

Second Amended By-Laws of
Las Lomas Property Owners Association, Inc.
A Non-Profit Corporation
300 Camino De Rancho
Wimberley, Texas 78676

ARTICLE I OFFICES

(1) PRINCIPAL OFFICE: The principal office of the corporation in the state of Texas shall be located at 300 Camino de Rancho, Wimberley, Hays County, Texas, 78676 or at such other location as the Board of Directors may from time to time determine and establish.

ARTICLE 11. PURPOSE: MEMBERS

(1) PURPOSE: The corporation was created for the purposes of (a) providing for the care, upkeep, maintenance and repair, of roadways and easements which provide access to lots which are a part of Las Lomas Sections One, as described in Book 5 Pages 389 - 396, and Two, as described in Book 6 Pages 93 - 94, of the map and plat records of Hays County, Texas; (b) owning and/or operating, and providing for the care, upkeep, and maintenance of the subdivision park and facilities; (c) transacting any or all lawful business for which corporations may be incorporated under the Texas Non Profit Corporation Act; (d) and for such other purposes as may from time to time be determined by vote of said corporation as enumerated in its Articles of Incorporation dated June 10, 1988 and filed in the Office of the Secretary of State of Texas on July 19, 1988 (as may be hereafter amended, the "Articles").

(2) CLASSES OF MEMBERS: The corporation shall have only one class of members.

(3) MEMBERS: Every person or entity who is a record owner of a fee or undivided fee interest in any lot subject to assessment by the corporation ("Lot") shall be a member of the corporation, as and to the extent provided in the Articles.

(4) VOTING RIGHTS: Each member in good standing shall be entitled to one vote for each Lot owned by such member; provided, however, that when more than one member owns an interest in a given Lot all such members shall jointly have only one vote with respect to such Lot, which vote shall be exercised as they may determine among themselves. If conflicting votes are submitted with respect to any Lot, then no vote shall be counted for such Lot.

(5) NO RESIGNATION: No member may resign, it being the intention of all members that both they and each future owner of any Lot shall be fully bound by all of the rules, regulations, by-laws, resolutions and assessments which may at any time hereafter be lawfully made and adopted by the corporation and/or its Board of Directors; however, upon the conveyance by an owner of fee simple title to a Lot owned by such owner, such owner shall automatically cease to be a member of the corporation if as a result of such conveyance such owner no longer owns any Lot; provided, however, that such owner shall still be liable to the corporation for all dues, assessments and other charges accrued and unpaid with respect to such Lot at the time of such conveyance.

ARTICLE III. MEETINGS OF MEMBERS

(1) ANNUAL MEETING: An annual meeting of the members shall be held during the month of March each year, at the pavilion located at Las Lomas (on the common area owned by the corporation), or at such other place within the state of Texas and at such time and on such date as may be determined and designated by the Board of Directors, for the purpose of electing directors, and for the transaction of such other business as may come before the meeting. If the election of directors shall not be held during the month 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 conveniently may be possible.

(2) SPECIAL MEETINGS: Special meetings of the members may be called by the president, three members of the Board of Directors, or a majority vote of the membership.

(3) PLACE OF MEETING: Written or printed notice stating the place, day and hour of any meeting of members shall be delivered, either personally or by mail, to each member entitled to vote at such meeting, not less than twenty days nor more than fifty days before the date of such meeting, by or at the direction of the president, or persons calling the meeting. In case of a special meeting or when required by statute or by these by-laws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at his/her address as it appears on the records of the corporation, with postage thereon prepaid.

(4) INFORMAL ACTION BY MEMBERS: Any action required by law or 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 to be taken, shall be signed by members representing one hundred percent of the Lots.

(5) QUORUM: The members holding a majority of the votes that may be cast at any meeting, shall constitute a quorum for the transaction of business at any and all meetings of the members. Action may be taken by the members at any meeting where a quorum is present (in person or by proxy), by a majority of the votes represented at the meeting. If a quorum is not present at any meeting of the members, a majority of the members present may adjourn the meeting from time to time without further notice. Nothing in this paragraph shall be construed as diluting any required minimum vote for specified matters, whether set forth in these by-laws, in the Articles, or in the recorded restrictive covenants applicable to the Lots.

(6) PROXIES: At any meeting of members, a member entitled to vote may vote by proxy executed in writing by the member or by his/her duly authorized attorney in fact. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

(7) VOTING BY MAIL: Any business of the corporation, except election of directors, may be conducted by mail in such manner as the Board of Directors may determine. In all cases where votes are cast by mail, the signature of the voter is required on the ballot. The ballots received by the Board of Directors shall become part of the permanent record of the Association and will be available for review by any member of the Association.

ARTICLE IV. BOARD OF DIRECTORS

(1) GENERAL POWERS: The business and affairs of the corporation shall be managed by its Board of Directors. The Board of Directors shall monitor the functions of the Architectural Control Committee, which shall deliver to the board a written report on all of its decisions by the next meeting of the board after the Committee's decision has been rendered. The Board of Directors may establish such standing or temporary advisory committees of such size and composed of such members as may be necessary or desirable to advise the board in the conduct of specified affairs of the Association. All recommendations or decisions of such committees shall be solely advisory in nature until adopted as an operating policy of the Association by an affirmative vote of the Board of Directors. The Board of Directors may not delegate to any such committee the authority to establish operating policies or procedures for the Association, but may authorize or require a committee to implement specific procedures as adopted by the board. The Board of Directors may also refer any such policy or procedure for a decision by a vote of the members.

(2) NUMBER, ELECTION AND TERM: The number of directors shall be five, consisting of a chairman and four directors. The directors shall be elected by the members at the annual meeting, except for any vacancies filled pursuant to paragraph (8) below. The term of office of each director shall be two years. Each director's two-year term shall commence upon his or her election and shall terminate upon election of his or her successor at the next appropriate annual meeting of members. A director may be re-elected for any number of successive terms. Directors shall be members of the corporation who are currently in good standing. The terms of any directors elected at a time when the three-year term provision set forth in Article VIII of the Articles was in effect, notwithstanding such directors' election to three-year terms, shall expire at the time of the first annual meeting of members following the effective date of any amendment or deletion of such provision for the purpose of eliminating any conflict between the Articles and these by-laws.

(3) REGULAR MEETINGS: A regular annual meeting of the Board of Directors shall be held without other notice than these by-laws, immediately after, and at the same place, as the annual meeting of members. The Board of Directors may provide by resolution the time and place for holding of additional regular meetings of the board without other notice than such resolution. Board meetings, whether regular or special, may be attended by any member.

(4) SPECIAL MEETINGS: Special meetings of the Board of Directors may be called by, or at the request of the president or any three directors. The person or persons authorized to call special meetings of the board may fix any place within ten miles of the principal office of the corporation as the place for holding any special meeting of the board called by them.

(5) NOTICE: Notice of any special meeting of the Board of Directors shall be given at least ten days previously thereto by written notice delivered personally or sent by mail to each director at his/her address as shown by the records of the corporation. If mailed, such notice shall be deemed delivered when deposited in the United States mail, in a sealed envelope so addressed, with postage thereon prepaid. To provide general notice to members of the meetings of the board, written notice shall also be posted on the community bulletin board, which is to be established at the common area near the entrance gate. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver or notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted at the meeting need not be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these by-laws.

(6) QUORUMS: A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting; but if less than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

(7) 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 by-laws. If only three directors are present, a vote must be unanimous to be valid.

(8) VACANCIES: Any vacancy occurring in the Board of Directors may be filled by affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors. A director appointed to fill a vacancy shall be appointed for the un-expired term of his/her predecessor in office.

(9) COMPENSATION: Directors as such shall not receive any stated salaries for their services.

(10) ANNUAL BUDGETS: At the annual meeting of members, the outgoing Board of Directors shall present: (a) a statement of assessments received and expenses incurred for the preceding year, and (b) a proposed budget for the upcoming year.

(11) PERIODIC REPORTING TO MEMBERS: At least semi-annually, the Board of Directors shall prepare and issue a written financial report to the members detailing (on a year-to-date basis) all assessments received and expenses incurred, and noting any changes to the annual budget.

ARTICLE V. OFFICERS

(1) OFFICERS: The directors shall be the officers of the corporation. The chairman of the Board of Directors shall be the president. The other officers shall consist of a first vice-president and a second vice-president, a secretary, and a treasurer. A director shall hold one, but only one, officer position at any one time. Officers shall be elected annually to two-year terms, the president and the secretary shall change on even-numbered years, and the first and second vice-president and treasurer shall change on odd numbered years. They will be elected by the members at the annual meeting of the members. The first meeting of the newly elected Board of Directors shall be held within thirty days after the annual meeting of members pursuant to which such board was elected.

(2) REMOVAL: Upon a duly called vote of the members, any officer, elected by the members or appointed by the Board of Directors may be removed by the members whenever in their judgment the best interests of the corporation would be served thereby.

(3) VACANCIES: Any vacancy occurring among the officers shall be filled by affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors. An officer appointed to fill a vacancy shall be appointed for the un-expired term of his/her predecessor in office.

(4) PRESIDENT: The president shall be the principal executive officer of the corporation and, subject to the control of the Board of Directors, shall, in general, supervise and control all of the business and affairs of the corporation. He/She shall, when present, preside at all meetings of the members and of the Board of Directors. He/She may sign, with the secretary or any other proper officer of the corporation thereunto authorized by the Board of Directors, any contracts or other instruments that 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 by-laws or by some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general, he/she 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) VICE-PRESIDENTS: In the absence of the president, or in event of his/her inability or refusal to act, the first vice-president and the second vice-president, or either of them (the intent being that they may act jointly or individually), shall perform the duties of the president, and, when so acting, shall have all the powers of and be subject to all the restrictions on the president. Any vice-president shall perform such other duties as from time to time may be assigned by the president or by the Board of Directors.

(6) SECRETARY: The secretary shall keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these by-laws or as required by law; be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed 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 by-laws; keep a register of the post office address of each member which shall be furnished to the secretary by such 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 him by the president or by the Board of Directors.

(7) TREASURER: If required by the Board of Directors, the treasurer shall give a bond for the faithful discharge of his/her 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 corporation; receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors; 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 by the Board of Directors.

ARTICLE VI. CONTRACTS, CHECKS, DEPOSITS AND FUNDS

(1) CONTRACTS: The Board of Directors may authorize the president and one additional officer to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation and such authority may be general or confined to specific instances.

(2) CHECKS, DRAFTS, OR ORDERS FOR PAYMENT: All checks, drafts or orders in excess of \$500 (excluding recurring expenses), for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by the treasurer and countersigned by the president or any vice-president of the corporation.

(3) DEPOSITS: All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

(4) GIFTS: The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the general purposes, or for any special purpose, of the corporation.

ARTICLE VII. ASSESSMENTS

(1) ANNUAL ASSESSMENTS: The Board of Directors shall fix and establish from time to time, at an annual or special meeting of the Board of Directors, an annual assessment against each Lot in Las Lomas Sections One and Two, which assessment shall be charged, collected and paid in such manner as the Board of Directors may from time to time determine, and in accordance with the Amended Covenants and Restrictions of Las Lomas subdivision Section One and Two which are of record with the county clerk of Hays County, Texas. All such annual assessments, together with interest, costs and reasonable attorney fees, if any, incurred in the collection thereof shall be a charge on the land and a continuing lien on each Lot against which such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees shall also be the personal obligation of the person or persons who owned the lot at the time the assessment fell due.

(2) PURPOSE OF ANNUAL ASSESSMENTS: The annual assessments levied and collected by the Board of Directors shall be used exclusively for:

- (a) the maintenance, repair, upkeep, improvement, and/or construction of those certain roadways, rights-of-way, and easement areas which provide access to the Lots in and comprising Las Lomas Sections One and Two which roadways, rights-of-way, and easements are described and shown on the map or plat of said subdivision which is recorded in Book 5 Pages 389 - 396 and Book 6 Pages 93 - 94 of the map and plat records of Hays County, Texas;
- (b) the upkeep and maintenance of the all perimeter fencing, the entrance (including grounds, lighting, and landscaping), the gate, the park, the pavilion, the tennis court, and all associated facilities;
- (c) the management of the wild game population in Las Lomas;
- (d) casualty and liability insurance and incidental and miscellaneous costs, expenses and fees incurred in carrying out the purposes of the corporation, and/or expenses incurred in the day to day management and operation of the corporation;
- (e) fees and expenses to enforce the restrictive covenants of record in Hays County, Texas and applicable to the Lots, as now in effect or hereafter amended; and;
- (f) such other purposes as may from time to time be determined and established by vote of not less than two-thirds of the members.

(3) NOTICE OF ANNUAL ASSESSMENT: Notice of the annual assessments shall be sent to every owner subject thereto. The corporation shall, on demand and for a reasonable charge, furnish a certificate signed by an officer of the corporation setting forth whether the assessment against a specific Lot has been paid, and may cause to be recorded in the office of the county clerk of Hays County, Texas, a list of assessments which are more than sixty days delinquent.

(4) EFFECT OF NON-PAYMENT OF ASSESSMENTS; REMEDIES: Any assessment not paid within thirty days after the due date shall be deemed in default and shall bear interest from the thirty-first day after the due date at the rate of eight percent per annum, compounded annually, but in no event higher than the highest rate allowed by law (such interest rate shall be reduced if necessary to prevent same from exceeding the highest rate allowed by law). The corporation may bring an action at law against the owner or owners personally obligated to pay same, or may foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided herein by non-use of the roadways, easements and/or areas or abandonment of his/her lot. Any lot owner who has not paid any assessment within thirty days after the due date shall be deemed not in good standing, and thereby not eligible to vote or hold elected office in the Association. A member is restored to good standing, upon receipt by the Association, of all outstanding assessments.

(5) INDEMNIFICATION: The corporation shall indemnify each director, officer, employee, and agent of the corporation to the full extent permitted by applicable law, including, without limitation, Article 1396-2.22A of the Texas Non-Profit Corporation Act, as now or hereafter in effect. Such indemnification shall include, to the full extent permitted by such applicable law, payment or reimbursement of reasonable expenses incurred by any director, officer, employee, or agent of the corporation who was, is, or is threatened to be made a named defendant or respondent in a proceeding.

ARTICLE VIII. MISCELLANEOUS

(1) BOOKS AND RECORDS: The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members and its Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the corporation may be inspected by any member or his/her agent or attorney, for any proper purpose at any reasonable time.

(2) FISCAL YEAR: The fiscal year of the corporation shall begin and end on such dates in each year as may be established by the Board of Directors.

(3) CORPORATE SEAL: The Board of Directors may provide a corporate seal, which may be in such form, as the Board of Directors may deem appropriate.

(4) WAIVER OF NOTICE: Whenever any notice is required to be given under the provisions of the Texas Non-Profit Corporation Act or under the provisions of the articles of incorporation or the by-laws of the corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether signed before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

(5) INDEMNIFICATION: The corporation shall indemnify each director, officer, employee, and agent of the corporation to the full extent permitted by applicable law, including, without limitation, Article 1396-2.22A of the Texas Non-Profit Corporation Act, as now or hereafter in effect. Such indemnification shall include, to the full extent permitted by such applicable law, payment or reimbursement of reasonable expenses incurred by any director, officer, employee, or agent of the corporation who was, is, or is threatened to be made a named defendant or respondent in a proceeding.

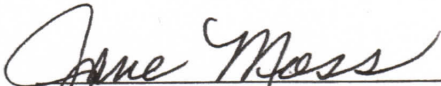
ARTICLE IX. AMENDMENTS

(1) POWER OF MEMBERS TO AMEND BY-LAWS: The by-laws of this corporation may be amended, repealed, or added to, or new by-laws may be adopted, by the vote or written assent of sixty-two and two thirds (66.6%) percent of the total votes which may be cast; provided, however, that in no event may these by-laws be amended, repealed or added to, so as to give either the members or the Board of Directors of the corporation any power over or relating to the recorded restrictions against the herein described property.

If any of the above by-law provisions are determined to be unconstitutional or prohibited by law or regulation then any unaffected portions shall remain in full force and effect.

(2) ARCHITECTURAL CONTROL COMMITTEE: The Architectural Control Committee ("ACC") shall be comprised of five members. The members of the ACC shall be appointed by the Board of Directors and shall serve for two years with staggered terms: two shall be replaced on even numbered years and three shall be replaced on odd numbered years. The expiration of terms and the appointment of new members of the ACC shall occur within thirty days after the annual meeting of members. The president of the Board of Directors is prohibited from serving on both the board and the ACC at the same time. Any other board member may serve on the ACC only if elected to the Board of Directors while serving on the ACC. If a member of the ACC should cease to serve for whatever reason, the Board of Directors shall appoint a replacement for such member within thirty days after such cessation of service.

Signed, executed and adopted to be effective as of 13 day of October, 1999.



President - Jane Moss



Secretary - Heidi Higginbotham