supplementation, or extension thereof.

SECTION III

MEETINGS OF MEMBERS

Section 3.1 Place of Meeting

Meetings of the members shall be held at such places within Bexar County, Texas, as may be designated by the Board in the notice of the meeting.

Section 3.2 Annual Meeting

The annual meeting of members for the election of Directors and for the transaction of such business as may properly come before the meeting shall be held in September in Bexar County, Texas, or at such other reasonable time and place not more than 60 days before or after such date, as determined by the Board of Directors and as specified in the notice of such meeting.

Section 3.3 Special Meetings

Special meetings of the members may be called at any time by the President of the Association, by a majority vote of the Directors, or upon a petition signed by ten percent (10%) of the members who would be entitled to cast a vote or votes at such meeting.

Section 3.4 Notice of Meetings

Unless effected as otherwise provided herein or in the Declaration, written or printed notice of each meeting of the members shall be given by or at the direction of the Secretary or other person authorized to call such meeting by mailing postage prepaid to each member entitled to vote thereat, a copy of such notice. Such notice shall be mailed not less than ten (10) nor more than sixty (60) days before the date of such meeting. Such notice shall be addressed to the member at his or her address as it appears on the records of the Association at the time of mailing, and shall specify the place, date, and hour of the meeting and, in the case of a special meeting, the purpose of the meeting. The Board of Directors may, at its sole discretion, determine that instead of mailing such notices, that same shall be distributed by hand to the residence of each member,

to be left with any adult living at the residence or, if no such adult is present, to be attached to the front door of the residence.

Section 3.5 Quorum and Mail Votes

3.5.1 Members holding ten percent (10%) of the votes entitled to be cast shall constitute a quorum, except as otherwise provided herein, in the Articles, in the Declaration, or in the Texas Cooperative Association Act.

3.5.2 In accordance with Section 18 of the Texas Cooperative Association Act, the Secretary of the Association may send to the members, with the notice of any meeting, a copy of any proposal to be offered at such meeting, and each vote cast by mail shall be counted together with those cast at the meeting, to the extent that the mail vote is received by the Association on or before the start of the meeting.

3.5.3 All mail votes cast in the manner set out above shall be counted when determining the existence of a quorum.

Section 3.6 No Proxies

In accordance with Section 17 of the Texas Cooperative Association Act, no member may vote by proxy.

Section 3.7 Rules of Procedure

Meetings of the members shall be conducted in accordance with the rules and procedures outlined in The ABC's of Parliamentary Procedure, published by the Community Association Institute. In the event such rules and procedures do not address a situation with which the Association is presented, the Association shall look to the most recent version of Robert's Rules of Order for guidance on procedural issues.

SECTION IV

MEMBER VOTING

Section 4.1 Member voting

Each member, who is in good standing, shall be entitled to cast one (1) vote on each issue submitted to the members.

Section 4.2 Cumulative Voting

Cumulative voting shall not be permitted.

Section 4.3 Majority Voting

A majority of the votes cast by the members, present in person or by mail, in connection with a meeting for which a quorum has been obtained, shall be necessary for the adoption of any matter by the members, unless a greater proportion is otherwise required by these Bylaws, the Articles, the Declaration, or the Texas Cooperative Association Act.

Section 4.4 Tie Vote

In the event of a tie, the vote of the President of the Association shall be counted twice, so as to break the tie.

SECTION V

DIRECTORS

Section 5.1 Number of Directors

In accordance with Section 21 of the Texas Cooperative Association Act, the affairs of the Association shall be governed by a Board of Directors which shall consist of no less than five (5) persons.

Section 5.2 Election

Members of the Board of Directors shall be elected at large by all members of the Association.

Section 5.3 Qualifications of Directors

A director shall be a member of the Association in good standing at the time of nomination and his or her primary residence shall be in Cross Mountain Ranch at the time of nomination. This section shall not apply to incumbent directors at the time of adoption hereof who may stand for election for successive consecutive terms of office.

Section 5.4 Nomination

- 5.4.1 Nomination for election to the Board shall be made in writing on the form approved and provided by the Nominating Committee (which shall be appointed each year by the Board). However, nomination may also be made orally from the floor at any annual meeting of members. Written nominations shall include the written undertaking of the nominee to serve if elected. Written nominations shall be accepted until 5:00 p.m. 60 days before the annual meeting by the election officer designated by the Board, and no written nomination shall be accepted thereafter.
- 5.4.2 The election officer shall check all nominations and shall disqualify from election any nominee not qualified for election or improperly nominated. In the event a nominee is disqualified by the election officer, he or she shall be immediately notified in person, by telephone or in writing of such disqualification and shall be entitled to remedy such disqualification within forty-eight (48) hours of such notification, in which case his or her nomination shall be accepted notwithstanding the initial disqualification. The decision of the election officer regarding disqualification shall be final.
- 5.4.3 Notice of election shall be included with the notice of annual meeting and nominees shall provide by specific deadline brief biographical information not exceeding 100 words in length and a picture to be distributed with such notice.

Section 5.5 Direction of Election

The Board shall, by resolution, designate one of its members not standing for re-election to the Board to serve as election officer for the annual election. The election officer shall receive written nominations as provided herein and shall administer the annual election. The election officer shall appoint in writing such assistants as are in his/her judgment required to conduct the election, but in no case shall less than two (2) assistants be designated. Such assistants shall not be paid for their services nor be members of the Board of Directors or a candidate for election thereto.

Section 5.6 Voting

- 5.6.1 Unless another form of voting is adopted at the annual meeting, election to the Board shall be by secret written ballot. The election officer shall prepare or cause to be prepared a written ballot listing in random order the names of nominees for election, said ballot shall also provide write-in space for the names of candidates nominated from the floor at the annual meeting.

- 5.6.2 The election of new members to the Board shall be the first order of business following the adoption of the agenda at the annual meeting. Voting shall remain open for thirty (30) minutes; provided, however that members present and waiting to vote at the end of the voting period aforesaid shall be afforded the opportunity to do so.
- 5.6.3 Voting and the counting of ballots cast shall be conducted by the election officer and his or her assistants. No mail votes for Directors received after the start of the meeting shall be counted. The election officer shall announce the results of balloting before the close of the annual meeting. The President of the Board shall announce only the names(s) of the successful candidate(s) and shall not announce or post the vote totals of the respective candidates. The election officer shall thereafter certify in writing the results of the balloting, which results shall be countersigned by his or her assistants.

Section 5.7 Staggered Terms

No more than three (3) Directors shall be elected to the Board during any one year. Alternate years, no more than two (2) Directors shall be elected to the Board.

Section 5.8 Term of Office

Unless otherwise provided herein, each Director shall be elected for a term of two (2) years.

Section 5.9 Removal of Board Members

- 5.9.1 By Members: A Director may be removed from the Board, at an annual or special meeting of members, by the vote of a majority of a quorum of members entitled to vote at such meeting. The notice of such meeting must state that the removal of the Director at issue shall be voted upon at the meeting. Such Director must be given the opportunity to answer his or her critics at such meeting, prior to the vote on the proposed removal.
- 5.9.2 By Impeachment: A Director may be removed from the Board by impeachment by the Board for conduct unbecoming a member of the Board or other good cause.

Impeachment of a Director shall be commenced by resolution of the Board adopted at any meeting of the Board. Upon adoption of a resolution to consider impeachment, the Board shall at its next regular meeting consider the matter. The President shall appoint one member of the Board to present the case for impeachment and afford the Director whom it is proposed be impeached the opportunity to speak in response at such

meeting. Following presentation of the case for impeachment and response thereto, the Board may, by resolution adopted by a majority of a quorum, impeach such Director, which impeachment shall operate to forthwith remove such Director from and vacate his or her office.

5.9.3 By Declaration of Vacancy: In the event a Director shall be absent from three consecutive meetings of the Board, the Board may by resolution declare his or her office to be vacant, and in such case such Director shall be deemed to have resigned from the Board as of the adoption of such resolution. A meeting, which has been rescheduled, shall not be considered to be a meeting of the Board for the purposes of this section only.

Section 5.10 Deemed Resignation

A director shall be deemed to have resigned thirty days after he or she ceases to be a member of the Association in good standing.

Section 5.11 Vacancies

A vacancy on the Board shall exist on the death, resignation, or removal of any Director, in the event of a declaration of vacancy by the Board, or if the members fail at any annual or special meeting of members at which any Director or Directors are to be elected to elect the number of Directors authorized to be voted for at that meeting.

Section 5.12 Appointment to Fill Vacancies

In the event of a vacancy on the Board, the remaining members of the Board shall select and appoint to the Board a successor who shall serve the unexpired term of his or her predecessor.

SECTION VI

MEETINGS OF DIRECTORS

Section 6.1 Regular Meetings

Regular meetings of the Board shall be held at such place and hour as may be fixed from time to time by the Board. Notice of such meetings shall be given to each Director at least seven days prior to each such meeting, and shall specify the place and time of the such meeting.

Section 6.2 Special Meetings

- 6.2.1 Special meetings of the Board shall be held when called by the President of the Board or by any two (2) directors. Notice of special meetings of the Board shall be given orally or in writing to each Director at least twenty-four (24) hours before any such meeting. Notice shall be deemed to have been given in writing when delivered to the present home address of a Director as shown on the records of the Association.
- 6.2.2 Attendance at a special meeting by a Director shall constitute a waiver of notice of such meeting except where a Director attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 6.3 Open Meetings

Regular meetings of the Board shall be open to all members of the Association; provided, however, that members who are not members of the Board may not participate in any deliberation or discussion unless recognized by the Chair to so participate. Such recognition may be overruled by a vote of a majority of a quorum of the Board. The Board may, with the approval of a majority of a quorum of its members, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, property matters, litigation in which the Association is or may become involved, and orders of business relating to matters which are or may be the subject of a claim or privilege or for any other purpose deemed appropriate in the discretion of the Board.

Section 6.4 Quorum

A majority of the Board shall constitute a quorum for the transaction of business. Every act of decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be the act of the Board, unless a greater number is required by law.

Section 6.5 Action Taken Without a Meeting

- 6.5.1 Emergency: Directors shall have the right to take emergency action which they could take at a duly constituted meeting without a meeting by obtaining approval of a majority of Board members. Any action so approved shall have the same effect as if taken at a meeting of the Board, shall be evidenced by sworn affidavit and shall be documented in the minutes of the next regular Board meeting.

6.5.2 By Consent: Any action which may be taken at a meeting of the Directors may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all Directors. Any action so approved shall have the same effect as if taken at a meeting of the Board and shall be documented in the minutes of the next regular Board meeting.

6.5.3 By Conference, Telephone, or Similar Equipment: Any regular or special meeting of the Board may be held by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear and be heard by each other. Participation in such a meeting shall be deemed to be presence in person at the meeting.

Section 6.6 Rules of Order

Regular meetings of the Board shall be conducted in accordance with the procedures outlined in The ABC's of Parliamentary Procedure, published by the Community Associations Institute. In the event such rules and procedures do not address a situation with which the Association is presented, the Association shall look to the most recent version of Robert's Rules of Order for guidance on procedural issues.

SECTION VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.1 Powers of the Board

The Board of Directors shall have the power to:

- (a) adopt and publish rules and regulations governing the use of the common area and facilities and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof, which penalties may include fines, or the suspension of the right of a member to use the common area and facilities;
- (b) suspend the voting rights of any member and/or the right of any member to use of the common area and facilities during any period in which such member shall be in default in the payment of any assessment levied by or for the benefit of the Association;
- (c) hire such personnel as are in the opinion of the Board necessary for the efficient and effective operation of the Association and delegate to such personnel such of the rights, powers, and privileges of the Board as to the Board may seem necessary and advisable;

- (d) exercise the rights, powers, and privileges delegated to the Board herein;
- (e) exercise for the Association all powers, duties, and authorities vested in or delegated to the Association and not otherwise reserved to the members of the Association herein, or in the Articles, the Declaration, or the Texas Cooperative Association Act.

Section 7.2 Method of Exercise of Powers

The Board shall exercise its rights, powers, and privileges by resolution.

Section 7.3 Organization of the Board

The Board shall organize itself to exercise its rights, powers, and privileges and carry out its duties and responsibilities in such a manner as it shall, from time to time, determine and shall be authorized to organize, appoint, and regulate standing and select committees to advise the Board from time to time as seems prudent.

Section 7.4 Offices Of the Board

7.4.1 Election: The Board shall meet each year within fourteen (14) days following the annual meeting to elect a President, Vice President, Secretary and Treasurer who shall at all times be members of the Board. Officers of the Board shall serve for one (1) year unless they or any of them shall sooner resign, be removed or otherwise become disqualified to serve.

7.4.2 Removal: An officer may be removed from office at any time by the vote of a majority of the Board. An officer may resign at any time by giving written notice to the Board and such resignation shall be effective on the date of receipt of such notice or such later time specified therein, and the acceptance of such resignation shall not be necessary to make it effective.

Section 7.5 Compensation of Directors

No Director shall receive compensation for any service he or she shall render to the Association. Any Director may be reimbursed for his or her actual expenses incurred in the performance of designated duties.

Section 7.6 Duties of the Board

It shall be the duty of the Board to:

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present an annual report thereof to the members at the annual meeting of the members;
- (b) supervise all Association officers and agents and to see that their duties are properly performed;
- (c) fix the amount of the annual assessment of each lot as more fully provided in the Declaration;
- (d) cause written notice of assessment to be sent to each owner subject thereto at least thirty (30) days before the date when payment of such assessment is due;
- (e) cause collection action to be taken to secure and collect delinquent assessments as more particularly set out in the Declaration;
- (f) procure and maintain adequate liability, property, and casualty insurance on employees, common area and facilities, and cause all officers or employees to be bonded, as it may deem appropriate;
- (g) cause the common area and facilities to be maintained;
- (h) carry out short term and long range planning and policy development for the Association;
- (i) supervise and direct the financial management and development of the Association;
- (j) direct the provision of services to members;
- (k) undertake to provide means of communications with Association members;
- (l) add new units of the Cross Mountain Ranch Subdivision to the membership of the Association to be effective at such times as the plats for said new units are filed for record; and
- (m) cause the enforcement of the Declaration.

Section 7.7 Recordkeeping

In accordance with Section 35 of the Texas Cooperative Association Act, the Board shall ensure that a set of books for the Association is kept, according to standard accounting practices. A written report shall be submitted by the Board

to the annual meeting of the Association, which shall include the following: (i) a balance sheet, and an income and expense statement; and (ii) the total number of members of the Association, the number of members who were admitted or withdrew during the year, and the amount of membership fees received.

Section 7.8 Annual Report

In accordance with Section 36 of the Texas Cooperative Association Act, the Board shall cause the Association to prepare, within 120 days after the end of each fiscal year, a report of the Association's financial condition, sworn to by the President and the Secretary, which report shall be filed in the Association's registered office. The report shall state:

- (a) the name and principal address of the Association;
- (b) the names, addresses, occupations and the date of expiration of the terms of the officers and directors of the Association, and their compensation, if any;
- (c) the total number of the Association's members, the number of members who were admitted or withdrew during the year, and the amount of membership fees received by the Association; and
- (d) the receipt, expenditures, assets and liabilities of the Association for such fiscal year.

SECTION VIII

OFFICERS

Section 8.1 Officers

- 8.1.1 Officers Generally: The offices of the Association shall be the President of the Board, Vice President, Secretary, Treasurer, and such other offices as the Board may from time to time by resolution create.
- 8.1.2 Offices of President and Secretary: The office of President and Secretary of the Association cannot be held by the same Director.
- 8.1.3 Offices of Vice President, Secretary, and Treasurer: The offices of Vice President, Secretary, and Treasurer of the Association may, but need not, be held by the same Director.

Section 8.2 Removal or Resignation of Officers

Any officer may be removed from office by the Board at any time without cause, and may resign at any time by giving written notice to the Board. Such resignation shall take effect on the date of receipt of such notice or any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 8.3 Vacancies

A vacancy in any office may be filled by appointment by the Board. The officer appointed to fill such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 8.4 Duties of Officers

8.4.1 President of the Board: The President of the Board shall be the Chief Executive Officer of the Association and shall preside at all meetings of the Board and of the members; shall in consultation with the Secretary set the agenda for all meetings of the Board and of the members; and with the approval of the Board shall appoint committee chairpersons.

The President of the Board shall be at liberty to participate in all the discussions of the Board and vote on any motion thereof.

8.4.2 Vice President of the Board: The Vice President of the Board shall act in the place and stead of the President in his or her absence, or inability or refusal to act, and shall exercise and discharge such other duties as may be required of him or her by the Board.

8.4.3 Secretary: the Secretary shall be the Chief Administrative Officer of the Association and shall record or cause to be recorded the proceedings of all meetings of the Board and of the members; if applicable, keep and affix or cause to be affixed the corporate seal of the Association as required; serve or cause to be served notice of meetings of the Board and of the members; keep or cause to be kept appropriate records showing the members of the Association; and perform such other duties as may be required by the Board.

8.4.4 Treasurer: The Treasurer shall be the Chief Financial Officer of the Association and shall receive/deposit in banking accounts approved by the Board, account for and disburse or cause to be received, deposited, accounted for and disbursed, the monies of the Association, keep or cause to be kept proper books of account; prepare an annual budget; prepare for the annual meeting of the members a report of the financial activity of the Association for the preceding year.

SECTION IX

COMMUNITY MANAGER

Section 9.1 Appointment

The Board may employ or contract with a Community Manager to whom the Board may delegate such duties and responsibilities as are appropriate on such terms and conditions and with such compensation as the Board may determine. A corporation, limited liability company, or partnership may be appointed as Community Manager.

SECTION X

INDEMNIFICATION

Section 10.1 Liability and Indemnification

No member of the Board or any other officer or employee of the Association or member of any committee of the Association appointed by the Board shall be personally liable in his or her official capacity to any member, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of such person, the Association, the Board, or any representative or employee of the Association, provided that such person has, upon the basis of such information as may be possessed by him or her, acted in good faith. In the event any action is brought against any such person or entity, the Association shall, to the fullest extent allowed by applicable law, indemnify such person or entity for all reasonable costs, including attorney's fees, incurred in the defense of such action, including any settlement thereof. The Board shall be responsible to obtain insurance, to the extent practicable, to provide the indemnification described in this section.

SECTION XI

ASSESSMENTS

Section 11.1 Lien and Personal Obligation of Assessments

Developer hereby covenants for each lot within the subdivision, and each owner of a lot is hereby deemed to covenant by acceptance of his deed for such lot,

whether or not it shall be so expressed in his deed, to pay annual assessments to the Association. Such assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and a continuing lien on each lot against which such an assessment is made. Each such assessment, together with interest, costs, and reasonable attorneys' fees shall be the personal obligation of the person or persons who owned the lot at the time the assessment fell due, but such personal obligation shall not pass to the successors of title of such person or persons unless expressly assumed by them, however, no successive owner shall be entitled to any privileges of ownership in the Association, including use of facilities and services, until any prior assessment liens are fully discharged.

Section 11.2 Purpose of Annual Assessments

The annual assessments levied by the Association shall be used exclusively to promote the health, safety, welfare, and recreation of the residents in the subdivision, and for the improvements and maintenance of the common areas, if any, and of the homes situated within the subdivision. Annual assessments may include, and the Association may use the funds derived from annual assessments for the purposes following:

- 11.2.1 Maintenance and repair of the common areas, if any.
- 11.2.2 Coordination with legal authorities for fire and police protection.
- 11.2.3 Social functions for members of the Association and their families.
- 11.2.4 Acquisition of furnishings and equipment for the common areas, if any, as may be determined by the Association, including without limitation all equipment, furnishings and personnel necessary or proper for use of the recreational facilities.
- 11.2.5 Liability insurance insuring the Association and its directors and officers against any and all liability to the public, to any owner, or to the invitees or tenants of any owner arising out of their occupation and/or use of the common area. The policy limits shall be set by the Association, and shall be reviewed at least annually and increased or decreased at the discretion of the Association.
- 11.2.6 Workmen's Compensation Insurance to the extent necessary to comply with applicable law, and any other insurance deemed necessary by the Board of Directors of the Association.

- 11.2.7 A Standard Fidelity Bond covering all members of the Board of Directors of the Association and all offices of the Association and, at the discretion of the Board, employees of the Association, in such amounts to be determined by the Board of Directors.
- 11.2.8 Security Services as may be deemed necessary in the opinion of the Board of Directors.
- 11.2.9 Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, insurance, taxes, or assessments which the Association is required to secure or pay pursuant to the terms of the Declaration or by law, or which shall be necessary or proper in the opinion of the Board of Directors of the Association for the operation of the common areas, or for the benefit of the Association's members.
- 11.2.10 Wherever weeds, brush or rubbish grow or accumulate on the lot of any owner to the point that such accumulation or growth is, in the opinion of the Board of Directors of the Association, unsightly or unhealthy, the Board of Directors shall notify the owner of the lot in writing of the existence of such condition, and shall direct him to abate such condition by clearing off such weeds, brush or rubbish. Such notice shall state that in default of abatement of such condition within ten (10) days of notice to do so, the Board of Directors may at once cause the same to be done and assess the cost and expense thereof to the owner of such lot and affix a lien therefor on such lot which shall operate in the manner provided in Section 11.1, above.
- 11.2.11 All of the above and foregoing services are listed for the purpose of showing what is within the authority of the Board of Directors, but not as an obligation of the Board of Directors or the Association. The Board of Directors shall not obligate the Association to provide any additional services without an affirmative vote of the members, and the Board of Directors shall not enter into any contract for services for duration in excess of one year.

Section 11.3 Assessments

- 11.3.1 The sum of \$24.00 per year, payable annually, will be paid by all lot owners per lot.
- 11.3.2 Additional assessments, which shall be charged members, shall be authorized by the members at a duly noticed and quorumed meeting of members, in such amounts as are necessary to cover the actual costs of services furnished and other authorized purposes of the Association, and shall not exceed such costs.

Section 11.4 Notice and Quorum for Action Authorized Under Section 11.3

Written notice of any meeting called for the purpose of authorizing additional assessments shall be sent to all members as provided for in Section III.

Section 11.5 Uniform Rate of Assessment

Both annual and special assessments must be fixed at a uniform rate for all lots.

Section 11.6 Collection of Annual Assessments

Assessments are to be paid annually. Notice of the annual assessment shall be sent to every owner subject thereto. The Association shall, on demand and for reasonable charge, furnish a certificate signed by an officer of the Association, setting forth whether the assessment against a specific lot has been paid, and shall, on or before July 15 of each year, cause to be recorded in the office of the County Clerk of Bexar County, a list of delinquent assessments as of that date.

Section 11.7 Effect of Nonpayment of Assessments; Remedies of the Association

Any assessment not paid within thirty (30) days after the due date shall be deemed in default and shall bear a late fee charge of \$75.00 to cover the Association's administrative costs in connection with the delinquency, plus interest from the due date at a rate equal to the lesser of (i) 18% per annum; or (ii) the highest rate allowed by law. The Association may bring an action at law against the owner personally obligated to pay the same, or may foreclose the lien against the real property. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the common area or abandonment of his lot. Failure to pay assessments as provided herein shall additionally constitute forfeiture of the member's right to vote, which shall not be reinstated until such time as the member shall pay all delinquent assessments and any penalties due thereon.

Section 11.8 Subordination of Assessment Lien to Mortgages

The assessment lien provided for herein shall be subordinate to the lien of any first mortgage. A sale or transfer of any lot pursuant to a mortgage foreclosure or any proceeding in lieu thereof shall extinguish the assessment lien as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

SECTION XII

BOOKS AND RECORDS

Section 12.1 Inspection

The books, records, and papers of the Association shall at all times during reasonable business hours be available for inspection by any member for any proper purpose.

Section 12.2 Copies of Declaration, Articles, and Bylaws

Copies of the Declaration, Articles, and Bylaws of the Association shall be made available to any member at the principal office of the Association at a reasonable cost to be fixed from time to time by resolution of the Board.

Section 12.3 Minutes Generally

Minutes shall be kept of all meetings of the members, the Board, and committees of the Board.

Section 12.4 Content of Minutes

Minutes shall record motions made, resolutions adopted, decisions made, and actions taken and shall briefly summarize the discussions and deliberations of the meeting so as to provide appropriate background information.

Minutes shall state whether or not a motion was carried unanimously, or was carried, or defeated, and in the case of Board meetings, shall identify those Directors voting for or against a motion, as well as those Directors abstaining from voting thereon.

Section 12.5 Adoption and Signature of Minutes

Minutes of a meeting of the members shall be presented to the members for adoption at the next meeting of the members. Upon adoption, the minutes shall be certified as correct by the then President and Community Manager. Minutes of a meeting of the Board shall be presented to the Board for adoption at the next regular meeting of the Board. Upon adoption, the minutes shall be certified as correct by the then President.

Minutes of a meeting of a committee of the Board shall not require adoption nor certification.

SECTION XIII

CHECKS

Section 13.1 Signature of Checks

Checks in operating accounts shall require two (2) authorized signatures. Withdrawals from all reserve accounts shall be countersigned by three (3) authorized signatories. Only members of the Board and the Community Manager may be designated as authorized signatories on these accounts.

Section 14.1 Non-Profit Purpose

In order to preserve the non-profit status of the Association, neither the Board nor any member thereof shall do any act, authorize or suffer the doing of any act by an officer or employee of the Association on behalf of the Association which is inconsistent with the Declaration, Articles, these Bylaws, the Texas Cooperative Association Act, or Section 528 of the Internal Revenue Code, and any such act shall be ultra vires and void.

SECTION XV

GENERAL PROVISIONS

Section 15.1 Corporate Seal

The Board of Directors may, by resolution, adopt a corporate seal.

Section 15.2 Registered Agent

The Registered Agent shall be the President of the Board, and a Statement of Change of Registered Agent and Registered Office shall be executed by the new President and filed with the Texas Secretary of State upon the election of a new President of the Association.

Section 15.3 Execution of Documents

The Board may, except as otherwise provided in the Declaration, Articles or these Bylaws, authorize any Director, officer or agent to execute any instrument or document in the name of and on behalf of the Association and affix the corporate seal thereto. Such authority may be general or confined to specific instances. Unless so expressly authorized by the Board through written

resolution, no Director, officer, agent, or employee shall have any power or authority to bind the Association to any contract or engagement, or to pledge its credit, or to render it liable for any purpose or for any amount.

Section 15.4 Fiscal Year

The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December in each year.

Section 15.5 Conflicts

These Bylaws are intended to comply with the Texas Cooperative Association Act, the Declaration, and Articles of Incorporation. In case of an irreconcilable conflict, such stature and documents shall control over these Bylaws.

Section 15.6 Replacement

These Bylaws supersede and completely replace any and all previous Bylaws and amendments thereto, and will be considered the official Bylaws of the Association.

SECTION XVI

AMENDMENTS

Section 16.1 Amendments

These Bylaws may be amended at a duly noticed, regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by mail vote.

SECTION XVII

ARCHITECTURAL REVIEW COMMITTEE AND RESTRICTIONS COMMITTEE

Section 17.1 One Architectural Review Committee and One Restrictions Committee for Entire Subdivision

A single Architectural Review Committee (ARC) and a separate but single Restrictions Committee (RC) shall undertake all responsibilities assigned to each such Committee under each Declaration identified in Section 2.5 of these Bylaws. Each member of the ARC, and each member of the RC, must be a homeowner in Cross Mountain Ranch. When making a decision affecting a

particular parcel of real property, the ARC and RC shall only take into consideration the Declaration applicable to such real property.

Section 17.2 Membership Changes in ARC and RC Committees

The current membership of the Architectural Review Committee and the current membership of the Restrictions are hereby ratified. Vacancies on a Committee [whether caused by death, resignation, removal, or failure (by sale or otherwise) to own any Lot in Cross Mountain Ranch] shall be filled by the remaining members of such Committee.

Section 17.3 Recording of Membership in ARC and RC Committees

The membership and Chair of each Committee shall be publicly available by contacting the President of the Association or by locating such information on the Association's website. When a membership change occurs, it will not be necessary to record the new membership of the ARC or RC, as applicable, in the Official Public Records of Bexar County, Texas, the Real Property Records of Bexar County, Texas, or any other public records.

IN WITNESS WHEREOF, the undersigned has executed these Bylaws as of the 8th day of October, 2009.

ATTEST:

(signature on file)
Signature of the Secretary of the Association
Association

Kathy Haygood
Printed Name of the Secretary of the
Association