

**BYLAWS
OF
PALEFACE RANCH ASSOCIATION, INC.**

**ARTICLE I
DEFINITIONS**

1.01 Subdivision Defined. “Subdivision” shall mean all of that certain real property located in Travis County, Texas, including the land, all improvements and structures thereon, and all easements, rights and appurtenances thereto, more particularly described as follows:

Lots 1 through 40, Paleface Ranch Subdivision, Section I, according to the plat thereof recorded in Book 93, Pages 170 through 173, Plat Records of Travis County, Texas.

Lots 1 through 14, Block B, Lots 1 through 4, Block C, and Lot 46, Paleface Ranch Subdivision, Section 2A, according to the plat thereof recorded in Book 95, Pages 83 through 85, Plat Records of Travis County, Texas, together with Lots 1 through 45, Block A, Lots 15 through 38, Block B, Lots 5 through 16, Block C, and Lot 46, Paleface Ranch Subdivision, Section 2B, according to the plat thereof recorded in Book 95, Pages 86 through 71, Plat Records of Travis County, Texas.

Lots 1 through 27, Block A, and Lot 28, Paleface Ranch Subdivision Section 3, according to the plat thereof recorded in Book 97, Pages 24 through 27, Plat Records of Travis County, Texas.

{Amended 04/22/1995}
{Amended 06/12/1996}

1.02 Declaration Defined. “Declaration” shall mean that certain Declaration of Covenants, Conditions and Restrictions for Paleface Ranch recorded in Volume 12210, Page 0001, of the Real Property Records of Travis County, Texas, as amended by the First Amended Declaration of Covenants, Conditions and Restrictions for Paleface Ranch recorded in Volume 12210, Page 1220, of the Real Property Records of Travis County, Texas, as the same may be amended from time to time in accordance with the terms thereof.

1.03 Other Terms Defined. Other terms used herein shall have the meaning given them in the Declaration and are hereby incorporated by reference and made a part hereof.

ARTICLE II
APPLICABILITY OF BYLAWS

2.01 Corporation. The provisions contained herein constitute the Bylaws of the nonprofit corporation known as Paleface Ranch Association, Inc., and hereinafter referred to as the “Association.”

2.02 Subdivision Applicability. The provisions of these Bylaws are applicable to the Subdivision defined in Paragraph 1.01, above.

2.03 Personal Application. All present and future owners, tenants, future tenants, or their employees, or any other person that might use the facilities of the Subdivision in any manner, are subject the regulations set forth in these Bylaws. The mere acquisition or the mere act of occupancy of any of the lots in the Subdivision will signify that these Bylaws are accepted and ratified and will be complied with by the purchaser, tenant or occupant.

ARTICLE III
OFFICES

3.01 Principal Office. The principal office of the Association shall be located in Travis County, Texas, at such place as may from time to time be designated by a majority of the Board of Directors.

3.02 Registered Office and Registered Agent. The Association shall have and shall continuously maintain in the State of Texas a registered office and a registered agent whose office is identical with such registered office, as required by the Texas Nonprofit Corporation Act. The registered office may be, but need not be, identical with the principal office of the Association, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE IV
QUALIFICATION FOR MEMBERSHIP

4.01 Membership. The membership of the Association shall consist of all the owners of the lots in the Subdivision as provided in Section 8.04 of the Declaration.

4.02 Proof of Membership. The rights of membership shall not be exercised by any person until satisfactory proof has been furnished to the Secretary of the Association that the person is qualified as a Member. Such proof may consist of a copy of a duly executed, acknowledged and recorded deed or title insurance policy evidencing

ownership of a lot in the Subdivision. Such deed or policy shall be deemed conclusive in the absence of a conflicting claim based on a later deed or policy.

4.03 No Additional Qualifications. The sole qualification for membership shall be ownership of a lot in the Subdivision. No initiation fees, costs or dues shall be assessed against any person as a condition of membership, except such assessments, levies and charges as are specifically authorized under the Articles of Incorporation or the Declaration.

4.04 Certificates of Membership. The Board of Directors may provide for the issuance of certificates evidencing membership in the Association which shall be in such form as may be determined by the Board. All certificated evidencing membership shall be consecutively numbered. The name and address of each Member and the date of issuance of the certificate shall be entered on the records of the Association and maintained by the Secretary at the registered office of the Association.

ARTICLE V VOTING RIGHTS

5.01 Voting. Voting shall be as set out in Section 8.05 of the Declaration.

{Amended 09/10/2016}

5.02 Proxies and Absentee Ballots. At all meetings of Members, each Member may vote in person, by proxy or with a Board prepared absentee ballot. All proxies shall be in writing and filed with the Secretary of the Association. Every proxy shall be revocable and shall automatically cease on conveyance by the Member of his lot, or on receipt of notice by the Secretary of the death or judicially declared incompetence of such Member. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise specifically provided in the proxy.

The Board shall prepare an absentee ballot in advance of every annual meeting that identifies all candidates who have requested to be placed on the ballot by the required date and all known items that will be presented for a vote at the annual meeting. Absentee ballots (a) may be counted as an owner present and voting for the purpose of establishing a quorum only for items appearing on the ballot; (b) may not be counted if the owner attends the meeting to vote in person; (c) may not be counted on the final vote of a proposal if the motion was amended at the meeting to be different from the exact language on the absentee ballot. A nomination taken from the floor in a Board of Directors election is not considered an amendment that would invalidate an absentee ballot that omits such nominee's name. No absentee ballot shall be valid unless it is a Board prepared ballot, signed by the Member, dated, and filed with the Secretary of the

Association prior to the meeting for which it is to be effective, or by an earlier date specified in the notice of the meeting.

{Amended 09/10/2016}
{Amended 01/28/2023}

5.03 Quorum. The presence, either in person or by proxy, at any meeting of Members entitled to cast at least twenty-five percent (25%) of the total voting power of the Association shall constitute a quorum for any action, except as otherwise provided in the Declaration. In the absence of a quorum at a meeting of Members, a majority of those Members present in person or by proxy may adjourn the meeting to a time not less than five (5) or more than thirty (30) days from the meeting date.

5.04 Required Vote. The vote of the majority of the votes entitled to be cast by the Members present, or represented by proxy or absentee ballots, at a meeting at which a quorum is present shall be the act of the meeting of Members, unless the vote of a greater number is required by statute or by the Declaration.

{Amended 09/10/2016}

ARTICLE VI MEETINGS OF MEMBERS

6.01 Annual Meetings. The annual meetings of the Members shall be held on the fourth Saturday of January of each calendar year at the hour of 12:30 p.m. If the day for the annual meeting of the Members is a legal holiday, the meeting shall be held at the same hour on the following Saturday which is not a legal holiday.

{Amended 09/10/2016}

{Amended 09/09/2017}

6.02 Special Meetings. Special meetings of the Members may be called by the President, the Board of Directors or by the Members representing at least ten percent (10%) of the total voting power of the Association.

6.03 Notice of Meetings. Notice of all Member's meetings shall be given by or at the direction of the Secretary of the Association (or other persons authorized to call the meeting) by emailing, or mailing if no email address is on file, such notice at least ten

(10) but not more than sixty (60) days before such meeting to each Member entitled to vote at such meeting, addressed to the Member's email address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Member's whose emails are returned undeliverable will be sent a copy of the notice by mail. If an election or vote of the Members will occur, the Association shall provide notice of the meeting to each Member at least 20 days before the date on which an absentee ballot may be submitted to be counted. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the nature of the business to be undertaken.

{Amended 09/10/2016}

6.05 Order of Business. The order of business at all meetings of the Members shall be as follows:

- (a) Call to Order;
- (b) Approval of the minutes of preceding meeting;
- (c) Treasurer's Report;
- (d) Reports of committees;
- (e) Election of directors;
- (f) Unfinished business;
- (g) New business.

{Amended 09/10/2016}

6.06 Action Without Meeting. Any action required by law to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members and filed with the Secretary of the Association.

ARTICLE VII BOARD OF DIRECTORS

7.01 Number and Composition. The affairs of the Association shall be managed by a Board of Directors consisting of five (5) persons, all of whom must be Members of the Association. Two Members who live at the same primary residence cannot serve on the Board of Directors at the same time. At least one Director must reside in the Subdivision.

{Amended 01/28/2023}

7.02 Term. Each such Director shall hold office for a term of two (2) years and until their successors are elected and qualified. At each annual meeting, with the exception of

the January, 2018 meeting, the Members shall elect that number of Directors equal to the number of Directors whose terms expire at that time.

{Amended 09/09/1995}

{Amended 09/10/2016}

{Amended 09/09/2017}

7.03 Removal. Directors may be removed from office without cause by an affirmative vote of Members representing sixty percent (60%) of the total votes allocated to the Association's Membership, conducted at a special meeting called for such purpose. If the Board is presented with written, documented evidence from a database or other record maintained by a governmental law enforcement authority that a board member has been convicted of a felony or crime within the most recent 20 years involving moral turpitude the board member is immediately ineligible to serve on the board of the property owners' association, automatically considered removed from the board, and prohibited from future service on the board.

{Amended 09/10/2016}

{Amended 01/28/2023}

7.04 Vacancies. In the event of a vacancy on the Board, the remaining directors shall, by majority vote, elect a successor who shall serve for the unexpired term of his predecessor. Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting or at a special meeting of Members called for that purpose.

{Amended 09/10/2016}

7.05 Compensation. With the prior approval of sixty percent (60%) of the total voting power of the Association residing in the Members, a director may receive compensation in a reasonable amount for services rendered to the Association. A director may be reimbursed by the Board for actual expenses incurred by him in the performance of his duties.

7.06 Powers and Duties. The Board shall have the powers and duties and shall be subject to the limitation of such powers and duties, as enumerated in the Declaration.

7.07 Association Contracts. The Association may enter into an enforceable contract with (i) a current Association board member, (ii) a person related to a current Association board member within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code, (iii) a company in which a current

Association board member has a financial interest in at least 51% of profits, or (iv) a company in which a person related to a current Association board member within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code, has a financial interest in at least 51% of profits, only if the following conditions are satisfied:

- (1) the board member, relative, or company bids on the proposed contract and the Association has received at least two other bids for the contract from persons not associated with the board member, relative, or company;
- (2) the board member:
 - (a) is not given access to the other bids;
 - (b) does not participate in any board discussion regarding the contract; and
 - (c) does not vote on the award of the contract;
- (3) the material facts regarding the relationship or interest with respect to the proposed contract are disclosed to or known by the Board and the Board, in good faith and with ordinary care, authorizes the contract by an affirmative vote of the majority of the board members who do not have an interest governed by this subsection; and
- (4) the Board certifies that the other requirements of this subsection have been satisfied by a resolution approved by an affirmative vote of the majority of the board members who do not have an interest governed by this subsection

Notwithstanding the above, prior to entering into a contract for services that will cost more than \$50,000, the Board must solicit bids or proposals using a bid process established by the property owners' association.

{Amended 09/10/2016}
{Amended 01/28/2023}

ARTICLE VIII NOMINATION AND ELECTION OF DIRECTORS

8.01 Nomination. At least 15 days before the Board disseminates absentee ballots to Association Members for purposes of voting in a board member election, the Board must provide notice (the "Solicitation Notice") to the Association Members soliciting candidates interested in running for a position on the board. The Solicitation Notice shall: (a) solicit candidates that are eligible and interested in running for a position on the Board; (b) state the date that an eligible candidate must respond with a request to be placed on the ballot; and (c) must be emailed to each Member addressed to the

Member's e-mail address last appearing on the books of the Association. The Board shall include on each ballot for a board member election the name of each eligible candidate from whom the Board received a timely request to be placed on the ballot in accordance with this section. Nomination for election to the Board of Directors can also be made from the floor at the annual meeting of the Members.

{Amended 09/10/2016}

8.02 Election. With the exception of the January, 2018 meeting, Directors are elected at the annual meeting of Members of the Association. Members, or their proxies, may cast, in respect to each vacant Directorship, as many votes as they are entitled to exercise under the provisions of the Declaration. The nominees receiving the highest number of votes, including absentee ballots, shall be elected. Any vote cast in an election must be in writing and signed by the Member. In an election for uncontested races, written and signed ballots are not required.

{Amended 09/10/2016}

{Amended 09/09/2017}

ARTICLE IX MEETINGS OF DIRECTORS

9.01 Regular Meetings. Regular meetings of the Board of Directors shall be held at such a place and such a time as may be fixed from time to time by resolution of the Board. Notice of the time and place of such a meeting shall be posted at a prominent place or places within the Subdivision, posted on the Association's website and emailed to all Members who have supplied the Association their email address, at least 144 hours prior to the start of the meeting.

{Amended 09/10/2016}

{Amended 01/28/2023}

9.02 Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President of the Association or by any three directors other than the President. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. Notice of any special meeting must be given to each director not less than three (3) nor more than fifteen (15) days prior to the date fixed for such a meeting by email to each director at his email address as shown in the records of the Association. A copy of such notice shall be posted in a prominent place or places within the Subdivision, posted on the Association's

website and emailed to all Members who have supplied the Association their email address, at least 72 hours prior to the start of the meeting.

{Amended 09/10/2016}

9.03 Quorum. A quorum for the transaction of business by the Board of Directors shall be the lesser of either a majority of the number of directors constituting the Board of Directors as fixed by these Bylaws or three (3).

9.04 Voting Requirement. The act of the majority of the directors present at a meeting at which a quorum is present at the time that the Board votes to approve such action shall be the act of the Board of Directors unless any provision of the Declaration requires the vote of a greater number.

{Amended 01/28/2023}

9.05 Open Meetings. Regular and special meetings of the Board shall be open to all Members of the Association; provided, however, that the Association Members who are not on the Board may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board.

Except as provided by this subsection, a board may take action outside of a meeting, including voting by electronic or telephonic means, without prior notice to owners under 9.01, if each board member is given a reasonable opportunity to express the board member's opinion to all other board members and to vote. Any action taken without notice to owners under 9.01 must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting, and documented in the minutes of the next regular or special board meeting. The board may not, unless done in an open meeting for which prior notice was given to owners under 9.01, consider or vote on:

- (1) fines;
- (2) damage assessments;
- (3) initiation of foreclosure actions;
- (4) initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety;
- (5) increases in assessments;
- (6) levying of special assessments;
- (7) appeals from a denial of architectural control approval;
- (8) a suspension of a right of a particular owner before the owner has an opportunity to attend a board meeting to present the owner's position, including any defense, on the issue;

- (9) lending or borrowing money;
- (10) the adoption or amendment of a dedicatory instrument;
- (11) the approval of an annual budget or the approval of an amendment of an annual budget;
- (12) the sale or purchase of real property;
- (13) the filling of a vacancy on the board;
- (14) the construction of capital improvements other than the repair, replacement, or enhancement of existing capital improvements; or
- (15) the election of an officer.

{Amended 01/28/2023}

9.06 Executive Session. The Board may, with the approval of a majority quorum, adjourn a meeting and reconvene in executive session to discuss and vote on actions involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, confidential communications with the Association's attorney, matters involving the invasion of privacy of individual Owners, or matters that are to remain confidential by request of the affected parties and agreement of the Board. The nature of any and all business to be considered in executive session shall first be announced in open session. Following an executive session, any decision made in the executive session must be summarized orally and placed in the minutes, in general terms, without breaching the privacy of individual Owners, violating any privilege, or disclosing information that was to remain confidential at the request of the affected parties. The oral summary must include a general explanation of expenditures approved in executive session.

{Amended 09/10/2016}

ARTICLE X OFFICERS

10.01 Enumeration of Officers. The officers of this Association shall be a President and a vice President who shall at all times be members of the Board of Directors, and a secretary and Treasurer. The Board of Directors may, by resolution, create such other offices as it deems necessary or desirable.

10.02 Term. The officers of this Association shall be elected annually by the Board of Directors, and each officer shall hold office for one (1) year, unless such officer shall sooner resign, be removed or be otherwise disqualified to serve.

10.03 Resignation and Removal. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take

effect at the date of the receipt of such notice or at any later time specified therein. Any officer may be removed from office by the Board whenever, in the Board's judgement, the best interest of the Association would be served by such removal.

10.04 Multiple Offices. Any two or more offices may be held by the same person, except the offices of President and Secretary.

10.05 Compensation. Officers shall receive such compensation for services rendered to the Association as determined by the Board of Directors and approved by sixty percent (60%) of the voting power of the Association.

ARTICLE XI PRESIDENT

11.01 Election. At the first meeting of the Board immediately following the annual meeting of the Members, the Board shall elect one of their number to act as President.

11.02 Duties. The President shall:

(a) Preside over all meetings of the Members and of the Board;

(b) Sign as President all deeds, contracts and other instruments in writing which have been first approved by the Board, unless the Board, by duly adopted resolution, has authorized the signature of a lesser officer;

(c) Call special meetings of the Board whenever he deems it necessary in accordance with rules and on notice agreed to by the Board. The notice period shall, with the exception of emergencies, in no event be less than three (3) days;

(d) Have, subject to the advice of the Board, general supervision, direction and control of the affairs of the Association and discharge such other duties as may be required of him by the Board.

{Amended 01/28/2023}

ARTICLE XII VICE PRESIDENT

12.01 Election. At the first meeting of the Board immediately following the annual meeting of the Members, the Board shall elect one of its Members to act as Vice President.

12.02 Duties. The Vice President shall:

(a) Act in the place and in the stead of the President in the event of his absence, inability or refusal to act;

(b) Exercise and discharge such other duties as may be required of him by the Board. In connection with any such additional duties, the Vice President shall be responsible to the President.

ARTICLE XIII SECRETARY

13.01 Election. At the first meeting of the Board immediately following the annual meeting of the Members, the Board shall elect a Secretary.

13.02 Duties. The Secretary shall:

(a) Keep a record of all meetings and proceedings of the Board and of the Members;

(b) Keep the seal of the Association, if any, and affix it on all papers requiring said seal;

(c) Serve such notices of meetings of the Board and the Members required either by law or by these Bylaws;

(d) Keep appropriate current records showing the Members of this Association together with their addresses;

(e) Sign as Secretary all deeds, contracts and other instruments in writing which have been first approved by the Board if said instruments require a second Association signature, unless the Board has authorized another officer to sign in the place and stead of the Secretary by duly adopted resolution.

ARTICLE XIV TREASURER

14.01 Election. At the first meeting of the Board immediately following the annual meeting of the Members, the Board shall elect a Treasurer.

14.02 Duties. The Treasurer shall:

- (a) Receive and deposit in such bank or banks as the Board may from time to time direct, all of the funds of the Association;
- (b) Be responsible for, and supervise the maintenance of, books and records to account for such funds and other Association assets;
- (c) Disburse and withdraw said funds as the Board may from time to tie direct, and in accordance with prescribed procedures;
- (d) Prepare and distribute the financial statements for the Association required by the Declaration.

ARTICLE XV
BOOKS AND RECORDS

15.01 Maintenance. Complete and correct records of account and minutes of proceedings of meetings of Members, directors and committees shall be kept at the principal office of the Association. A record containing the names and addresses of all Members entitled to vote shall be kept at the principal office of the Association. The Association’s dedicatory instruments filed in the county deed records must be available on the Association’s website.

{Amended 09/10/2016}

15.02 Inspection. The Declaration, the membership register, the books of account and the minutes of proceedings shall be available for inspection and copying by any Member of the Association of any other director for any purpose at any reasonable time.

15.03 Public Records. The Association shall file all dedicatory instruments in the real property records of Travis County. A dedicatory instrument has no effect until the instrument is filed in accordance with this section.

{Amended 09/10/2016}

15.04 Financial Review. A financial statement review of all financial records of the Association shall be performed in August of odd numbered years by an independent auditor. The results of the audit shall be reported to the Members at the next Annual Meeting

{Amended 09/10/2016}

ARTICLE XVI
AMENDMENT OF THE BYLAWS

16.01 Amendment of the Bylaws. These Bylaws may be amended, altered or repealed at a regular or special meeting of the Members of the Association at which a quorum is present by the affirmative vote of the majority of the total votes entitled to be cast by the Members present or represented by proxy plus absentee ballots received in advance of the meeting. All votes must be in writing and signed by the Member. Electronic votes cast constitute written and signed ballots. Notwithstanding the above, the percentage of voting power necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

{Amended 01/28/2023}

ARTICLE XVII
GENERAL

17.01 Declaration Controlling. Should there at any time be a conflict between the provision of these Bylaws and those of the Declaration, the provisions of the Declaration shall control.

ADOPTED by the Board of Directors on the *8th* day of *September*, 1994.

UNANIMOUS WRITTEN CONSENT
OF DIRECTORS OF
PALEFACE RANCH ASSOCIATION, INC.

Pursuant to Article 9.10 of the Texas nonprofit Corporation Act authorizing the taking of action by the directors of a corporation by unanimous written consent in lieu of a meeting, the undersigned, being all directors of Paleface Ranch Association, Inc. (the "Association"), hereby waive notice of a meeting and take the following action and consent to the adoption of the following resolution, as of the effective date of this unanimous written consent certificate:

RESOLVED, that the Bylaws submitted and attached hereto are hereby adopted as and for the bylaws of the Association; and that the Secretary of the Association be and he is hereby instructed to cause the same to be inserted in the minute book immediately following the copy of the Certificate of Incorporation.

Dated as of September 6, 1994.

