

STATE OF TEXAS §

COUNTY OF LLANO §

**BY-LAWS OF
DEERHAVEN PROPERTY OWNERS ASSOCIATION, INC.**

ARTICLE I: Definitions (1) "Property owners' association" (Deerhaven POA or POA) means an incorporated or unincorporated association owned by or whose members consist primarily of the owners of the property covered by the dedicatory instrument and through which the owners, or the board of directors or similar governing body, manage or regulate the residential subdivision.

(2) "Assessment or Dues" means a regular assessment, special assessment, or other amount a property owner is required to pay the property owners' association under the dedicatory instrument or by law.

(3) "Board of Directors" (Board) means the governing body of a property owners' association.

(4) "Business day" means a day other than Saturday, Sunday, or a state or federal holiday.

(5) "Dedicatory instrument" means each governing instrument covering the establishment, maintenance, and operation of a property owners' association. The term includes restrictions and covenants, by-laws, properly adopted rules and regulations, or similar instruments governing the administration or operation of a property owners' association and to all lawful amendments to the covenants, bylaws, rules, or regulations.

(6) "Owner" means a person who holds record title to property in a residential subdivision.

(7) "Regular assessment" means an assessment, a charge, a fee, or dues that each owner of property within a residential subdivision is required to pay to the property owners' association on a regular basis and that is designated for use by the property owners' association for the benefit of the residential subdivision as provided by the restrictions.

(8) "Restrictions" means one or more restrictive covenants and any amendment or extension thereof, contained or incorporated by reference in a properly recorded map, plat, replat, declaration, or other instrument filed in the real property records or map or plat records.

(9) "Restrictive covenant" means any covenant, condition, or restriction contained in a dedicatory instrument, whether mandatory, prohibitive, permissive, or administrative.

(10) "Special assessment" means an assessment, a charge, a fee, or dues, other than a regular assessment, that each owner of property located in a residential subdivision is required to pay the property owners' association, according to procedures required by the dedicatory instruments, for:

(A) defraying, in whole or in part, the cost, whether incurred before or after the assessment, of any construction or reconstruction, unexpected repair, or replacement of a capital improvement in common areas owned by the property owners' association, including the necessary fixtures and personal property related to the common areas;

- (B) maintenance and improvement of common areas owned by the property owners' association; or
- (C) other purposes of the property owners' association as stated in its articles of incorporation or the dedicatory instrument for the residential subdivision.

ARTICLE II: Functions of the Deerhaven POA

Section 1: Deerhaven Property Owners Association, Inc. (Deerhaven POA,), located in Llano County, Texas, is formed for the purpose of protecting the personal and property rights of all members and their families and guests; for the purpose of promoting the safety and welfare of all members, families and guests; and for the rendering of such services as the Officers and Board of Directors (Board) shall deem practical and appropriate to the general welfare and within the limitations set forth in the Articles of Incorporation.

Section 2: To properly carry out the purposes enumerated in Section 1, the Deerhaven POA may, at the discretion of its Board, perform any or all of the following activities contemplated by the Articles of Incorporation:

- a. To provide for the necessary financial support of the Deerhaven POA's operation, handle the collection of the annual assessment on each lot for the maintenance fund, which assessment is a lien running with the land of each property owner and, if necessary, through the encumbrance of the assessment by borrowing money.
- b. Provide for the security of the subdivision and the protection of the rights and properties of each member by arranging for police protection and fire protection.
- c. Administer and disburse the maintenance fund as well as other resources to provide for the maintenance and improvement of roads and streets, piers, parkways and other dedicated areas; to provide for the operation and maintenance of street lights, sanitary sewerage and storm drainage systems.
- d. Provide for the collection and disposal of garbage, trash and rubbish; care for vacant, unimproved and unkept lots by removing and destroying grass, weeds, rodents, snakes and other pests; and perform such other services as in the judgment of the Board may be necessary and proper to protect the health and safety of the members and to keep the area neat, clean, safe and in good order.
- e. Enforce charges, restrictions, conditions and covenants existing upon and created for the benefit of any property for which the Deerhaven POA renders service, and pay all expenses incident thereto including court costs and attorney's fees.
- f. The Deerhaven POA or other representative designated by an owner of real property may initiate, defend, or intervene in litigation or an administrative proceeding affecting the enforcement of a restrictive covenant or the protection, preservation, or operation of the property covered by the dedicatory instrument.

- g. Negotiate and administer contracts for any of the services the Deerhaven POA is authorized to render or for which it is responsible; and for function or service deemed by the Board to be in the best interest of a majority of members.
- h. Perform such other functions as are deemed necessary and expedient to the promotion of the welfare of the Deerhaven property owners generally, including, but not limited to the issuance of building permits and maintenance of architectural control to insure conformance with the restrictive covenants.
- i. Acquire by donation, gift, purchase or other means, and own, hold, enjoy, lease, operate, maintain, convey, sell, transfer, mortgage or otherwise encumber, dedicate for public use, or otherwise dispose of real or personal property of any kind.

Section 3: The activities and services of the Deerhaven POA shall be available to all members in Deerhaven.

ARTICLE III: Membership

The members of the Deerhaven POA shall be all persons or entities, who are owners of real property in Deerhaven. A husband and wife, joint tenants, tenants in common, an entity, or an owner of multiple lots , shall be counted as one member only and have only one vote.

ARTICLE IV: Meetings of the Membership

Section 1: There shall be an annual meeting of the membership, in June of each year at a time and place to be designated by the Board, provided that the specific place shall be within a thirty mile radius of Deerhaven.

Section 2: A special meeting of the membership may be called by the President of the POA, the Board of Directors, or by any group of members holding not less than 25% of the votes entitled to be cast at such meeting.

Section 3: Notice of any meeting of the membership, whether a regular annual meeting or a special called meeting, shall be written or printed and shall state place, day and hour of the meeting, whether it is a regular or special meeting, and the reason for which the special meeting is called. The notice shall be (a) delivered or mailed at least ten (10) days prior to the meeting, but not more than sixty (60) days prior to such meeting or (b) provided 72 hours before the meeting by; (1) being posted in a conspicuous location, either in a Deerhaven common area or on the POA website: and (2) being emailed to all owners who have registered their email address with the POA.

Section 4: The cost of notice and conduct of special meetings called by an aggregation of the membership other than the Board of Directors shall be borne by the members petitioning for such assembly. Further, the notices shall not be delivered unless the petition is in writing and until the funds to cover the estimated cost of such proceedings have been deposited by petitioners with the Board of Directors, the President or the Treasurer.

Section 5: At any meeting of the membership, the presence of each member and the existence of any proxy authorizations shall be filed with the Secretary or other corporate officer recording events.

Section 6: At the option of the Board, a mail ballot may be submitted to the membership in lieu of a special called meeting. A majority of the mail ballots voted on any question submitted shall be the act of the members of the POA.

ARTICLE V: The Board of Directors

Section 1: Deerhaven POA shall be managed by a Board of Directors consisting of no less than five members duly elected to such Board. This Board may be recalled by a two-thirds (2/3) majority of the votes cast by the membership present or voting by proxy at any general meeting or special meeting called for that purpose.

Section 2: A board member may be appointed by the board only to fill a vacancy caused by a resignation, death, disability or abandonment of position by missing three consecutive board meetings. A board member appointed to fill a vacant position shall serve the unexpired term of the predecessor board member. The appointment of a board member in violation of this section is void.

Section 3: If the Board is presented with written, documented evidence from a database or other record maintained by a governmental law enforcement authority that a board member has been convicted of a felony or crime involving moral turpitude, the board member is immediately ineligible to serve on the board of the property owners' association, automatically considered removed from the board, and prohibited from future service on the board.

Section 4: On every even numbered year a simple majority of the Director's positions shall be elected and on every odd numbered year the remaining number of Director positions shall be elected.

Section 5: Directors elected by the membership shall serve two years or until replaced by an elected successor. Their terms shall coincide with the fiscal year, beginning July 1 and ending on June 30.

Section 6: The following shall be the nominating and voting procedures for Directors and Officers of Deerhaven POA.

- A. The president and/or Chairman of the Board will select a Nominating Committee and submit it for approval to the Board of Directors at the regular meeting of the Board in November each year.
- B. The Nominating Committee shall consist of three members; the Vice-President of the P.O.A. as the Chairman of the Committee and one member of the Board (not up for consideration for re-election) and one member-at-large of the P.O.A.
- C. The members of the Nominating Committee will meet and compile a list of names, one for each Board Member and Officer to be elected. They will contact each person on the list to confirm that the person will be willing to serve.
- D. The Committee will submit the slate of nominees to the Board for approval at the regular meeting in February. When approved, the list will be turned over to the Secretary to prepare a ballot to be mailed to all members in accordance with ARTICLE VII of the By-Laws of the Deerhaven P.O.A.

- E. Any member of the Deerhaven P.O.A. is eligible to serve on the Board or as an Officer. If any member of the P.O.A. would like to serve on the Board or as an officer, he or she may contact the Vice President for consideration. Each ballot will also have blank spaces for write-in candidates.
- F. The ballots will be opened and counted at the Board meeting on the morning of the Annual P.O.A. meeting and the results reported by the Vice-President (or a person selected by the V.P.) at the Annual Meeting.
- G. A person who is a candidate in a property owners' association election or who is otherwise the subject of an association vote, or a person related to that person within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code, may not tabulate or otherwise be given access to the ballots cast in that election or vote except as provided by this section. (b) A person other than a person as described above may tabulate votes in an association election or vote but may not disclose to any other person how an individual voted. (c) A person other than a person who tabulates votes under Subsection (b), including a person described by subsection (a) may be given access to the ballots cast in the election or vote only as part of a recount process authorized by law.

Section 7: No person shall be a Director of the POA unless he is a bona fide member of the POA. The Deerhaven POA is prohibited from restricting a property owner's right to run for a position on the board of the POA with the exception of the conditions outlined in Section 3 of this Article.

Section 8: If any Director shall cease to be a qualified member, he shall cease automatically to be a Director.

Section 9: The Board of Directors shall meet at least two (2) times a year at a time and place to be agreed upon.

Section 10: Special meetings of the Board of Directors may be called by the President, by the Chairman of the Board, or on a motion in writing signed by three or more Directors.

Section 11: The time and place of all regular and special meetings of the Board of Directors shall be determined by the Board of Directors. Notice of all meetings shall be mailed or delivered in accordance with Article VI Section 5.

Section 12: At any special meeting, only the business set forth in the notice shall be transacted unless all Directors are present and agree unanimously to the transaction of other business.

Section 13: At the first regular meeting after July 1 of each year, the Board of Directors shall select one of their members to serve as Chairman and to preside over the meetings of the Board.

Section 14: The Board of Directors, as representatives of the members of the Deerhaven POA, shall establish the policies, criteria and limitations within which the Officers of the POA shall administer the corporate affairs. Pursuant to these general duties, the Board of Directors shall be responsible for the specific accomplishment of the following duties, among others:

- a. Establish the operating budget within which the Officers shall administer the corporate affairs annually.

- b. Study and approve or deny plans submitted by the Officers, or appointed committees, for the accomplishment of the purposes of the Deerhaven POA.
- c. Appoint, or delegate to others the appointment of, all agents (other than Officers), Commissioners and employees of the POA; fix their terms and conditions of employment and their compensation, if any.
- d. Supervise all Officers, Commissioners, agents and employees in the performance of their duties; remove any Officer or Commissioner from office; and discharge any employee or agent. Such removal or discharge may be with or without cause.
- e. Maintain, or provide for the maintaining of, complete records of all money received and expended, and make a full and complete report thereof to the membership at each regular or special meeting thereof. The said books and records shall be open to the inspection of the membership at reasonable business hours and in accordance with Article IX.
- f. Keep a complete record of all meetings of the Board and the proceedings thereof, such record to be open to the inspection of the membership at reasonable business hours and in accordance with Article IX.
- g. Perform such functions as specified as the responsibility of the Board in the restrictive covenants relative thereto.
- h. Request of the membership the contribution of labor or other personal services which may help to accomplish the goals of the POA without undue financial obligation.
- i. Perform any and all other acts and duties, have and exercise any and all other power and authority provided for in these By-Laws and in the Articles of Incorporation, both as amended, in the pursuit and satisfaction of the purposes of the Deerhaven POA.

Section 15: Every act or decision by a majority of the Directors present at any meeting at which a quorum is present shall be regarded as the act of the Board of Directors, except as otherwise provided by statute or in the Articles of Incorporation or these By-Laws, and as such shall bind the POA. In the absence of a quorum, a majority of the Directors present may adjourn the meeting to a later date, and from time to time if necessary, until the next regular meeting of the Board of Directors.

Section 16: A majority of the duly elected and qualified Directors shall constitute a quorum for the transaction of any and all business of the Deerhaven POA.

Section 17: The office of Director shall be non-compensatory, but the Board may authorize the reimbursement of actual expenses incurred by any Director under instruction from the majority.

ARTICLE VI: Open Board Meetings

Section 1: Any meeting of the quorum of the Board, during which POA business is discussed and formal action is taken, shall be considered an open board meeting. An open board meeting does not include the gathering of a quorum of the board at a social function unrelated to the business of the

association, if formal action is not taken and any discussion of association business is incidental to the social function.

Section 2: Regular and special board meetings must be open to owners, 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 communications with the property owners' association's attorney, matters involving the invasion of privacy of individual owners, or matters that are to remain confidential by request of the affected parties and agreement of the board. Following an executive session, any decision made in the executive session must be summarized orally and placed in the minutes, in general terms, without breaching the privacy of individual owners, violating any privilege, or disclosing information that was to remain confidential at the request of the affected parties. The oral summary must include a general explanation of expenditures approved in executive session.

Section 3: Except for a meeting held by electronic or telephonic means under Section 7, a board meeting must be held in a county in which all or part of the property in the subdivision is located or in a county adjacent to that county.

Section 4: The board shall keep a record of each regular or special board meeting in the form of written minutes of the meeting. The board shall make meeting records, including approved minutes, available to a member for inspection and copying on the member's written request to the board.

Section 5: The Directors and association 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 (a) delivered or mailed at least ten (10) days prior to the meeting, but not more than sixty (60) days prior to such meeting or (b) provided 72 hours before the meeting by; (1) being posted in a conspicuous location, either in a Deerhaven common area or on the POA website; and (2) being emailed to all owners who have registered their email address with the POA.

Section 6: It is an owner's duty to keep an updated e-mail address registered with the property owners' association under Section 5(2).

Section 7: The board may meet by any method of communication, including electronic and telephonic, without prior notice to owners under Section 5, if each director may hear and be heard by every other director, or the board may take action by unanimous written consent to consider routine and administrative matters or a reasonably unforeseen emergency or urgent necessity that requires immediate board action. Any action taken without notice to owners under Section 5 must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting, and documented in the minutes of the next regular or special board meeting. The board may not, without prior notice to owners under Section 5, consider or vote on: (A) fines; (B) damage assessments; (C) initiation of foreclosure actions; (D) initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety; (E) increases in assessments; (F) levying of special assessments; (I) appeals from a denial of architectural control approval; or (J) a suspension of a right of a particular owner before the owner has an opportunity to attend a board meeting to present the owner's position, including any defense, on the issue.

ARTICLE VII: Membership or Election Voting

Section 1: Not later than the 10th day or earlier than the 60th day before the date of an election or vote, the POA shall give written notice of the election or vote to each owner of property in the POA, for purposes of an association-wide election or vote.

Section 2: At any meeting of the membership, the vote of a majority of the votes entitled to be cast, in accordance with Article III and Article VII, Section 5, by the members present or represented by proxy shall be the act of the members meeting and shall bind the POA to the determination, subject to the Articles of Incorporation and to the law. For issues which have been defined in advance notices, ballots in writing may be submitted to the Secretary or the Chairman of the Board and counted, if received no later than the date of the assembly. At the option of the Board, a mail ballot may be submitted to the membership in lieu of a special called meeting. A majority of the mailed ballots cast on any question submitted shall be the act of the members of the POA.

Section 3: A member may request a recount by making a request in writing by certified mail, return receipt requested, or other USPS confirmation service, or in person to the POA's Managing Agent within 15 days after the date of the election. The request must be mailed to the POA's mailing address or delivered in person to the managing agent or the address designated for the return of the ballot. Cost of the recount will be borne by the requesting member, including the cost to hire a qualified non-member to do the recount, unless the recount changes the result of the election. The recount must be conducted by a current or former member, a county judge, county elections administrator, justice of the peace, county registrar, or a person agreed on by the POA and the persons requesting the recount. The recount must be completed within thirty (30) days of the member's request.

Section 4: A member's vote in a POA wide election must be in writing and signed by the member, except for uncontested elections (e.g. one candidate to fill one open director seat). An electronic ballot is deemed to be in writing and signed.

Section 5: Voting Quorum.

(a) The voting rights of an owner may be cast or given: (1) in person or by proxy at a meeting of the POA; (2) by absentee ballot in accordance with this section; (3) by electronic ballot in accordance with this section.

(b) An absentee or electronic ballot: (1) may be counted as an owner present and voting for the purpose of establishing a majority vote only for items appearing on the ballot; (2) may not be counted if the owner attends any meeting to vote in person, so that any vote cast at a meeting by a property owner supersedes any vote submitted by absentee or electronic ballot previously submitted for that proposal; and (3) may not be counted on the final vote of a proposal if the motion was amended at the meeting to be different from the exact language on the absentee or electronic ballot.

(c) A solicitation for votes by absentee ballot must include: (1) an absentee ballot that contains each proposed action and provides an opportunity to vote for or against each proposed action; (2) instructions for delivery of the completed absentee ballot, including the delivery location; and (3) the following language: "By casting your vote via absentee ballot you will forgo the opportunity to consider and vote on any action from the floor on these proposals, if a meeting is held. This means that if there are amendments to these proposals your votes will not be counted on the final vote on these measures. If you desire to retain this ability, please attend any meeting in person. You may

submit an absentee ballot and later choose to attend any meeting in person, in which case any in-person vote will prevail.

(d) For the purposes of this section, "electronic ballot" means a ballot: (1) given by: (A) e-mail; (B) facsimile; or (C) posting on an Internet website; (2) for which the identity of the property owner submitting the ballot can be confirmed; and (3) for which the property owner may receive a receipt of the electronic transmission and receipt of the owner's ballot.

(e) If an electronic ballot is posted on an Internet website, a notice of the posting shall be sent to each owner that contains instructions on obtaining access to the posting on the website.

ARTICLE VIII: Management Certificate

Section 1: The POA shall record in Llano county a management certificate, signed and acknowledged by an officer or the managing agent of the association, stating: (1) the name of the subdivision; (2) the name of the association; (3) the recording data for the subdivision; (4) the recording data for the declaration; (5) the name and mailing address of the association; (6) the name and mailing address of the person managing the association or the association's designated representative; and (7) other information the association considers appropriate.

Section 2: The property owners' association shall record an amended management certificate not later than the 30th day after the date the association has notice of a change in any information in the recorded certificate required by Section 1.

Section 3: If the POA fails to record a management certificate or an amended management certificate under this section, the purchaser, lender, or title insurance company or its agent in a transaction involving property in the POA is not liable to the POA for: (1) any amount due to the association on the date of a transfer to a bona fide purchaser; and (2) any debt to or claim of the association that accrued before the date of a transfer to a bona fide purchaser.

Section 4: A lien of a POA that fails to file a management certificate or an amended management certificate under this section to secure an amount due on the effective date of a transfer to a bona fide purchaser is enforceable only for an amount incurred after the effective date of sale.

ARTICLE IX: Association Records

Section 1: Upon written request the POA shall make the books and records of the association, including financial records, open to and available within reasonable business hours for copies or examination by an owner, or a person designated in writing signed by the owner as the owner's agent, attorney, or certified public accountant. An owner is entitled to obtain from the association copies of information contained in the books and records. The POA shall comply with such written request on or before the 10th business day after the date the association receives the request. Upon written notice to requestor by the POA of its inability to comply with the above request within its 10 day limit, the POA will have an additional 15 days from the date of this notification during which to comply.

Section 2: If an inspection is requested or required, the inspection shall take place at a mutually agreed on time during normal business hours, and the requesting party shall identify the books and records for the property owners' association to copy and forward to the requesting party.

Section 3: A property owners' association may produce books and records requested under this section in hard copy, electronic, or other format reasonably available to the association.

Section 4: A property owners' association board must adopt a records production and copying policy that prescribes the costs the association will charge for the compilation, production, and reproduction of information requested under this section. The prescribed charges may include all reasonable costs of materials, labor, and overhead but may not exceed costs that would be applicable for an item under 1 T.A.C. Section 70.3. The policy required by this subsection must be recorded as a dedicatory instrument in accordance with Article XVII. An association may not charge an owner for the compilation, production, or reproduction of information requested under this section unless the policy prescribing those costs has been recorded as required by this subsection. An owner is responsible for costs related to the compilation, production, and reproduction of the requested information in the amounts prescribed by the policy adopted under this subsection. The association may require advance payment of the estimated costs of compilation, production, and reproduction of the requested information. If the estimated costs are lesser or greater than the actual costs, the association shall submit a final invoice to the owner on or before the 30th business day after the date the information is delivered. If the final invoice includes additional amounts due from the owner, the additional amounts, if not reimbursed to the association before the 30th business day after the date the invoice is sent to the owner, may be added to the owner's account as an assessment. If the estimated costs exceeded the final invoice amount, the owner is entitled to a refund, and the refund shall be issued to the owner not later than the 30th business day after the date the invoice is sent to the owner.

Section 5: The Board will establish a Records Retention Policy to maintain and secure; (1) all ballots in POA-wide elections for 4 years; (2) Financial Records for 7 years; (3) Accounts of current owners for 5 years; (4) Contracts for terms of at least one year or more for 4 years; (5) Minutes of Board meetings for 7 years; (6) Tax Returns and Audits for 7 years and (7) Dedicatory Instruments and all amendments thereof, permanently.

ARTICLE X: Alternative Payment Schedule for Certain Assessments

Section 1: The POA shall file, in the real property records of Llano County, the association's alternative payment schedule guidelines by which an owner may make partial payments to the POA for delinquent regular or special assessments or any other amount owed to the association without accruing additional monetary penalties. For purposes of this Article, monetary penalties do not include reasonable costs associated with administering a payment plan or interest.

Section 2: The term of the Deerhaven POA alternative payment schedule is 3 months from the date of receipt by the POA of a written request from an owner for an alternative payment schedule. The association is not required to enter into a payment plan with an owner who failed to honor the terms of a previous payment plan during the two years following the owner's default under a previous payment plan.

ARTICLE XI: Hearing Before Board; Alternative Dispute Resolution

Section 1: An owner has the right to submit a written request for a violation issue hearing to discuss and verify facts and resolve the matter at issue before the Board. The hearing shall be held not later than the 30th day after the Board receives a request from an owner unless postponements are agreed upon by all parties.

Section 2: Without notice or hearing provisions, the Board may temporarily suspend a person's right to use Deerhaven common areas if the violation occurred in a common area and involved a significant and immediate risk of harm to others in the subdivision. The temporary suspension is effective until the Board determines that the issue is fully resolved.

ARTICLE XII The Officers

Section 1: The Officers of the POA shall be a President, one or more Vice-Presidents, a Secretary, and/or Treasurer. The office of President and Treasurer or President and Secretary shall not be held by the same person.

Section 2: The officers shall serve for two-year terms. Election of the officers shall be by vote of the Directors.

Section 3: No person shall serve as an officer unless he shall be a bona fide member of the POA for the current year, as defined in Article III. Should any officer become disqualified or disabled to serve during his term, the appointment of such Officer shall immediately terminate and the Board of Directors shall elect another to fill the unexpired term.

Section 4: Any officer may be removed from office with or without cause by a two-thirds majority vote of the members present at any regular meeting of the Directors or any special meeting called for that purpose.

Section 5: No officer of the POA shall be compensated for his services as such. Actual expenses incurred by any officer or agent of the POA at the direction of the Board of Directors may be reimbursed.

Section 6: The President, Vice Presidents, the Secretary, and/or Treasurer of the POA shall be ex officio non voting members of the Board of Directors.

ARTICLE XIII: The President

Section 1: The office of the President may be co-incident with the office of Chairman of the Board. The President shall preside over all meetings of the membership and of the officers and represent the POA and its membership at meetings or gatherings that concern the POA and its membership.

Section 2: Shall execute on behalf of the POA, all contracts and other instruments of writing, which have first been approved or authorized by the Board of Directors.

Section 3: Shall serve as general manager of the POA and be responsible for the proper operation thereof, subject to the limitations and restrictions of budget, policy and criteria established by the Board of Directors.

Section 4: Shall be an advisory, non-voting member of all committees and shall be notified of all meetings in advance so as to be available and shall be advised of the action of all committees.

Section 5: Shall perform all such other duties and have all such other authority as may be prescribed by the Board of Directors or as provided in these By-Laws.

ARTICLE XIV: The Vice-President

Section 1: The Vice-President, in the absence or inability of the President to serve, shall preside at all meetings of the membership and the officers.

Section 2: Shall, in the absence or inability of the President to serve, have all the power and authority and perform all the duties conferred by these By-Laws upon the President.

Section 3: Shall perform all such other duties and have all such other authority as may be prescribed by the Board of Directors or as provided in these By-Laws.

ARTICLE XV: Secretary

Section 1: The Secretary shall keep a record of all meetings and proceedings of the Board of Directors and the membership.

Section 2: Shall post all notices of meetings in accordance with the provisions of these By-Laws or as required by law.

Section 3: Shall serve as custodian of the corporate records and of the seal of the corporation, if any.

Section 4: Shall keep appropriate records showing the membership of the POA, together with their addresses as furnished by such members.

Section 5: Shall perform all such other duties and have all such other authority as may be prescribed by the Board of Directors or as provided in these By-Laws.

ARTICLE XVI: The Treasurer

Section 1: The Treasurer shall keep and maintain, and provide for, full and complete records of all matters with respect to the financial affairs of the POA. Such records shall at all times show the ownership of each and every lot within Deerhaven and the address of the owner. The records shall also show all payments of regular and special assessments, the date paid, the payee, the lot involved, and such other information as may be directed from time to time by the Board of Directors. Such

records shall also disclose all disbursements, which shall be supported and substantiated by proper vouchers and other appropriate evidence.

Section 2: Shall prepare for the Board of Directors, as requested by the Directors, a full and complete analysis and report of the financial condition of the POA, and present such reports to the Directors and the membership at the regular meetings.

Section 3: Shall deposit, or cause to be deposited, all money and other valuable effects received by the POA in the name and to the credit of the POA as directed by the Board of Directors. Withdraw all such funds from the bank pursuant to proper resolution of the Board of Directors only. Make regular business deposits and disbursements as may be directed by the President or by the Board of Directors and upon proper voucher or other evidence of disbursement authority.

Section 4: Shall perform such other duties and have such other authority as may be prescribed by the Board of Directors, By-Laws or by statute.

ARTICLE XVII: Public Records

The POA shall file all dedicatory instruments and all amendments thereto in the real property records of Llano County. Dedicatory instruments include, but not limited to, the following: Restrictions and Covenants, By-Laws, Assessments of Deerhaven properties, Management Certificate and Alternative Payment Schedule. A dedicatory instrument has no effect until the instrument is filed in accordance with this section. The POA shall make all dedicatory instruments relating to the subdivision and filed in the county deed records available on the POA's website.

ARTICLE XVIII: The By-Laws

Section 1: These By-Laws are duly and legally adopted by the membership on the date hereinafter set forth, as evidenced by the signature of the President of the POA.

Section 2: Any and all of the provisions of the By-Laws herein may be annulled, amended or modified at any time by an affirmative vote of two-thirds of the Board of Directors of the Deerhaven POA and ratified by a majority of votes cast by the property owners in accordance with ARTICLES III and VII of the Deerhaven By-Laws, provided that the revision shall be within the scope and prerogatives authorized by the Articles of Incorporation and the Law.

ARTICLE XIX: Restrictive Covenants

Section 1: One of the primary purposes of the POA is to enforce the Deerhaven Restrictions and Protective Covenants. The existence of such covenants and of the amendment provisions is recognized.

Section 2: The amendment of the Deerhaven Restrictions and Protective Covenants shall be performed in accordance with the procedure set out in the record of such covenants and in accordance with Article III and Article VII of these By-Laws.

ARTICLE XX: Miscellany

Section 1: The masculine term is used in the By-Laws for convenience only and shall be construed to include the feminine thereof.

Section 2: Upon written request for subdivision information, by owner or any other authorized person or entity, the POA shall furnish the requested information, as per TPC Section 207.003, within 10 business days from the date of request.

Section 3: In the event of a lien or violation of the By-Laws or Restrictions and Covenants, members will be notified that they may have special rights or relief if they are on active military duty.

Section 4: The Texas Property Code may contain additional governing provisions to the POA By-Laws.

By a two thirds vote of the Board of Directors and by a majority of votes cast by the membership of Deerhaven Property Owners Association Inc. these By-Laws are duly adopted as the By-Laws of Deerhaven Property Owners Association, Inc.

EXECUTED this 14th day of June, 2013.

DEERHAVEN PROPERTY OWNERS ASSOCIATION INC.

By Renea Latham

Signed by Renea Latham, President

ATTEST:

Mary Armagost

Signed by Mary Armagost, Secretary,
Deerhaven Property Owners Association Inc.

STATE OF TEXAS

COUNTY OF LLANO

This instrument was acknowledged before me this 14 day of June, 2013, by,
Renea Latham President of DEERHAVEN PROPERTY OWNERS
ASSOCIATION INC., a Texas non-profit corporation in behalf of such corporation.

Signed by M. Arlene Wieland
Notary Public, State of Texas

My commission expires: 8/11/2013

RECORDED ON <u>7-11-2013</u> IN VOLUME <u>1545</u> PAGES <u>1368 - 1382</u> OF THE OFFICIAL PUBLIC RECORDS OF LLANO COUNTY TEXAS

After recording, return to:
Deerhaven Property Owners Inc.
PO Box 7692
Horseshoe Bay, Texas 78657