

**THIRD AMENDED AND RESTATED
BYLAWS OF
DIAMOND RIDGE PROPERTY OWNERS ASSOCIATION
A NONPROFIT CORPORATION**

NAME AND LOCATION

- Section I.1 The name of the corporation is Diamond Ridge Property Owners Association, hereinafter referred to as the "Association".
- Section I.2 The principal office of the Corporation shall be located at 949 Crown Jewel, Boerne, Texas 78006 or such other location adopted the Board and filed on a Management Certificate filed in the public records of Kendal County, Texas.

DEFINITIONS

- Section II.1 "Articles" shall mean and refer to the Articles of Incorporation file with the Texas Secretary of State on May 18, 2004 as amended, restated and supplemented from time to time.
- Section II.2 "Association" shall mean and refer to Diamond Ridge Property Owners Association, a non-profit corporation chartered under the laws of the State of Texas.
- Section II.3 "Board of Directors" or "Board" shall mean and refer to the Board of Directors of the Association as set forth in Article IV hereof.
- Section II.4 "Common Area" shall mean and refer to all real property and improvements owned by the Association for the common use and enjoyment of the Owners.
- Section II.5 "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, and Restrictions applicable to the Subdivision, recorded in the Official Public Records of Kendall County, Texas, as amended, restated and supplemented from time to time.
- Section II.6 "Director" shall mean and refer to a position on the Board of Directors as described in Article IV hereof.
- Section II.7 "Lot" shall mean and refer to any plot of land shown on the recorded map for the Subdivision which is intended to be used as a residential home site.
- Section II.8 "Management Certificate" shall mean and refer to the most recent document filed in the Official Public Records of Kendall County, Texas which complies with Chapter 209.004 of the Texas Property Code.
- Section II.9 "Member" shall mean and refer to those persons entitled to membership in the Association as provided in the Declaration.
- Section II.10 "Officer" shall mean and refer to a person appointed to an office by the Board of Directors as provided in Article VII hereof.
- Section II.11 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot including contract sellers but excluding those having an interest merely as security for the performance of an obligation; provided, however, that the seller under a recorded Contract for Deed shall be deemed the Owner of any such Lot until such time a Warranty Deed is given and filed for record.
- Section II.12 "Subdivision" shall mean and refer to those certain 852.70 acres, more or less, of real property known as Diamond Ridge together with any other property which may be annexed into Diamond Ridge under the Declaration.

Article III. MEETINGS OF MEMBERS

- Section III.1 Annual Meetings. The annual meeting of Members shall be held annually in the second quarter of each year at the date, time and place specified in the meeting notice.
- Section III.2 Special Meetings. Special meetings of the Members may be called at any time by the Board or upon written request of Members who are entitled to cast at least twenty-five percent (25%) of all votes of the Members. If requested by the Members, the Board shall announce and hold the meeting within sixty (60) days of such request.
- Section III.3 Notice of Meetings. Written notice of each meeting of Members shall be given by, or at the direction of, the Secretary or other person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not less than ten (10) nor more than sixty (60) days before such meeting to each Member entitled to vote, addressed to the Member's address last appearing on the books of the Association for the purpose of such notices. If a Member has provided an email address for the purpose of receiving meeting notices, the Association may provide notice to that Member via email in lieu of or in addition to a mailed notice provided such email notice is sent not less than ten (10) nor more than sixty (60) days before such meeting. The meeting notice shall specify the date, time and place of the meeting, and in the case of a special meeting, the purpose to the meeting.
- Section III.4 Quorum. The presence at the meeting of Members, their proxies or their advance votes, as specified in Section 3.5, representing at least ten percent (10%) of the votes of the membership shall constitute a quorum for any action except as may otherwise be provided in the Articles, the Declaration or these Bylaws. If, however, a quorum is not established for any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is established.
- Section III.5 Methods of Voting. At all meetings of Members, each Member may vote (a) in person at the meeting or (b) through a person who attends the meeting on behalf of the Member and carries a written proxy signed by the Member in a form approved by the Association that is valid for the called meeting and any adjournment thereof. In addition, the Board may also allow members to vote by one or both of these additional methods: (c) via absentee ballot in a form distributed by the Association and received by the Association by the submission deadline specified on the absentee ballot or (d) by electronic ballot in a form made available by the Association and received by the Association by the submission deadline specified on the electronic ballot. The Association may require verification of the identity of any person voting by any means herein provided.
- Section III.6 Voting. Each Member shall have one vote for each Lot owned by that Member. Where there is more than one Owner of a Lot, those Owners shall decide among themselves how to cast their votes. Votes may not be split into fractional votes. Cumulative voting is not allowed. Unless otherwise provided in the Articles, the Declaration or these Bylaws, a majority of the votes cast shall constitute a decision of the Members.
- Section III.7 Ballots. All voting by the Members shall by written ballot signed by the Owner or their designated proxy as allowed under Section 3.5. A verified electronic ballot shall be deemed to have been signed. However, in an uncontested election of Directors, the requirement for written ballots may be waived and the slate of candidates accepted by acclamation from the Members. Candidates and persons related to the candidates by blood or marriage within the third degree may not tabulate the votes or be given access to the ballots. Persons who tabulate the votes may not reveal the votes contained on any individual ballot.

Article IV. BOARD OF DIRECTORS

- Section IV.1 Management. The affairs of the Association shall be controlled and managed by the Board of Directors, provided, however, that (a) the Board shall have the power and authority to delegate

certain powers, functions and approval rights to officers of the Association and to committees, and (b) the Members shall have any rights vested in them by the Articles, the Declaration or these Bylaws.

- Section IV.2 Number. The Board of Directors shall consist of six (6) members. The Board may from time to time unanimously approve a change in the number of Director, provided that there shall never be fewer than three (3) nor more than seven (7). If the number is decreased, the Board shall adopt a transition plan such that no current Director is removed prior to the natural expiration of said Director's term. If the number is increased, the Board shall determine the term for each new position and the new positions must be filled by election by the Members.
- Section IV.3 Term of Office. Each elected Director shall serve a three (3) year term with two (2) Directors elected each year. If the number of Directors is changed pursuant to Section 4.2, the terms shall be set to have at least one (1) Director elected each year for three to five total Directors and at least two (2) Director elected each year for six or seven total Directors.
- Section IV.4 Election. Directors shall be elected by the Members at the annual meeting or at any special members meeting called for that purpose. The person(s) receiving the most votes shall be elected to the open position(s). In the event of a tie, the Members or their proxies present at the meeting shall vote to break the tie. If there continues to be tie, the winner shall be determined by a flip of a coin.
- Section IV.5 Removal. Any Director may be removed from the Board, with or without cause, by a vote of the Members at a meeting of the Members called for such purpose. In addition, the Board may declare the position of a Director vacant in the event that such Director is absent from three (3) consecutive regular meetings of the Board. In addition, a position of a Director may be automatically vacated under the terms of Chapter 209.00591(b) of the Texas Property Code.
- Section IV.6 Replacements. In the event of a Director's position being vacated by resignation, disability or death, the remaining Directors shall appoint a replacement for the remainder of the unexpired term of the position. In the event of a Director's position being vacated by removal under Section 4.5, the position on the Board may only be filled by an election by the Members in a special meeting for that purpose or at the next annual meeting with the replacement Director serving the remainder of the unexpired term of the position.
- Section IV.7 Qualification. Only Owners may be elected or appointed to the Board. If a Director is no longer an Owner, such Director shall be permitted to complete his term.
- Section IV.8 Compensation. No Director shall receive compensation for any service he may render to the Association in his/her capacity as a Director. A person who is a Director may be compensated for contracted services if approved by a resolution of the Board in a meeting announced and open to the Members. In addition, any Director may be reimbursed for his reasonable, documented expenses incurred in the performance of his/her duties as a Director.

Article V. MEETINGS OF DIRECTORS

- Section V.1 Regular Meetings. The Board shall meet as often as necessary to conduct the business of the Association but no less than two (2) times per year: after the annual meeting to appoint officers and prior to the end of the fiscal year to adopt a budget and set the assessment.
- Section V.2 Special Meetings. Special Meetings of the Board shall be held when called by the President of the Association, or by any two (2) Directors, after proper notice as specified in Section 5.3.

- Section V.3 Notice of Meetings. Each Director shall be given notice of each meeting not less than seventy-two (72) hours in advance with such notice specifying the date, time, place and, optionally, general topics for discussion. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of 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.
- Section V.4 Quorum and Voting. A majority of the number of non-vacant positions on the Board shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the members of the Board present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board except as may otherwise be required by the Declaration or any applicable statute or other law.
- Section V.5 Proxies. Directors may not use proxies for a Board meeting, nor may a proxy be used to establish a quorum, nor may a Director vote by proxy.
- Section V.6 Action Taken Without a Meeting. Subject to the requirements of any applicable law, the Board shall have the right to take any action in the absence of a meeting which the Board could take at a meeting by obtaining the written approval of all of the members of the Board, which approval shall be signed and dated by each such member. Any action so approved shall have the same effect as though taken at a meeting of the Board.

Article VI. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

- Section VI.1 Powers. The Board of Directors shall have power to do the following:
- (a) establish, adopt and publish guidelines for development, setting out desired standards of exposed construction materials, exterior structure design, landscaping, and site improvements, which shall be used by the Architectural Control Committee in governing the development and continued use or reuse of any Lot and improvements thereof so long as such guidelines shall not conflict with the Declaration;
 - (b) establish, adopt and publish rules and regulations governing the use of the Common Areas, streets and facilities including the personal conduct of the Members and their guests thereon; including rules affecting health and safety and to establish penalties for infractions of such rules and regulations;
 - (c) establish, adopt and publish rules and regulations consistent with the Declaration governing the use of Lots by Members and their guests and to establish penalties for infractions of such rules and regulations;
 - (d) enforce all of the terms and provisions of the Declaration;
 - (e) after notice and hearing, suspend the right to use of the Common Areas, other than the streets, of any Member during any period in which such Member is in default in the payment of any assessment levied by the Association; such rights may also be suspended for a period not to exceed thirty (30) days for infraction or published rules and regulations;
 - (f) employ a manager, independent contractors, and such other employees as they may deem necessary, and to prescribe their duties;
 - (g) enter into such contracts, leases and agreements as may be necessary to enforce, execute or

- (h) exercise on behalf of the Association all powers, duties, and authority vested in or delegated to the Association and not specifically reserved to the Members by the Declaration, Articles or these Bylaws.

Section VI.2 Duties. It shall be the duty of the Board of Directors to:

- (i) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at each annual meeting, or at any special meeting at which such a statement is required in writing by the Members entitled to cast at least twenty-five (25%) of the votes thereat;
- (j) supervise all officers, agents, and employees of the Association and see to it their duties are properly performed;
- (k) as more fully described in the Declaration, to:
 - (i) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
 - (ii) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
 - (iii) take such actions as may be required, to the extent permitted by law, to collect any delinquent payment of assessments as set forth in the Declaration;
- (l) issue, or cause an appropriate officer to issue, on demand by any person, a certificate setting forth whether or not any assessment has been paid; a statement in a certificate to the effect that an assessment has been paid shall constitute conclusive evidence of such payment; the Board may impose a reasonable charge for the issuance of these certificates;
- (m) procure and maintain adequate liability and hazard insurance on all property owned by the and activities of the Association;
- (n) procure and maintain adequate Directors & Officers Liability insurance to protect the Directors, officers, volunteers and agents of the Association from all official actions taken by them in such capacity excepting such action that is deemed criminal in a court of law;
- (o) cause all officers and employees having fiscal responsibilities to be bonded, as it may deem appropriate; and
- (p) cause the Common Area to be maintained.

Article VII. OFFICERS AND THEIR DUTIES

Section VII.1 Enumeration of Offices. The officers of the Association shall be a President, a Vice President, a Secretary, a Treasurer and such other officers as the Board may, from time to time, by resolution create. The President and Vice President must each be Directors.

Section VII.2 Appointment of Officers. The Board shall have the exclusive right to appoint the officers of the Association and shall have the sole authority to remove and reappoint officers. The Board shall make such appointment of officers of the Association at the first meeting of the Board following each annual meeting of the Members and otherwise in accordance with the Texas Business Organizations Code.

- Section VII.3 Term. The officers of this Association shall hold office for a term as determined by the Board (unless such officer shall sooner resign, or shall be removed, or otherwise be disqualified to serve).
- Section VII.4 Special Appointments. The Board may appoint such other officers as the affairs in the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.
- Section VII.5 Resignation and Removal. Any officer may be removed from office at any time with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
- Section VII.6 Vacancies. A vacancy in any office may be filled by appointment of the Board. The officer appointed to such vacancy shall serve for the unexpired term of the officer being replaced.
- Section VII.7 Multiple Offices. The offices of President and Secretary may not be held by the same person. Any other offices may be held by one person.
- Section VII.8 Duties. The duties of the officers are as follows:

President. The President shall preside at all meetings of the Board, see that orders and resolutions of the Board are carried out, sign all leases, mortgages, deeds, contracts, other written instruments and promissory notes.

Vice President. The Vice President shall act in the place and stead of the President (including signing documents) in the event of his absence or inability or refusal to act, and shall exercise and discharge such other duties as may be required of a Vice President by the Board.

Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members, serve notice of meetings of the Board and of the Members, keep appropriate current records showing the Members of the Association together with their addresses, and perform such other duties as required by the Board; such duties may be delegated to another officer or agent of the Association with approval of the Board.

Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all funds of the Association and shall disburse such funds as directed by resolution of the Board, sign checks and promissory notes of the Association, keep proper books, prepare financial reports and prepare and annual budget; such duties may be delegated to another officer or agent of the Association with approval of the Board.

Article VIII. COMMITTEES

- Section VIII.1 Nominations Committee. Nomination for election to the board of directors shall be by nominating committee. However, any Member may nominate himself to be a candidate for the Board by notifying the Secretary of the Association. In addition, any Member may announce himself as a write-in candidate at the annual meeting or special election meeting. The Nominating Committee shall consist of a chairman who shall be a Director and two (2) or other Members of the Association. The committee shall be appointed by the Board prior to each annual meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but in no event shall it nominate less than the number of vacancies to be filled.
- Section VIII.2 Architectural Control Committee. An Architectural Control Committee shall at all times exist as provided under the Declaration. The Board has the authority to appoint members of the committee

as provided in the Declaration.

Section VIII.3 Other Committees. The Board may create any other committees to assist in the orderly operation, management and maintenance of the subdivision and designate their role, responsibilities and authority by providing a committee charter. Duties. The duties of

ARTICLE IX. INDEMNIFICATION OF OFFICERS AND MANAGERS

Section IX.1 The Association shall indemnify every Director, every member of the Architectural Control Committee, each officer and agent of the Association (collectively, the “Indemnified Parties”), and their respective heirs, executors, administrators, personal representatives, successors, and assigns, against all loss, costs and expense, including counsel fees, reasonably incurred by them, or any of them, in connection with any action, suit or proceeding to which they may be made a party by reason of being or having been Indemnified Parties, except for matters as to which Indemnified Parties shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of such person’s duty as Indemnified Parties in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Indemnified Parties may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason of, or arising out of or in connection with, the foregoing indemnification provisions shall be treated and handled by the Association as common expenses; provided, however, that nothing in this Article shall be deemed to obligate the Association to indemnify any Owner who is or has been an Indemnified Parties with respect to any duties or obligations assumed or liabilities incurred by such Owner under and by virtue of the Declaration. The Association may obtain such insurance as the Board may deem advisable to cover the foregoing described matters.

Article X. BOOKS AND RECORDS

Section X.1 Subject to, and in compliance with, applicable law, the books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Covenants, the Certificate of Formation and these Bylaws shall be available for inspection by any Member at the principal office of the Association, or its agent, where copies may be purchased at reasonable cost.

Article XI. FISCAL YEAR

SECTION XI.1 The fiscal year of the Association shall be the calendar year.

Article XII. AMENDMENTS

SECTION XII.1 These Bylaws may be amended by a unanimous vote of all Directors at any Board meeting or by a majority vote of the Members at any regular or special Members meeting called for that purpose.

Article XIII. CONFLICTS

Section XIII.1 In the case of any conflict between the Articles and these Bylaws, the Articles shall control.

SECTION XIII.2 In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Section XIII.3 In the case of any conflict between federal, state or local laws and these Bylaws, the federal, state or local laws shall control.

IN WITNESS WHEREOF, we being all Directors of the Diamond Ridge Property Owners Association affirm that these Bylaws were unanimously adopted by us on the 19th day of November, 2011 and have hereunto set our hands on the dates set forth below.

S/Don Dietz November 19, 2011

Don Dietz Date
Director
Diamond Ridge Property Owners Association

s/Tom Eyres November 19, 2011

Tom Eyres Date
Director
Diamond Ridge Property Owners Association

s/Doug Hodo November 19, 2011

Doug Hodo Date
Director
Diamond Ridge Property Owners Association

s/Jennifer Robertson November 19, 2011

Jennifer Hodo Date
Director
Diamond Ridge Property Owners Association

s/Robert Hurley November 19, 2011

Robert Hurley Date
Director
Diamond Ridge Property Owners Association

s/Ed Sisam November 19, 2011

Ed Sisam Date
Director
Diamond Ridge Property Owners Association