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THE HILLS OF LAKEWAY PROPERTY OWNERS' ASSOCIATION, INC.

SECRETARY'S CERTIFICATE

STATE OF TEXAS

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TRV

2013186519

COUNTY OF TRAVIS

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The undersigned hereby certifies that he/she is the duly elected, qualified and acting Secretary of The Hills of Lakeway Property Owners' Association, Inc., a Texas non-profit corporation ("Association") and that:

Attached hereto is a true and correct copy of the duly approved amended By-Laws.

WHEREAS WHEREOF, the undersigned has executed this certificate on the 4th day of October, 2013.

By: Melanie Damon
Secretary
Board of Directors

STATE OF TEXAS

COUNTY OF TRAVIS

This instrument was acknowledged for me on 4th day of October, 2013, by Melanie Damon, Secretary of the Board of Directors of The Hills of Lakeway Property Owners' Association, Inc. on behalf of said non-profit corporation.

Angela Thielemans
Notary Public, State of Texas

My Commission Expires 7/29/14

[SEAL]



AFTER RECORDING RETURN TO:

Bill Flickinger
Willatt & Flickinger
Attorneys at Law
2001 North Lamar
Austin, Texas 78705

UNOFFICIAL COPY



AMENDED AND RESTATED BYLAWS

OF

THE HILLS OF LAKEWAY PROPERTY OWNERS' ASSOCIATION, INC.

A NON-PROFIT CORPORATION

These Amended and Restated Bylaws of the Hills of Lakeway Property Owners' Association, Inc. were adopted on September 24, 2013 by the Board of Directors of the Association pursuant to Section 22.102 of the Texas Business Organizations Code and Section 13.02 of the Bylaws of the Association which were dated May 27, 1982 and were amended by that certain Amendment to Bylaws dated April 15, 2000 (collectively herein referred to as the "Original Bylaws"). These Amended and Restated Bylaws shall be effective upon recordation in the Official Public Records of Travis County, Texas. The Original Bylaws of the Association are hereby superseded and replaced in their entirety by the provisions set forth below.

Offices

1.01 Principal Office. The principal office of the Association in the State of Texas shall be located in the County of Travis. The Association may have such offices, either within or without the State of Texas, as the Board of Directors may determine or as the affairs of the Association may require from time to time.

1.02 Registered Office and Registered Agent. The Association shall have and continuously maintain in the State of Texas a registered office and a registered agent whose offices are identical with such registered office, as required by the Texas Business Organizations Code. The registered office may be, but need not be; identical with the principal office of the Association in the State of Texas, and the address of the registered office may be changed from time to time by the Board of Directors.

Article 2

Members

2.01 Classes of Members. The Association currently has only one (1) class of Members.

2.02 Membership. Each Owner of a platted lot, completed condominium unit, and/or completed apartment unit within The Hills of Lakeway, as defined in the Amended Master Declaration

recorded as Document No. 2004207963 of the Official Public Records of Travis County, Texas and as amended from time to time (herein referred to as the "Master Declaration") shall be a Member of the Association. Such Membership shall commence, exist and continue automatically upon ownership of the qualifying property, shall be appurtenant to, and shall run with, the property interest ownership which qualifies the owner thereof for membership and shall expire automatically upon termination of such ownership. Membership may not be severed from or in any way transferred, pledged, mortgaged, or alienated except together with the title to the property interest, ownership of which qualifies the owner thereof for membership, and then only to the transferee of title to said property interest. No person shall be a Member by reason of ownership of land used for public, school or governmental or quasi-governmental purposes, or by reason of ownership of any park, public land, road easement, right-of-way, mineral interest, mortgage or deed of trust.

2.03 Membership List. The Secretary of the Board of Directors with the assistance of the managing agent or manager shall maintain, at the principal office of the Association, a membership list showing the names and addresses of the owner of each Member. The Secretary may accept as satisfactory proof of such ownership a duly executed contract of sale, a duly executed and acknowledged conveyance, a title insurance policy, or other evidence reasonably acceptable to the Board of Directors.

2.04 Voting Rights. Each Member shall be entitled to one (1) vote for each platted lot or completed condominium unit or completed apartment unit owned by such Member.

- A. Joint or Common Ownership. Any property interest entitling the owner(s) thereof to vote as herein provided, held jointly or in common by more than one (1) person, shall require that the owner(s) thereof designate, in writing, the individual person or owner who shall be entitled to cast such vote(s) and no other person shall be authorized to vote in behalf of such property interest. A copy of such written designation shall be filed with the Board before any vote(s) may be cast, and upon failure of the owner(s) thereof to file such designation, such vote(s) shall neither be cast nor counted for any purpose whatsoever.
- B. Proxies. At any meeting of Members, the Member entitled to vote may vote by proxy executed in writing by the Member or by his duly authorized attorney in fact. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy.
- C. Voting by Absentee or Electronic Ballot. The Board of Directors may by resolution adopt procedures for voting by absentee or electronic ballot pursuant to Section 209.00592, Texas Property Code, or any then-applicable state law.
- D. Cumulative Voting. Cumulative voting shall not be allowed.

2.05 Transfer of Membership. Membership in this Association is not transferable or assignable, but is appurtenant to ownership of the property interest which qualifies the owner thereof for membership in this Association and runs with such property ownership.

Article 3

Meetings of Members

3.01 Annual Meeting. An annual meeting of Association Members shall be held on the 3rd Thursday of January of each year at such place and hour as determined by the Board of Directors. Except as in the next sentence provided, no notice need be given of said annual meeting. The annual meeting may be held at such other reasonable place or time as may be designated by the Board or by written notice given as provided in Section 3.04 of this Article. At such time, the election of Directors shall be held as well as the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall fall on a legal holiday in the State of Texas, such meeting shall be held on the next succeeding business day. If the election of Directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as possible. In addition any vote by the Members may be by electronic ballot, pursuant to Section 209.00592, Texas Property Code, or any then-applicable statute, and in accordance with procedures approved by the Board of Directors.

3.02 Special Meeting. Special meetings of the Members may be called by the President, the Board of Directors, or not less than twenty percent (20%) of the Members having voting rights, upon written notice as required by the Master Declaration.

3.03 Place of Meeting. The Board of Directors may designate any place, either within or without the State of Texas, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be the registered office of the Association in the State of Texas; but if all the Members shall meet at any time and place, either within or without the State, and consent to the holding of a meeting, such meeting shall be valid without notice and at such meeting, any Association business may be transacted.

3.04 Notice of Meetings. Written or printed notice stating the place, day, and hour of any annual meeting held on any day other than the third Thursday in January or of any special meeting of Members shall be delivered to each Member entitled to vote at such meeting not less than ten (10), or mailed not less than fifteen (15), days before the date of such meeting. Such notice may be issued by the Board of Directors or by written notice signed by owners having at least five (5) of the total votes outstanding, computed as provided in the Master Declaration. In the case of a special meeting, or when required by statute or these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. The notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the Association, with postage thereon prepaid.

3.05 Informal Action by Members. Any action required by law to be taken at a meeting of Members or any action which may be taken at a meeting or 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 entitled to vote with respect to the subject matter thereof.

3.06 Quorum. The presence at any meeting, in person or by proxy, of Members entitled to vote at least ten percent (10%) of the total votes then outstanding shall constitute a quorum. In the event a quorum is not present, the meeting shall be adjourned to a time not less than forty-eight (48) hours nor more than 30 days from the date of the time set for the original meeting and there reconvened and at

which adjourned meeting the quorum requirement shall be waived. Action may be taken by a vote of a majority of the votes present at such adjourned meeting. When a quorum is once present to organize a meeting, it cannot be broken by the subsequent withdrawal of a Member or Members.

Article 4

Board of Directors

4.01 General Powers. The affairs of the Association shall be managed by its Board of Directors. The Board of Directors shall exercise for the Association all powers, duties, and authority vested or delegated to, the Association, except those reserved to the Members by the Master Declaration, the Articles of Incorporation of the Association, or these Bylaws.

4.02 Tenure and Qualifications. The number of Directors shall be six (6). Except in cases of a tie vote, the President shall not vote. Directors, prior to 2014, were elected for two-year terms with three Directors elected at each annual meeting. To facilitate the transition to three-year terms for all Directors and to transition staggered terms and the election of two Directors at each annual Member meeting, the following provisions are hereby adopted. As of July 1, 2013 the Board consisted of four (4) Directors who were elected by the Members and two (2) Directors who were appointed by the Board to fill vacancies. The terms of the four (4) Directors who were elected by the Members shall be for three years from the date they were elected. The terms of the two (2) Directors who were appointed to fill vacancies shall expire at the annual meeting to be held in 2014. At each annual Member meeting beginning in 2014, the Members shall elect two (2) Directors to fill the positions with expiring terms. Beginning with the 2014 annual Member meeting all Directors elected to expiring positions shall be elected to serve full three-year terms to expire at the annual Member meeting held in the third calendar year after their election. Notwithstanding any provision to the contrary, no person may serve more than two (2) consecutive three-year terms on the Board of Directors. All Directors must be natural persons and Members of the Association.

4.03 Nomination of Directors. Nominations for Director shall be made in accordance with procedures adopted by the Board of Directors from time to time, which may include deadlines to facilitate absentee or electronic voting. In the absence of such procedures adopted by the Board of Directors, nominations for Director will be made at the meeting of the Members at which an election is required.

4.04 Regular Meetings. A regular annual meeting of the Board of Directors shall be held, immediately after, and at the same place as, the annual meeting of members for the purpose of electing officers for the following years and other matters that may come before the Board. The Board of Directors may provide by resolution the time and place, either within or without the State of Texas, for the holding of additional regular meetings of the Board. Notice of the time and place of the meeting and shall be communicated to Directors not less than three (3) days prior to the meeting, provided however, notice of a meeting need not be given to any Director who has signed a waiver of notice or a written consent to holding of the meeting. In addition notice of all meetings of the Board shall be provided to the Members and such meetings shall be open to Members, except for executive sessions, in accordance with Section 209.0051, Texas Property Code and any applicable state law.

4.05 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) Directors. The person or persons authorized to call special meetings of the Board may fix any place, either within or without the State of Texas, as the place for holding any special meetings of the Board called by them. Notice of special meetings shall be provided in the same manner as notice of regular meetings as provided in Section 4.04 above.

4.06 Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board.

4.07 Manner of Acting. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws.

4.08 Vacancies. Any vacancy occurring in the Board of Directors shall be filled by the Board of Directors. A Director appointed by the Board to fill a vacancy shall serve for the unexpired term of his or her predecessor in office.

4.09 Compensation to Directors and Contracts with Directors. Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors a fixed sum and expenses of attendance may be allowed for attendance at each regular or special meeting of the Board; but nothing herein contained shall be construed to preclude any Director from serving the Association in any other capacity and receiving compensation therefor provided that all provisions of Texas Property Code Section 201.0052 and any other applicable law are fully complied with including the following:

The Association may enter into an enforceable contract with a current Director, a person related to a current Director within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code, a company in which a current Director has a financial interest in at least 51 percent of profits, or a company in which a person related to a current Director within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code, has a financial interest in at least 51 percent of profits only if the following conditions are satisfied:

(A) the Director 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 Director member, relative, or company, if reasonably available in the community;

(B) the Director:

- (i) is not given access to the other bids;
- (ii) does not participate in any Board discussion regarding the contract; and
- (iii) does not vote on the award of the contract;

(C) the material facts regarding the relationship or interest with respect to the proposed contract are disclosed to or known by the Board of Directors and the Board of Directors, acting 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

(D) the Board of Directors certifies that the other requirements of this section 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 section.

4.10 Informal Action by Directors. The Board of Directors shall only take action without a formal meeting or by unanimous written consent, on matters specifically permitted by Section

209.0051(h), Texas Property Code or applicable state law. Any such action shall be orally summarized at the next formal meeting of the Board and placed into the minutes of such meeting, in accordance with Section 209.0051(h) or any applicable state law.

4.11 Executive Session. The Board Directors may adjourn a meeting and reconvene in executive session to discuss and vote upon such matters as authorized by Section 209.0051(c), Texas Property Code or any applicable state law. An oral summary of any decision made in executive session shall be made and placed in the minutes in compliance with Section 209.0051(c), Texas Property Code or any applicable state law.

Removal of a Director. All or any number of the Directors may be removed, with or without cause, at a meeting of Members called expressly for that purpose, by a vote of a majority of the number of Members entitled to be cast at an election of Directors.

4.13 Managing Agent or Manager. On behalf of the Association, the Board of Directors may employ or contract for a managing agent or manager at a compensation to be established by the Board of Directors. The Board of Directors may delegate to the managing agent or manager such duties and powers as are appropriate to the position.

4.14 Liability. Neither the Board of Directors nor any member thereof shall be liable to the Association or to any Member for any damage, loss, or prejudice suffered or claimed on account of any action or failure to act of the Association, its Board of Directors, or any member of its Board of Directors provided only that the Board member has, in accordance with the actual knowledge possessed by him, acted in good faith.

Article

5.01 Officers. The officers of the Association shall be President, one (1) or more Vice Presidents (the number thereof to be determined by the Board of Directors), Secretary, a Treasurer, and such other officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect or appoint such other officer, including one (1) or more Assistant Secretaries and one (1) or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Two (2) or more offices may be held by the same person, except the offices of President and Secretary. Notwithstanding any provision in these Bylaws to the contrary, no person may serve as President for more than two consecutive calendar years.

5.02 Election and Term of Office. The officers of the Association shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.

5.03 Removal and Resignation.

- A. Any officer may be removed upon the affirmative vote of a majority of the Directors whenever, in their judgment, the best interests of the Association will

be served thereby. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer so removed.

- B. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary of the Association. Any such resignation shall take effect upon receipt of such notice or at any later time specified therein. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective, provided that the Board of Directors may reject any post-dated resignation by notice in writing to the resigning officer. The effectiveness of such resignation shall not prejudice the contract rights, if any, of the Association against the officer so resigning.

5.04 Vacancies. A vacancy in any office because of death, resignation, disqualification or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

5.05 President. The President shall be the principal executive officer of the Association and shall in general supervise and control all of the business and affairs of the Association. The President shall preside at all meetings of the members and of the Board of Directors and shall vote only in the event of a tie. The President may, with the Secretary or any other proper officer of the Association authorized by the Board of Directors, execute, mortgages, bonds, contracts, or other instruments which the Board of Directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by statute to some other officer or agent of the Association; and in general the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

5.06 Vice President. In the absence of the President in the event of his inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in order of their election) shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such other duties as, from time to time, may be assigned to such Vice President by the President or Board of Directors.

5.07 Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the Association; receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Article 7 of these Bylaws; and in general perform all the duties incident to the office of Treasurer and such other duties as, from time to time, may be assigned to the Treasurer by the President or the Board of Directors.

5.08 Secretary. The Secretary with assistance from the managing agent or manager shall keep the minutes of the meetings of the members and of the Board of Directors in one (1) or more books provided for that purpose; give all notices in accordance with the provisions of these Bylaws or as required by law, be custodian of the corporate records and of the seal of the Association, and affix the seal of the Association to all documents, the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these Bylaws; keep a register of the post office address of each member which shall be furnished to the Secretary by each member; and, in general,

perform all duties incident to the office of Secretary and such other duties as, from time to time, may be assigned to the Secretary by the President or by the Board of Directors.

5.09 Assistant Treasurers and Assistant Secretaries. If required by the Board of Directors, the Assistant Treasurers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the board of Directors shall determine. The Assistant Treasurers and Assistant Secretaries in general shall perform such duties as shall be assigned to them by the Treasurer and Secretary by the President of the Board of Directors.

5.10 Compensation of Officers. No officer who is a member of the Board of Directors shall receive any compensation from the Association for acting as an officer, unless such compensation is authorized by a resolution duly adopted by the Members. The Board of Directors may fix any compensation to be paid to other officers.

Article 6

Committees

6.01 Committees of Directors. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint one (1) or more committees, each of which shall consist of two (2) or more Directors, which committees, to the extent provided in said resolution shall have and exercise authority of the Board of Directors in the management of the Association. However, no such committee shall have the authority of the Board of Directors in reference to amending, altering, or repealing the Bylaws; electing, appointing, or removing any member of any such committee or any Director of office of the Association; amending the articles of incorporation; adopting a plan of merger or adopting a plan of consolidation with another Association; authorizing the sale, lease, exchange, or mortgage of all or substantially all of the property interests of the Association; authorizing the voluntary dissolution of the Association or revoking proceedings therefor; adopting a plan for the distribution of the assets of the Association; or amending, altering or repealing any resolution of the Board of Directors which, by its terms, provides that it shall not be amended, altered, or repealed by such committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed on it or the Director by law.

6.02 The Architectural Committee and Other Committees. The Architectural Committee is established and governed by the provisions of the Master Declaration. The Bylaws do not govern the Architectural Committee. Other committees not having and exercising the authority of the Board of Directors in the management of the Association may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such other committee shall be Members of the Association, and the Board of Directors shall appoint the members thereof. Any members thereof may be removed by the person or persons authorized to appoint such member whenever, in their judgment, the best interests of the Association shall be served by such removal.

6.03 Term of Office. Each member of a committee governed by these Bylaws shall continue as such until the next annual meeting of the Members of the Association and until his successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

6.04 Chairman. One (1) member of each committee governed by these Bylaws shall be appointed chairman by the person or persons authorized to appoint the members thereof.

6.05 Vacancies. Vacancies in the membership of any committee governed by these Bylaws may be filled by appointments made in the same manner as provided in the case of the original appointments.

6.06 Quorum. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

6.07 Rules. Each committee governed by these Bylaws may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the Board of Directors.

Article 7

Contracts, Checks, Deposits and Funds

7.01 Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association. Such authority may be general or confined to specific instances.

7.02 Checks and Drafts. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association and shall, from time to time, be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by at least two (2) officers of the Association.

7.03 Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board of Directors may select.

7.04 Gifts. The Board of Directors may accept on behalf of the Association any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Association.

Article 8

Books and Records

8.01 The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors, and committees having the authority of the board of Directors, and shall keep at the registered or principal office a roll giving the name and addresses of the Members entitled to vote

A. Inspection by Members. The Membership register, books of account, financial statements, and minutes of meetings of the Members, the Board, and committees shall be made available for inspection and copying by any Member of the Association or by his or her duly

appointed representative at any reasonable time and for a purpose reasonably related to his or her interest as a Member, at such place as the Board shall provide

B. Rules for Inspection. The Board shall establish reasonable rules and policies consistent with Section 209.005, Texas Property Code, or any applicable state law, with respect to:

- (i) notice to be given to the custodian of the records by the Member desiring to make the inspection;
- (ii) hours and days of the week when such an inspection may be made; and
- (iii) payment of the cost of reproducing copies of documents requested by a Member,

C. Inspection by Directors. Every Director shall have an absolute right at any reasonable time to inspect the books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make extracts and copies of Association documents at the expense of the Association.

Article 9

Fiscal year

9.01 The fiscal year of the Association shall begin on the first day of January and end on the last day in December in each year.

Article 10

Annual Budget

10.01 Preparation. The Board of Directors shall prepare an annual operating budget for the Association at least ten (10) days prior to the beginning of the Association's fiscal year. The budget shall show the Association's anticipated income from all sources and its proposed operating expenses, as well as its reserves for capital construction or repair items to be funded in such year.

10.02 Inspection by Members. A copy of the proposed annual budget shall be made available for inspection by any Member of the Association upon request.

10.03 Presentation. The annual budget shall be presented to the Members of the Association by the Board of Directors at the annual meeting each year.

10.04 Approval. Approval of the budget shall be the sole responsibility of the Board of Directors.

Article 11

Funds and Assessments

11.01 Determination of Assessments. Not less than annually, the Board shall fix monthly assessments to be levied against the Members of the Association. Upon such determination, notice shall

be sent to each Member that sets forth the amount to be paid monthly by such Member for the upcoming fiscal year.

11.02 Special Assessment, Other Assessments and Fees. The Board shall fix and levy special assessments for capital improvements as and when it determines the necessity therefor. In the case of special assessments benefitting a specific area, notice thereof shall be sent to the owners affected along with the date and terms of payment of such special assessment. In cases of special assessment benefitting all property owners, notice thereof and the date and terms of payment shall be given to the Members obligated to pay such assessment as the Board may direct. The Board may also make such other assessment and charge such fees as may be provided in the Master Declaration.

11.03 Use of Funds. Funds derived from assessments, together with all other funds received by the Association, shall be used to maintain, preserve, and operate the Association's property for the benefit of the Members and carry out the powers, duties and functions of the Association as set forth herein or in the Master Declaration. Such purposes shall also include, but not be limited to, providing utility services to the Association, paying ad valorem taxes thereon, and maintaining and preserving said property as well as the creation of reasonable reserve for future maintenance, preservation, operation, and/or capital improvements for expansion of said property. The Board of Directors may invest any excess funds or funds not required for current operations.

11.04 Property Subject to Assessment. Assessment shall be levied against:

- A. Each platted lot whether or not improved;
- B. Each condominium unit upon which construction has commenced; and
- C. Each completed dwelling unit in each apartment house.

11.05 Maintenance Fund. The Board of Directors shall establish a fund, to be known as The Hills of Lakeway Maintenance Fund, into which shall be deposited all monies paid to the Association, and from which disbursement shall be made in performing the functions of the Association; provided, however, that nothing contained herein shall prevent the Board of Directors from creating such other and special funds as it, in its sole discretion, deems advisable.

11.06 Collection of Unpaid Assessments. Any assessment not paid within ten (10) days of its due date shall be deemed in default. The amount of such assessment, whether regular or special, assessed against any property, plus such fees and interest as may be provided in the Master Declaration and as may be assessed thereon by the Board of Directors, not to exceed the maximum rate allowed by law, and the cost of collecting the same, including reasonable attorneys' fees, shall be a lien upon the property against which such assessment is levied and the improvements thereon. The Association may (1) bring an action of law against the owner personally obligated to pay the same, or (2) foreclose the aforesaid lien against the property and improvements thereon, or (3) both. No owner may waive or otherwise escape liability for the assessment provided for herein by nonuse of the Association property, common use of any other common area, or by abandonment of the property against which the assessment has been levied.

Article 12

Miscellaneous Provisions

12.01 Term. All terms used herein shall have the same meaning ascribed to such terms in the Master Declaration unless the context in which it is used clearly indicates a contrary meaning.

12.02 Execution of Document. The Board of Directors may, except as otherwise provided in these Bylaws or in the Articles of Incorporation of the Association, authorize any officer or agent to enter into any contract or execute any instrument in the name of and on behalf of the Association. Such authority may be general or confined to specific instances. Unless so authorized by the Board of Directors, no officer, agent, or employee shall have any power or authority to bind the Association by any contract or agreement or to pledge its credit or to render it liable for any purpose or for any amount.

12.03 Reports and Audits. An annual report of the receipts and expenditures of the Association, if any, together with a statement of assets and liabilities of the maintenance fund, if any, shall be rendered by the Board of Directors to the Members and to all mortgagees of parcels who have requested the same within one hundred twenty (120) days after the end of each fiscal year. The Board of Directors, at the expense of the Association, shall obtain an annual audit of the books and records pertaining to the Association. Copies thereof shall be made available to any Member upon request. At any time any Member, at his own expense, may cause an audit or inspection to be made of the books and records of the Association.

12.04 Notice. All notices to the Association or to the Board of Directors shall be sent in care of the managing agent, or if there is not managing agent, to the principal office of the Association or to such other address as the Board of Directors may hereafter designate from time to time. All notices to Members shall be sent to the address of the Member as shown in the records of the Association or such other address as may have been designated by the Member from time to time in writing to the Board of Directors.

12.05 Conflicts. These Bylaws are intended to comply with the law of Texas regarding non-profit corporations and homeowners associations the Master Declaration, and the Association's Articles of Incorporation. In the event of any irreconcilable conflict, such laws and documents shall control over these Bylaws.

Article 13

Amendment to Bylaws

13.01 How Proposed. Amendments to these Bylaws shall be proposed by one-third of the Board of Directors or by Members entitled to vote at least thirty percent (30%) of the total votes then outstanding. The proposed amendment must be reduced to writing and shall be included in the agenda of any meeting at which action is to be taken thereon.

13.02 Adoption. The proposed amendment may be adopted by either of the following methods:

- A. By the Board of Directors at a regular or special meeting called for that purpose, at which a quorum is present, by a majority vote,

- B. By the membership at a regular or special meeting of the Members called for that purpose, at which a quorum is present, by a 2/3rds vote of the Members present in person or by proxy at such meeting, or
- C. By the membership by absentee or electronic voting in accordance with procedures adopted by the Board of Directors provided the amendment is approved by at least a majority of all of the total votes of the Members then outstanding.

It is provided, however, that those provisions of these Bylaws which are governed by the Master Declaration or the Articles of Incorporation of this Association may not be amended except as provided in those documents.

It is further provided, that once adopted, such amendment shall be recorded in the Official Public Records of Travis County, Texas and copied in the appropriate place of the Minute Book of the Association containing the existing Bylaws. If any Bylaw is repealed, the fact of such repeal and the date on which the repeal occurred shall also be recorded in the Official Public Records of Travis County, Texas and be stated in the appropriate place.

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OFFICIAL PUBLIC RECORDS

Dana DeBeauvoir

Oct 10, 2013 03:52 PM

MORALES: \$78.00

Dana DeBeauvoir, County Clerk
Travis County TEXAS