

**SECOND AMENDED AND RESTATED BY-LAWS OF PARADISE VALLEY**  
**PROPERTY OWNERS ASSOCIATION**

**February 21, 2015**

These Amended and Restated By-laws hereby supersede the terms and provisions set forth in the Amended By-laws of Property Owners Association of Paradise Valley, Section I and II, Inc., and as amended in January 1993.

**Article I**  
**NAME AND PURPOSE**

Section 1—Name: The organization shall be known as PARADISE VALLEY PROPERTY OWNERS ASSOCIATION (hereinafter sometimes referred to as “the Association”), a Texas non-profit corporation.

Section 2—Purpose: The specific and primary purposes of the Association are to provide for management of the residence lots and common areas, including the River Park; compliance with current and future deed restrictions/dedicatory instruments; and property development control in the Paradise Valley Subdivision. For purposes of this document, Paradise Valley Subdivision (hereinafter “Paradise Valley”) is defined to include all lots and property fronting on Blanco Drive, Valley Drive or Songbird Lane within the 303.88 acre tract conveyed to Carl N. Brinkley as recorded in Vol. 177, Page 540, Hays County Deed Records.

Section 3—River Park: The Association and the Paradise Hills Area Residents Association each own an undivided ½ interest in the Paradise Valley River Park (“the River Park”) and have the right to control ingress / egress. All Members shall have the right to use the River Park for park purposes, subject to such reasonable rules for the safety and enjoyment of Members as may be approved by the Associations and/or their designated Committees.

**Article II**  
**DEFINITIONS**

1. “Amended Restrictions” means the Amended Deed Restrictions applying to Paradise Valley Subdivision recorded in Vol. 1758, pp. 652-656, Hays County Property Records, and as amended.
2. “Annual Dues” means the regular annual assessment set by the Board of Directors and payable to the Association on the basis of Lot ownership as defined herein.
3. “Good Standing” means a Member is current on all Annual Dues and Special Assessments, if any.
4. “Initial Membership Fee” means a one-time assessment set by the Board of Directors and payable to the Association at the inception of membership in the Association, determined on the basis of Lot ownership as defined herein.

5. "Lot" means a designated parcel of land within Paradise Valley, as defined in Article I, Section 2, including any improvements. If an Owner holds two more contiguous parcels that have been combined the purposes of building a residence, or if one or more of such contiguous parcels are unimproved, then such parcels shall be treated as one Lot for purposes of voting and assessments. Each non-contiguous parcel shall be treated as a separate Lot regardless of ownership for purposes of voting and assessments.
6. "Member" means any person meeting the eligibility requirements set forth in Article III, Section 1.
7. "Owner" means any person(s) or entity(ies) holding record title to property in Paradise Valley.
8. "River Park" means the tracts of land conveyed to the Association and Paradise Hills Property Owners Association by Special Warranty Deed on August 9, 2000, recorded at Vol. 1705, pp. 816-817, Hays County Property Records.
9. "Special Assessment" means a one-time assessment on the basis of Lot ownership, as described herein, which may be proposed by the Board of Directors for a membership vote in order to address extraordinary unbudgeted costs.

### **Article III MEMBERSHIP**

Section 1—Eligibility: A person or entity who is a recorded owner of a fee simple title; contract for deed; or contract of sale, to any lot or lots in Paradise Valley, Hays County, Texas, shall be eligible for membership in the Association.

Section 2—Fees, Dues and Assessments: A payment of a one-time Initial Membership Fee and Annual Dues as set by the Board of Directors shall constitute a pledge and cooperation in becoming a Member of the Association. Additionally, one-time Special Assessments may be proposed by the Board and approved by a vote of the Members as described in Article V. Initial Membership Fees, Annual Dues and Special Assessments shall be determined for each Lot on the basis described in Article II and in Article V, Section 6. Annual Dues and Special Assessments must be paid within three months of assessment.

Section 3—Termination of Membership: An Owner whose membership in the Association is optional may terminate from the Association's member rolls at their election by notifying the Association. Additionally, the Association may terminate such an Owner's membership in the event the Owner does not pay his or her Annual Dues and/or Assessments (if any) within the prescribed payment period, after providing notice to the Owner. However, any Owner wishing to rejoin after being terminated will be required to pay all unpaid back Annual Dues and Special Assessments, including those for the period in which membership was terminated, to be considered in Good Standing.

**Article IV  
BOARD OF DIRECTORS**

Section 1—The Board: The administration of this organization shall be by a Board of Directors elected by and from the membership. The Board shall consist of six (6) members of the Association. The term of each Board member shall be three (3) years and terms staggered such that two (2) Board members shall be elected at each Association annual meeting. All directors shall serve without pay. Only expenses incurred in the service of the Association may be reimbursed.

Section 2—Vacancy: Any vacancy occurring on the Board shall be filled by appointment within sixty (60) days by the remaining Board members. This vacancy appointment shall be for the remaining unexpired term of the vacated Directorship.

**Article V  
MEMBERSHIP MEETINGS, VOTING AND ELECTIONS**

Section 1—Meetings: Annual and special meetings of the Association Members shall be held at a specific time, date and place as set by the Board with at least ten (10) but not more than sixty (60) days' notice to Members. A meeting of the membership also may be called by written notice to the membership if signed by at least ten (10) of the voting Members of the Association and the membership is given at least ten (10) but not more than sixty (60) days' notice before the date of the meeting. A quorum must be represented in person, absentee ballot or by proxy, by a person designated by such Member to the Board in writing at least 24 hours prior to the meeting, in order to constitute a legal meeting of the membership.

Section 2—Quorum: Ten (10) voting Members represented at a membership meeting shall constitute a quorum.

Section 3—Annual Meeting: There shall be a regular annual meeting of the membership for the purpose of Board elections and other matters for Member approval. The date of the annual meeting shall be set by the Board of Directors.

Section 4—Ballot: Matters to be voted upon will appear on a ballot which will be mailed and/or delivered to all Members along with written notice of the membership meeting. It is each Member's obligation to provide updated and current contact information (including e-mail addresses) to the Association.

Section 5—Method of Voting: Every Member entitled to a vote shall be permitted to vote at the meeting in person, by absentee ballot or by proxy, by a person designated by such Member to the Board in writing at least 24 hours prior to the meeting, to act as proxy on such Member's behalf, subject to the provisions of Article V, Section 6.

Section 6—Allocation of Votes: Members shall have one vote for each Lot owned, except as hereinafter provided. If there is more than one Owner of a Lot, all such Owners may be Members, and the vote for such Lot may be exercised as the Owners thereof mutually agree;

provided, however in no event shall more than one vote per Lot be cast. If an Owner or Owners hold two or more contiguous parcels that have been combined for purposes of building a residence, or if one or more of such contiguous parcels are unimproved, then such parcels shall be treated as one Lot, and the Owner or Owners shall be entitled to only one vote. If an Owner owns two or more non-contiguous parcels, then the Owner shall be entitled to one vote for each non-contiguous lot.

**Section 7—Board Member Elections:**

- a. **Nominations for Board Positions:** The president of the Board shall appoint a nominating committee to select a slate of candidates for those Board members whose terms are expiring. The nominating committee shall consist of three (3) members, the chairperson of which will be a Board member. The nominating committee shall submit names of candidates from the eligible Association membership to fill each of the expiring terms.
- b. The slate of candidates shall be submitted to the membership for a vote at the annual membership meeting in accord with notice, ballot and voting provisions in this Article.
- c. **Election Results:** The Secretary of the Board shall tally the votes and announce the names of the elected Directors to serve for the ensuing terms. Those candidates receiving the largest number of votes shall be elected. If a tie occurs, the candidates who are tied shall cast lots to determine who is elected.

**Article VI  
MEETINGS OF THE BOARD OF DIRECTORS**

**Section 1—Meetings:** The Board of Directors (“the Board”) shall meet a minimum of three (3) times a year. The Board shall meet at such other times as are necessary on the call of the president or on a call signed by three (3) Board members.

**Section 2—Quorum:** Three (3) members present at a Board meeting shall constitute a quorum.

**Section 3—Notice of Board Meetings:** Members shall be given notice of the date, hour, place and general subject of a regular or special Board meeting, including a general description of any matter to be brought up for deliberation in executive session. The notice shall be through any manner authorized by law, including:

- a. by being mailed to each property owner not later than the 10<sup>th</sup> day or earlier than the 60<sup>th</sup> day before the date of the meeting; or
- b. provided at least 72 hours in advance of the meeting by:
  - (1) posting the notice
    - i. in a common area or a conspicuous spot on private property; or
    - ii. on the Association’s website at [www.paradisevalley-wimberley.com](http://www.paradisevalley-wimberley.com); and
  - (2) sending the notice by e-mail to every Member who has registered an e-mail address with the Association.

It is each Member's obligation to provide updated and current contact information, including e-mail addresses, to the Association.

Section 4—Meeting without Notice to Members: Pursuant to Tex. Prop. C. Sec. 209.0051 (h), the Board may hold a meeting for routine and administrative matters, reasonably unforeseen emergency or matters of urgent necessity without advance notice to Members. Such meeting may be held by any method of communication, including electronic and telephonic, if each Board member may hear and be heard by every other Board member. The Board also may take action by unanimous written consent. In the event of such a meeting or written consent, the action taken will be documented in the minutes of the next Board meeting. Regardless, without prior notice to Members of such circumstances the Board cannot consider or vote on matters expressly prohibited by legal statute, including matters related to increasing or leveling dues and assessments, appeals from a denial of architectural control approval, and a suspension of a right of a particular Owner or Member before the Owner or Member has an opportunity to attend a Board meeting to present his or her position, including any defense on the issue.

Section 5—Attendance at Board Meetings: Any Member may attend regular and special board meetings, subject to the right of the Board to adjourn a board meeting and reconvene in closed executive session to consider actions involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, confidential attorney communications, matters involving the invasion of privacy of individual owners, or matters that are to remain confidential by request of the affected party and agreement of the Board. Following executive session, any decision made in the executive session shall be summarized orally and placed in the minutes in general terms without breaching the privacy of individual owners, violating any privilege, or disclosing confidential information. The oral summary shall include a general explanation of expenditures approved in executive session.

## **Article VII OFFICERS OF THE BOARD**

Section 1—Election, Removal and Vacancies of Officers: Any member of the Board in Good Standing with the Association shall be eligible to serve as an officer. Officers shall be elected by the Board of Directors. Election of officers shall occur at the first regular Board meeting following the annual meeting. Officers shall serve one-year terms and may be re-elected during their Board term. Any vacancy of an office shall be filled by a majority vote of the Board. The Board shall have the authority to remove any officer from office, with or without cause, by the vote of a majority of the members of the entire Board at any time and to appoint a successor at any regular meeting of the Board or at any special meeting called for that purpose.

Section 2—Officers of the Board shall consist of a president, vice president, secretary and treasurer.

Section 3—Duties of Officers:

- a. The president shall preside at all Association meetings.
- b. The vice president shall preside in the president's absence.
- c. The secretary shall date and keep accurate records of all meetings of the Association and
- d. The treasurer shall receive, hold and collect all monies, including dues, and disburse all funds belonging to the Association. The treasurer may sign all receipts for payments made to the Association and all checks and vouchers for payment made by the Association, either alone or jointly with such officer or officers as are designated by the Board of Directors.

**Article VIII  
STANDING COMMITTEES**

Standing committees of the Association shall include, but not be limited to, a River Park Committee and an Architectural Committee. The number and nature of additional standing committees shall be determined by the Board of Directors and committee members shall be appointed by the Board.

**Article IX  
POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

Section 1—Powers: The Board of Directors shall be empowered and authorized to:

- a. Prepare and adopt an annual budget, including establishing membership fees and dues;
- b. Propose Special Assessments for membership vote;
- c. Access at all times the accounts, records and files of the treasurer;
- d. Validate or ratify any note, contract or binding agreement to be entered into by the Association upon the vote of its membership;
- e. With respect to carrying out the purpose of the Association hereunder, the Board shall have the right to contract for all goods, services and insurance, and the exclusive right and obligation to perform the functions of the Association, except as otherwise provided herein.
- f. Adopt and promulgate Association Rules, including guidelines and rules relating to the manner of usage and management of common areas such as the River Park, and the personal conduct of Owners and their guests thereon;
- g. By majority vote of the Board, declare the office of a Board member vacant in the event that the individual shall be absent from three (3) consecutive scheduled meetings of the Board;
- h. Procure and maintain adequate liability and hazard insurance on Association property and directors and officers liability insurance providing coverage for all Board members,

officers, and committee members, as well as any other insurance deemed appropriate and necessary; and

- i. Exercise such other and further powers as provided in the Amended Restrictions, the Texas Non-Profit Corporation Act and the Texas Business Organization Code, and perform such acts as may be necessary and appropriate to perform and carry out the duties, powers and responsibilities set forth therein.

Section 2—Duties: It shall be the duty of each Board member, in the discharge of his or her responsibilities as a Board member, committee member or officer, to act in good faith, with ordinary care, and in a manner the Board member reasonably believes to be in the best interest of the Association. Board members individually have no authority to act on behalf of the Association unless such authority has been delegated in writing by the Board to such individual.

Section 3—Maintenance of Books and Records: The Board shall keep or cause to be kept sufficient books and records, including but not limited to, meeting minutes and a detailed accounting of the receipts and expenditures of and on behalf of the Association.

## **Article X**

### **ACCESS TO BOOKS AND RECORDS**

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member or his/her representative. The Association records shall be available for copying by any Member after the Member submits a written request, and where copies may be purchased at a reasonable cost pursuant to the Association's record procurement / copying policy. The Board shall adopt a document retention policy and a policy for Member review and/or copying of the books, records and papers of the Association, which policies shall not be contrary to law. The records of the association available for inspection by member shall not include attorney files that are privileged as attorney-client communication. All books and records of the Association shall be kept in accordance with generally accepted accounting procedures, consistently applied.