

**BYLAWS OF  
ABREGO LAKE HOMEOWNERS ASSOCIATION**

**ARTICLE I.  
NAME AND PRINCIPAL OFFICE**

Section 1.1 Name. The name of the Corporation is ABREGO LAKE HOMEOWNERS ASSOCIATION, hereinafter referred to as the "Association."

Section 1.2 Principal Office. The principal office of the Corporation shall be located at P.O. Box 130, La Vernia, TX 78121, but meetings of Members and Directors may be held at such places within or without the State of Texas as may be designated by the Board of Directors.

**ARTICLE II.  
DEFINITIONS**

Section 2.1 "Association" shall mean and refer to ABREGO LAKE HOMEOWNERS ASSOCIATION, a Texas nonprofit corporation, its successors and assigns.

Section 2.2 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the Properties (as defined below), including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 2.3 "Properties" shall mean and refer to that certain real property made subject to the Declaration of Covenants, Conditions and Restrictions for Abrego Lake Subdivision and such additional property that may annexed thereto pursuant to Article II, Section 2.06 of the Declaration.

Section 2.4 "Common Area" shall mean and refer to all real property to be owned and/or maintained and/or otherwise controlled by the Association for the common use and enjoyment of the Owners as more particularly described in the Declaration.

Section 2.5 "Lot" shall mean and refer to all plots of land subjected to the Declaration of Covenants, Conditions and Restrictions for Abrego Lake Subdivision, with the exception of the Common Area.

Section 2.6 "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions for Abrego Lake Subdivision applicable to the Properties and recorded in the Official Public Records of Real Property of Wilson County, Texas.

Section 2.7 "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III.  
MEETING OF MEMBERS

Section 3.1 Annual Meetings. The first annual meeting of the Members shall be held within one year from the date of formation of the Association, and each subsequent regular annual meeting of the 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 meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 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 upon written request of one-tenth (1/10) of the membership.

Section 3.3 Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or the person authorized to call the meeting, by mailing a copy of such notice (postage prepaid, at least ten, but not more than, sixty days) before such meeting to each Member entitled to vote thereat, 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 notice. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 3.4 Quorum. The presence at the meeting of Members entitled to cast (or of proxies entitled to cast) one-tenth of the votes, shall constitute a quorum for any action except as otherwise provided in the Certificate of Formation, the Declaration or these Bylaws. If, however, such quorum shall not be present or represented 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 as aforesaid shall be present or be represented. At any such reconvened meeting following adjournment due to failure to obtain a quorum, the presence at the meeting of Members entitled to cast (or of proxies entitled to cast) one-twentieth of the votes, shall constitute a quorum for any action except as otherwise provided in the Certificate of Formation, the Declaration or these Bylaws

Section 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. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot. The Board of Directors of the Association may designate an official proxy form, in which case only proxies on the official form shall be valid. Members shall be entitled to obtain from the Secretary as many official proxy forms as they may request.

ARTICLE IV.  
BOARD OF DIRECTORS: SELECTION; TERM OF OFFICE

Section 4.1 Number. The affairs of this Association shall be managed by a Board of three Directors. The number of Directors may be changed by amendment of these Bylaws of the Association. Notwithstanding the foregoing, until the election of Directors at the first annual meeting of the Members, the three initial Board of Directors, as provided in the Certificate of

Formation, shall so serve.

Section 4.2 Term of Office. At the first annual meeting, Members shall elect the entire Board of Directors as follows: one Director shall be elected for a term of one year, one Director shall be elected for a term of two years, and one Director shall be elected to a term of three years; thereafter, all Directors shall be elected for three year terms.

Section 4.3 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 members of the Board and shall serve for the unexpired term of his predecessor.

Section 4.4 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.

Section 4.5 Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting, by obtaining the written unanimous approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

#### ARTICLE V. NOMINATION AND ELECTION OF DIRECTORS

Section 5.1 Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and one or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members to serve from the close of such annual meeting until the close of the next 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 not less than the number of vacancies that are to be filled.

Section 5.2 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 Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 5.3 Qualification. Any person elected or appointed pursuant to the Certificate of Formation of the Association may serve as a Director, provided, however, that no person shall be eligible for election unless they are at the time of nomination an Owner and resident of the Properties, as defined above, nor may any person be eligible for election if they have joint ownership in any Lot with any other person who is a candidate for or member of the Board of Directors.

ARTICLE VI.  
MEETINGS OF DIRECTORS

Section 6.1 Regular Meetings. Regular meetings of the Board of Directors shall be held at least once each year, at such place and hour as may be fixed from time to time by the Board of Directors. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 6.2 Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than three days notice to each Director, unless notice is waived in writing by each Director.

Section 6.3 Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII.  
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.1 Powers. 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.
- (b) Suspend the voting rights and right to use of Common Areas, if any, of a Member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may be suspended after notice and hearing for a period not to exceed sixty days for infraction of published rules and regulations.
- (c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Certificate of Formation or the Declaration.
- (d) Enter into contracts with independent contractors or municipalities for police or security protection, fire protection, landscaping services, and sanitary services such as garbage collection.
- (e) Employ a manager, independent contractors, attorneys, accountants, auditors, or such other employees as they deem necessary, and to prescribe their duties.
- (f) Cause audited or unaudited reports of the business affairs of the Association to be prepared from time to time.

Section 7.2 Duties. It shall be the duty of the Board of Directors to:

- (a) Keep a complete record of all its acts and corporate affairs, and to make those records available to the membership upon written request made in compliance with applicable law;
- (b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) As more fully provided in the Declaration, to:
  - (1) Fix the amount of the annual assessments against each Lot at least thirty days in advance of each annual assessment period;
  - (2) Send written notice of each assessment to every Owner subject thereto at least thirty days in advance of each annual assessment period; and,
  - (3) Foreclose the lien against any property for which assessments are not paid within sixty days after due date or to bring an action at law against the Owner personally obligated to pay the same;
- (d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) Procure and maintain adequate liability and hazard insurance on property owned by the Association;
- (f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and,
- (g) Cause the Common Area to be maintained.

#### ARTICLE VIII. OFFICERS AND THEIR DUTIES

Section 8.1 Enumeration of Offices. The officers of this Association shall be a President and Vice President, who shall at all times be members of the Board of Directors, a Secretary and a Treasurer, and such other officers as the Board may, from time to time, create by resolution.

Section 8.2 Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 8.3 Term. The officers of this Association shall be elected annually by the Board, and

each shall hold office for one year unless he shall sooner resign or shall be removed or otherwise disqualified to serve.

Section 8.4 Special Appointments. The Board may elect such other officers as the affairs of 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.

Section 8.5 Resignation and Removal. Any officer may be removed from office without cause by the Board. Any officer may resign at any time, giving written notice to the Board, the President or 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.

Section 8.6 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 8.7 Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices, except in the case of special offices created, pursuant to Section 8.4 of this Article.

Section 8.8 Duties. The duties of the officers are as follows:

(a) President. The President shall preside at 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 written instruments, and shall co-sign all checks and promissory notes, except as may be otherwise approved by the Board of Directors.

(b) Vice President. The Vice President shall act in the place and stead 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.

(c) 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 the Members; keep appropriate current records showing the Members of the Association, together with their addresses; certify official actions of the Association; and shall perform such other duties as required by the Board.

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association, and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an unaudited annual financial statement of the Association books to be prepared at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE IX.  
BOOKS AND RECORDS

Section 9.1 The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member, pursuant to the requirements of the Texas Business Organizations Code. The Declaration, the Certificate of Formation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE X.  
COMMITTEES

The Board shall appoint a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE XI.  
NO CORPORATE SEAL

The Association shall not be required to have a seal for any purposes.

ARTICLE XII.  
AMENDMENTS


Section 12.1 These Bylaws may be amended at a regular or special meeting of the Members by a vote of a majority of a quorum of the Members present in person or by proxy. These Bylaws may also be amended by a vote of a majority of The Board of Directors.

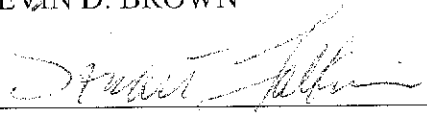
Section 12.2 In the case of any conflict between the Certificate of Formation and these Bylaws, the Certificate shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

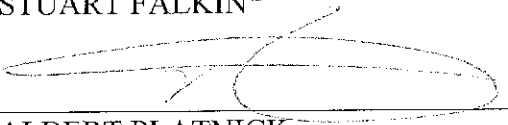
ARTICLE XIII.  
MISCELLANEOUS

Section 13.1 The fiscal year of the Association shall begin on the first day of January in each year and end on the last day of December in each year, except that the first fiscal year shall begin on the date of formation.

IN WITNESS WHEREOF, we, being all of the Initial Directors of ABREGO LAKE HOMEOWNERS ASSOCIATION, have hereunto set our hands as of this 23<sup>rd</sup> day of February, 2006.

  
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KEVIN D. BROWN

  
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STUART FALKIN

  
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ALBERT PLATNICK