

BY-LAWS

of

THE FLYING L RANCH PROPERTY OWNERS' ASSOCIATION, INC.

(Effective January 16, 2021)

ARTICLE I: ORGANIZATION/PURPOSE

SECTION 1: The Association: The Flying L Ranch Property Owners' Association, hereinafter referred to as "the Association," is a non-profit corporation, organized and existing under the laws of the State of Texas and established in accordance with Federal Guidelines Governing Non-Profit Corporations, as stated in the Vernon Statutes, Article 1396-1.01 through 1396-11.01.

SECTION 2: Purpose: The purpose of the Association is to promote orderly residential development and protect the interest of all members, and for the purposes set forth in its Articles of Incorporation.

ARTICLE II- MEMBERSHIP

SECTION 1: Classes of Members: The Association will have one class of member. All shall be recorded owners of property in the Flying L Ranch Subdivision, Bandera County, Texas, and are subject to annual assessments by the Association for the maintenance fees. Annual assessments of fees are contained in the attached Standing Rules of the Association.

SECTION 2: Voting Rights: Members will be entitled to one vote for each lot owned by such person(s), entity(ies), when more than one person or entity holds an interest in any lot, all such persons/entities shall be members; however, the representative one vote shall be as the owners among themselves determine. In the event of multiple owners all owners must vote jointly as one vote, or may file a proxy with the Association, naming one owner to cast the vote.

ARTICLE III - MEMBERSHIP MEETINGS AND ELECTIONS

SECTION 1: Notice of Meetings: Written or printed notice stating the place, day and time of Annual General Membership Meeting will be mailed to each member entitled to vote at such meeting, not less than thirty days before the date of such meeting, by or at the direction of the Board of Directors or the Chairman. A quorum shall not be less than ten (10%) percent of members qualified under Article II. The purpose or purposes of the meeting will be stated in the notice.

SECTION 2: Meetings: A regular meeting of the Board of Directors will be held immediately after the Annual Membership Meeting. Additional regular meetings may be held by resolution of the Board. Special meetings may be called by, or at the request of, the Chairperson or any two Directors. A minimum of four meetings (including one Annual Meeting) shall be held each year. The date, place and time of the meetings will be posted 72 hours in advance in a public place in the Flying L and/or posted by any other means acceptable under Texas State law.

SECTION 3: Conduct of Elections: Proposed upcoming elections will be announced publicly 90 days prior to the election date. The form of announcement is as follows:
Posting in a public place on the Flying L Ranch Subdivision normally reserved for posting the meeting notices and mail out notice to property owners.

SECTION 4: Eligibility to be on the Ballot: Anyone who desires to file for a place on the ballot may file between 90 and 60 days prior to the election in order to be placed on the mail-out ballots.

To be eligible for a place on the ballot, the candidates must:

- A. Affirm they have title/deed to the property
- B. Not have committed a felony or crime involving moral turpitude 20 years following the date of such conviction

SECTION 5: Voting Eligibility: Each record property owner is allowed one vote per each lot owned by such person/persons/entity/entities. Each family, husband and/or wife, person and/or persons and/or entity and/or entities, shall be considered jointly to be representative of one (1) vote as the owners among themselves determine. In no event shall any owners of a single lot be entitled to more than one (1) vote per lot. To be eligible to vote in an election for directors, the voter must have title/deed to property in the subdivision. The Executive Secretary of the Association will determine eligibility of each ballot mailed to members of the Association. The Executive Secretary of the Association and an assistant(s) will verify the eligibility of each voter who votes in person on the day of the election.

SECTION 6: Method of Voting: The voting method will be by ballot to be opened on election day. Any ballot received by mail not sealed or obviously tampered with, which is unsigned, has unreadable or ambiguous markings for vote, voted for more candidates than open positions, or which results in a conflict between votes of two owners of the same property will not be counted. All absentee ballots must be received, sealed, and in the hands of the Executive Secretary before the Annual Meeting is called to order. The Executive Secretary and two non-Board members will count the ballots as soon as possible, but not later than 48 hours after the meeting. All candidates will be notified of the results at the earliest possible time, but not later than ten working days after the count.

ARTICLE IV - BOARD OF DIRECTORS

SECTION 1: General Powers: The affairs of the Association will be managed by the Board of Directors. Only record owners of property in the Flying L Ranch Subdivision, Bandera, Texas, will serve as Directors. The Recording Secretary and/or Treasurer position(s) may be excluded from this provision by approval of the Board on the basis of need.

SECTION 2: Number of Directors: The number of Directors will be seven (7).

SECTION 3: Term: The association membership will elect Directors for a term of two (2) years.

SECTION 4: Vacancies: Any vacancy occurring in the Board of Directors will be filled through appointment by the Board of Directors and the appointed Director will serve the remainder of the unexpired term of the position.

SECTION 5: Quorum: Four (4) Directors in attendance will constitute a quorum for Board meetings and must be present at such time as the Board votes to approve any action.

SECTION 6: Personal Liability: Directors are protected from Personal Liability for actions taken as a managing body, except when such liability arises out of willful violation of a Penal Statute or Ordinance attributed to bad faith or for the purpose of personal gain, as noted in Vernon Statutes Article 1396-2.22a.

SECTION 7: Attendance: Directors shall be required to attend regularly scheduled and special meetings of the Board. Three (3) consecutive absences from Board meetings, without a reason acceptable to the

Board, will be cause for the Director to be removed by a written ballot—signed or secret—vote of at least two-thirds (2/3) of the Board members present at the meeting where such vote is taken.

SECTION 8: Removal: A director may be removed from office, with or without cause, by a vote of at least two-thirds (2/3) of the Board members present at the meeting where such vote is taken; however, no Director shall be removed until he/she has first received written notice of the Board’s planned vote for removal. Written ballots—signed or secret—MUST be used for the proposed removal of a Board member.

ARTICLE V - OFFICERS

SECTION 1: Election and Term of Office: The Officers of the Association are to be elected annually by the Board of Directors at their Regular Annual Meeting. Each Officer will hold office until his successor has been duly elected and qualified. The term of office of an Officer-position may not exceed three (3) years. Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Association would be served. Removal of an Officer does not also remove such person from the Board while serving as a Director.

SECTION 2: Officers: The Board of Directors will designate a Chairperson, a Vice Chairperson, and an Executive Secretary from among members of the Board.

SECTION 3: Chairperson: The Chairperson will be the Principal Executive Officer of the Association will in general supervise and control all of its business and affairs, will perform all duties incident to the office and such other duties as prescribed by the Board of Directors. In the absence of the Chairperson, the Vice Chairperson will assume the duties and responsibilities of the office.

SECTION 4: Vice Chairperson: The Vice Chairperson will assist the Chairperson and assume the duties and responsibilities of the Chair in the absence of the Chairperson. The Vice Chairperson will perform additional duties as directed by the Chairperson and/or the Board of Directors.

SECTION 5: Executive Secretary: The Executive Secretary will be responsible for the corporate business of the Association and will perform additional duties as directed by the Chairperson and/or the Board of Directors. The Executive Secretary will conduct all election/voting activities for the Association and will preside at meetings in the absence of the Chairperson or Vice Chairperson.

ARTICLE VI - AUXILIARY PERSONNEL

SECTION 1: Recording Secretary: The Recording Secretary will provide clerical assistance and prepare correspondence for the Association, as well as other duties directed by the Chair and/or the Board of Directors. The Board of Directors will determine the amount of remuneration for this auxiliary non-Board position. The Recording Secretary will be the designated agent for the POA and custodian of the corporate administrative records. Upon request of the Chairman or the Association Board, the Recording Secretary may attend any Executive Session as deemed necessary.

SECTION 2: Treasurer: The Treasurer will perform all the duties incident to this office and other duties as directed by the Chairperson and/or Board of Directors. If required by the Board of Directors, the Treasurer will give a bond for the faithful discharge of duties of the office. The Treasurer will be the custodian of the corporate financial records. The Board of Directors will determine the amount of

remuneration for this auxiliary non-Board position. Upon request of the Chairman or the Association Board, the Treasurer may attend any Executive Session as deemed necessary.

ARTICLE VII - COMMITTEES

SECTION 1: Architectural Control Committee (ACC): The ACC compliance with, and rigid enforcement of, the Restrictive Covenants on file in the Office of the County Clerk, Bandera County, Texas. The ACC shall have the authority to accomplish the purpose of the Association and will consist of five members, two (2) from the Board of Directors, and three (3) property owners in good standing. The Chairperson of the Board will designate the Committee Chairperson.

SECTION 2: Nomination Committee: The Nomination Committee will consist of a member of the Board and two (2) non-Board members of the Association who are in good standing. If additional committee members are needed, the Board of Directors can either solicit volunteers at a Membership Meeting or appoint homeowners to fill the open position(s).

SECTION 3: Ad Hoc Committees: The Chairperson of the Board may appoint temporary, advisory, or special effort committees as deemed appropriate.

SECTION 4: Appeals: Committee decisions may be appealed to the full Board of Directors and must be submitted in writing within thirty (30) days of notification of the decision. Rulings will be made at the next Board meeting, or forty-five (45) days, whichever comes first.

ARTICLE VIII – CONTRACTS, DISBURSEMENTS, DEPOSITS OF FUNDS, GIFTS & REIMBURSEMENTS

SECTION 1: Contracts: As Principal Executive Officer of the Association, the Chairperson will sign, with the Executive Secretary or any other Officer of the Association authorized by the Board of Directors, any deeds, 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 statute to some other officer or agent of the Association.

SECTION 2: Disbursements: All checks, drafts, or orders for payment of money, notes or other evidences of indebtedness issued in the name of the Association, will be signed by such officer or officers, agent or agents of the Association, and one Board Member, and in such manner as shall from time to time be determined by resolution authorized by the Board of Directors. Checks over \$300.00 not previously authorized by the Board of Directors require Board approval.

SECTION 3: Deposits: All funds will be deposited from time to time to the credit of the Association in such banks or other depositories as the Board of Directors may select.

SECTION 4: Gifts: The Board of Directors may accept or reject on behalf of the Association any contribution, gift, bequest, or device for general or any special purpose of the Association.

SECTION 5: Reimbursements: Individual Directors and Officers by vote of approval for the expenditure by the Board and upon submitting written receipts will be reimbursed for expenses incurred. No travel expense reimbursement will be made for routine meetings.

ARTICLE IX- BOOKS, RECORDS, FISCAL YEAR, ANNUAL FINANCIAL STATEMENT, AND BUDGET

SECTION 1: Books and Records: The Association will keep correct and complete books and records and shall also keep minutes of the proceedings of its membership, Board of Directors and the committees having the authority of the Board of Directors, and shall keep a record giving the names and addresses of the members entitled to vote by the Secretary/Treasurer.

SECTION 2: Fiscal Year: The Association’s fiscal year shall begin on the first day of January and end on the last day of December each year.

SECTION 3: Annual Financial Statement: An examination of the Association’s income and expenses will be conducted annually. The level of examination will be: (1) Compilation, (2) Review, or (3) a Certified Audit, as determined by the Board of Directors to be presented at the annual general membership meeting in January. A monthly balance sheet of actual income/expenses will be prepared and presented at each monthly Board of Directors meeting.

SECTION 4: Annual Budget: An annual budget of projected income and expenses for the new business year will be prepared and presented to the Board of Directors for approval no later than December 31st. The budget shall be revised and updated on a quarterly basis, unless directed otherwise by the Board of Directors.

ARTICLE X – WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the Non-Profit Corporation Act of Texas, as under the provision of the Articles of Incorporation, or by the By-Laws of the Association, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated herein shall be deemed equivalent to the giving of such notice.

ARTICLE XI - AMENDMENTS TO BY-LAWS

The Board of Directors will submit to the membership for approval all changes and amendments, in whole or in part, to these Bylaws at a Membership Meeting duly called for such purpose. Written notice shall be given to all members at least ten (10) days and not more than sixty (60) days in advance and shall set forth the purpose of such meeting. The changes shall be approved by a majority vote of fifty-one (51) percent or better of the ballots cast by members present in person, by absentee ballot and by proxy at a Membership Meeting at which a quorum is present.

ARTICLE XII – AUTHORITY

Robert’s Rules of Order

**STANDING RULES OF
FLYING L RANCH PROPERTY OWNERS' ASSOCIATION, INC.**

1. **Principal Office:** Flying L Ranch POA, Inc. and its mailing address is: 566A Flying L Drive, Bandera, Texas 78003.

2. **Fees:** Are established by the Board and may not be raised or lowered by more than 10 percent (10%) per year by recommendation of the Board of Directors. Late fees and Administrative fees will be imposed after the first day of March of each calendar year on lots for which fees have not been paid by that date.
3. **Annual Meeting:** An Annual Meeting of the Membership will be held on the pre-determined date as may come before the membership.
4. **Place of Meetings:** The Board of Directors may designate any place within the County of Bandera as the place of any Annual Meeting, or 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 Flying L Ranch in the State of Texas.
5. **Quorum:** At a Membership Meeting, a quorum of members present in person, by absentee ballot and by proxy shall consist of not less than ten percent (10%) of all members eligible to vote.
6. **Fundamental Actions Vote:** The vote required to approve any action considered to be a "Fundamental Action" under Texas Nonprofit Corporation Law is at least two-thirds (2/3) of the ballots cast by members present in person, by absentee ballot and by proxy at a Membership Meeting at which a quorum is present. "Fundamental Actions" include: (1) an amendment to the HOA's/POA's Articles of Incorporation; (2) a voluntary winding up of the Nonprofit Corporation HOA/POA; (3) a revocation of a voluntary decision to wind up the Nonprofit Corporation HOA/POA; (4) a cancellation of an event requiring winding up the Nonprofit Corporation HOA/POA; (5) a reinstatement of the Nonprofit Corporation HOA/POA; (6) a distribution plan for the distribution of corporate property upon winding up the Nonprofit Corporation HOA/POA; (7) a plan of merger for merging the Nonprofit Corporation with another entity; (8) a sale of all or substantially all of the assets of the Nonprofit Corporation HOA/POA; (9) a plan of conversion to convert the Nonprofit Corporation HOA/POA into another type of entity; and (10) a plan of exchange of interest.
7. **Ratification of Corporate Acts:** Subchapter J of Chapter 22, of the Texas Business Organizations Code (also known as the "Nonprofit Corporation Law") establishes procedures for the ratification of void or voidable acts of a nonprofit corporation that are modeled on provisions of the Texas Business Organizations Code that are applicable to for-profit corporations and similar provisions for ratification of corporate acts contained in the Model Nonprofit Corporation Act.
8. **Dissolution Clause:** Upon the dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c) of the Internal Revenue Code, or corresponding section of any future purpose. Any such assets not so disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

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