

By Laws of El Dorado Homes Association

As of October 8, 2007

ARTICLE ONE NAME AND LOCATION

The name of the Corporation is El Dorado Homes Association, Inc., hereinafter referred to as the "Association." The principal office of the corporation shall be located at 12606 Prima Vista, San Antonio, Bexar County, Texas 78233. Meetings of members and directors may be held at such places within the state of Texas, county of Bexar, as may be designated by the Board of Directors.

ARTICLE TWO DEFINITIONS

Section 1. "Association" shall mean and refer to El Dorado Homes Association, Inc, its successors and assignees.

Section 2. "Properties" shall mean and refer to that certain real property described in Article Four of the Articles of Incorporation of this Association and such properties as may hereafter be brought within the jurisdiction of this Association.

Section 3. "Common Area" shall mean and refer to all real property owned by the Association for the Common use and enjoyment of the owners of the Association and such real property as may be added to the common area by the Association in the future.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision plat of the properties, with the exception of the common area.

Section 5. "Owner" shall mean and refer to the recorded owner, whether one or more persons or entities, of the fee simple title to any lot which is a part of the properties including contract sellers, but excluding those having such interest merely as security for the performance of the obligation. Renters/lessees shall be considered owners if the owner of record has not exercised his privilege for membership.

Section 6. "Member" shall mean and refer to those persons who are owners as defined in Article Two, Section 5 of these By-Laws and become members by following the provisions of Article Three of these By-Laws.

Section 7. "Assessments" shall mean and refer to the annual assessment and special assessment for capital improvements.

ARTICLE THREE MEMBERSHIP IN ASSOCIATION

Section 1. All owners, as that term is defined by Article Two, Section 5 of these By-Laws, shall be entitled to membership in the Association. Those persons who have executed a contract to purchase a home, but have not taken title to their property shall be eligible for membership, but will have no voting rights until title has been transferred to them. Renters/lessees shall be eligible for membership but will have no voting rights.

Section 2. All qualified El Dorado owners and/or residents who become members shall pay in advance, an amount sufficient to pay the annual dues and the special assessment for capital improvements if any, from the month following joining through the following April.

Section 3. This section deleted, effective March 12, 1979.

Section 4. A member of the Association who wishes to resign from membership in the Association shall submit his resignation in writing to the membership chairman or a member of the Board of Directors of the Association and such resignation shall become effective on the last day of the month submitted. No refund of dues will be made.

Section 5. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents within the properties and for the improvement and maintenance of the common area situated upon the properties. Homeowners adjacent to common area property under consideration for alterations must be notified at least ten (10) days prior to Board action and may petition the Board to stop the action. Such home owners may further petition the Board to reconsider said alteration by presenting a petition of 50 eligible members requiring the Board to call a special meeting of the members for the purpose of voting on that action.

Section 6. Until May 1 of the year immediately following the adoption of these By-Laws, the maximum annual assessment shall be One Hundred and Twenty Five Dollars (\$125) per lot, and,

A. From and after May 1 of the year immediately following adoption of these By-Laws, the maximum annual assessment may be increased each year not more than three percent (3%) above the maximum assessment for the previous year without a vote of the membership, and

B. From and after May 1 of the year immediately following the adoption of these By-Laws, the maximum annual assessment may be increased above three percent (3%) by a vote of two-thirds of the members who are voting at the annual meeting or at a meeting duly called for this purpose, and,

C. The Board of Directors of the Association may fix the annual assessment at an amount not in excess of the maximum.

Section 7. In addition to the annual assessment authorized above, the Association may levy in any assessment year, a special assessment applicable to that year only for the purpose of defraying in whole or in part, the cost of construction, reconstruction, repair or replacement of a capital improvement upon the common area, including fixtures and personal property related thereto provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of the members who are voting in an election at a meeting duly called for that purpose.

Section 8. Written notice of any meeting called for the purpose of taking any action authorized under Sections 6B or 7 above shall be sent to all members not less than 15 nor more than 50 days in advance of the meeting. At such meeting the presence of members entitled to cast 10% of all votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the same quorum requirement.

Section 9. The assessment must be fixed at a rate commensurate with privileges available to the member.

Section 10. In the year beginning May 1, 1978, and in all subsequent years, the assessments, on behalf of the Association, may be collected by the person or corporation, servicing the mortgage against the owner lot along with the installments due on the mortgage and such collection of the assessments shall be such terms and conditions as the Board of Directors may approve.

Section 11. Date of Commencement of Annual Assessments: Due Dates
The annual assessment shall be due on the first day of May each year. The Board of Directors shall fix the amount of the annual assessment against each lot ten (10) days in advance of each annual assessment period.

Written notice of the annual assessment shall be sent to every owner or agent thereto. (Change made 5 Oct 92)

Section 12. Payment of Dues.

The annual prepayment of dues will be due in its entirety by May 1. Failure to pay the assessment may be grounds for suspension from the Association. (Change made 10 Apr 89)

**ARTICLE FOUR
MEETING OF MEMBERS**

Section 1. Annual Meeting

The annual meeting of the members shall be held on the second Monday in October at 7:00 P.M. at a location to be announced. (Change made 5 Oct 92)

Section 2. Special Meetings

Special meeting of the members may be called at any time by the President, the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) the votes of membership.

Section 3. Notice of Meetings

Written notice of special meetings, other than the annual meeting, of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing or delivering a copy of such notice at least ten (10) days and not more than thirty (30) days before such meeting to each member entitled to vote thereat. Such notice shall specify the place, day and hour, and purpose of the meeting. Notice of the annual meeting will be provided by telephonic means and/or publication in the El Dorado Sunburst. (Change made 5 Oct 92)

Section 4. Quorum

The presence at the meeting of members entitled to cast one-tenth (1/10) of the votes shall constitute a quorum for any action except as otherwise provided in the Article of Incorporation of these By-Laws. 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 for 30 minutes (except for those meetings called for the purpose of taking action under Article Three, Section 6B of Article Three, Section 7 of these By-Laws) until a quorum as aforesaid shall be present or be represented.

**ARTICLE FIVE
BOARD OF DIRECTORS, SELECTION, TERM OF OFFICE**

Section 1. Number

The affairs of this Association shall be managed by a Board of nine (9) directors. Six director shall be a resident in the area he/she represents, one director from each of the six areas designated. Three directors, designated as the President, Secretary, and Treasurer shall be "at large". (Amended 10/8/07)

The El Dorado Homes Association, Inc. will be subdivided into six (6) areas of near equal number of homes and of as near homogeneous block units as possible. (Amended 10/8/07)

Section 2. Term of Office

In each even-numbered year, the membership in the even-numbered areas of the subdivision will elect one director for each area to serve two (2) years. In the odd-numbered years, the membership in the odd-numbered areas of the subdivision will elect one director for each area to serve two (2) years. The Secretary and Treasurer will be voted on by the membership at large during the annual meeting in October for a term of two (2) years. If at anytime the positions become vacant for any reason, the current Board of Directors will find a new resident to fill the vacant position. A majority vote by the Board will be required to accept the selection. (Amended 10/8/07)

The President will be elected to serve one (1) year and will be elected as President-Elect from among the Board of Directors by that Board at their first general meeting in June. (Change made 5 Oct 92) If the President-Elect chosen is a director of an area whose term is not to immediately expire, the nominating committee will include a person from that area to nominate a member to be elected to complete the unexpired term.

Section 3. Removal

Any Director may be removed from the Board by a majority vote of the members of the Association.

Section 4. Compensation

No Director shall receive compensation for any service he/she may render to the association. However, any director may be reimbursed for actual expenses incurred in the performance of his/her duties with prior approval of the Board.

Section 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 approval of the majority of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors. Verbal approval, properly documented, may be used if the action and approval is documented in the minutes of the next monthly Board of Directors meeting.

ARTICLE SIX NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination

Not later than July 31 of each year, the Board of Directors will appoint a nominating committee of at least three (3) persons. Nomination for election to the Board of Directors shall be made by presenting to the nominating committee a request that a member's name be placed in nomination which bears the members own signature stating willingness to run. It would become the responsibility of the nominating committee to verify where no candidates present themselves. Nominations for the Board of Directors may also be made from the floor at the annual meeting, provided ten (10) eligible members including the candidate by written petition assent to the nomination.

Section 2. Election

The regular election of the El Dorado Homes Association, Inc. shall be held on the second Monday in October. Polls at the clubhouse will open at 7:00 P.M. and close at the end of the Annual Meeting. (Change made 5 Oct 92). (Amended 10/8/07)

A. Eligible voters who cannot personally cast their ballot during the above hours may request, receive, and cast a recorded absentee ballot through a committee designated by the Board of Directors. Absentee ballots must be received and closed by 8:00 P.M. on the night previous to the election.

B. This provision deleted, effective September 13, 1982.

C. In the election of the area representative, each voter will cast a vote for the representative of his area and no others.

D. The person receiving the largest number of votes for each vacancy shall be elected.

Actual vote count will be recorded in the minutes of the Homes Association. In the event of a tie, the Board of Directors will declare the position in question to be vacant and appoint one of the candidates who tied to fill the position.

ARTICLE SEVEN MEETING OF DIRECTORS

Section 1. Regular Meetings

Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Although persons other than Board members are present at the regular meeting, motions may be made, seconded and voted on by Board members only. 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 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 (3) days notice to each director. The three (3) day notice requirement may be waived by agreement of all Board members. The Board of Directors shall convene at 7:00 P.M. on the night of the regular election to accept the vote count and seat the new members.

ARTICLE EIGHT POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers

The Board of Directors shall have the power to:

A. Adopt and publish rules and regulations governing the use of the common areas 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 the recreational facilities of a member during any period in which such member shall be in default in the payment of the annual or special assessments levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) 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 By-Laws or the Articles of Incorporation.

D. Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive meetings of the Board of Directors.

E. Employ a manager, an independent contractor, or other such employees as they deem necessary and to prescribe their duties; and

F. A vacancy in any Board member position may be filled by appointment by the Board or by a vote of the general membership. The manner in which the vacancy is filled will be at the option of the Board, and shall take place within thirty (30) days following the death, removal or resignation of the Board member concerned. The Board member appointed or elected to such vacancy shall serve for the remainder of the term of the Board member he/she replaced.

Section 2. Duties

It shall be the duty of the Board of Directors to:

A. Adopt and publish rules and regulations governing the use of the common area and facilities (to be reviewed annually) and the personal conduct of the members and their guests thereof, and to establish penalties for the infraction thereof;

B. Cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by ten percent (10%) of the members who are entitled to vote;

C. Supervise all officers, agents and employees of this Association, and see that their duties are properly performed;

D. Procure and maintain adequate liability and hazard insurance on property owned by the Association;

E. Cause all officers or employees having fiscal responsibility to be bonded, as it may deem appropriate;

F. Cause the common areas to be maintained;

G. This provision was deleted 5 October 1992.

ARTICLE NINE OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers

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

Section 2. Election of Officers

The President-Elect will be elected as President and the Vice-President shall be elected from among the six area Directors at the first meeting of the Board of Directors following the annual election. The Vice-President shall continue to serve as an area Director.

Section 3. Term

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

Section 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 5. Resignation and Removal

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

Section 6. Vacancies

A vacancy in any office may be filled by the procedures specified in Article 8, Section 1F.

Section 7. Multiple Offices

No person shall simultaneously hold more than one office except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties

The duties of the officers are as follows:

A. President

The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and be responsible for their location and availability; and shall co-sign all checks and promissory notes.

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 and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; 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; 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, and shall prepare an annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting; and deliver a copy to each of the members present at the annual meeting. (Amended 10/8/07)

E. Audits

At the last meeting of the fiscal year, the President shall appoint with the approval of the Board of Directors, a committee of two (2) or more members to comprise an Audit Committee. The members may or may not be members of the Board of Directors. The Committee's duties shall be to audit the Treasurer's books and/or records. The report of the audit results shall be made at a regular board meeting. A copy of the report shall be given to each member of the Board of Directors and a copy for the permanent file kept by the Secretary. (Section added 10/8/07)

ARTICLE TEN COMMITTEES

The Board of Directors shall appoint those committees as deemed appropriate in carrying out its purpose.

ARTICLE ELEVEN BOOKS, RECORDS AND PAPERS

The books, records and papers of the Association shall be subject to inspection by any member, by contacting during regular business hours, a member of the Board, who will then arrange for the time and place of the inspection. (Amended 10/8/07)

ARTICLE TWELVE CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: "El Dorado Homes Association, Inc."

**ARTICLE THIRTEEN
AMENDMENTS**

Section 1. Amendments to these By -Laws may be presented at the annual meeting, or at a special meeting called for that purpose. A proposed amendment will be voted by a majority of those members present.

Section 2. In the event of any conflict between these By-Laws and the Articles of Incorporation, the Articles shall prevail.

**ARTICLE FOURTEEN
FISCAL YEAR**

The fiscal year of the Association shall begin on the first day of January each year and end on the last day of December each year. (Change made 10 Apr 89).

**ARTICLE FIFTEEN
BUDGET YEAR**

The budget year of the Association shall be the same as the fiscal year.

**ARTICLE SIXTEEN
MEMBERSHIP/DUE YEAR**

The membership/due year of the Association shall begin on the first day of May each year and end on the 30th day of April of the following year.

**ARTICLE SEVENTEEN
CONVEYING PROPERTY**

The Association shall have the power to dedicate, sell or transfer all of any part of the common area to private individuals, agencies or corporations. No such conveyance shall be effective unless an instrument has been approved by two-thirds (2/3) of the Association members present at a special meeting of the Association; said members agreeing to such conveyance and the conditions of such conveyance. Notice of the intent and conditions of conveyance shall be made to Association members at least fifteen (15) days but no more than thirty (30) days prior to said meeting via U. S. Mail. (Change made 5 Oct 92).