



18/c (2)

AMENDED BY LAWS FOR

VILLAGE SHORES PROPERTY OWNERS ASSOCIATION

(a nonprofit corporation)

CANYON LAKE, TEXAS

ARTICLE I.

OFFICES

Principal Office

1.01. The principal office of the Corporation in the State of Texas shall be located in Comal County, Texas. The Corporation may have such other offices, either within or outside of the State of Texas, as the Board of Directors may determine or as the affairs of the Corporation may require from time to time.

Registered Office and Registered Agent

1.02. The Corporation shall have and continuously maintain in the State of Texas a registered office, and a registered agent whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be, identical with the principal office of the Corporation in the State of Texas, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II.

MEMBERS

Membership

2.01. All owners of record on the Comal Country property tax roles of one or more lots in Village Shores Subdivision, Units 1, 2, and 3 shall be a member.

Voting Rights and Procedures

2.02. The full up-to-date payment of dues at the time each vote is taken shall be a prerequisite for the right to vote.

A majority vote of the eligible voting members is required for issues that bind the Association or elect the Board of Directors. For such votes, one vote by secret paper ballot shall be allowed for each property, or group of properties, under different ownership, such that,

multiple properties under common ownership shall be accorded a single vote. The sole owner, or part owner of commonly, jointly owned properties who casts the vote on behalf of the other owners, is herein termed the “voting member.” All such voting shall be done on ballots prepared by the Corporation and handed out immediately before the start of voting on each issue, to only those members who have signed the attendance list, are not delinquent in their dues payments, and are sole owners, or have presented themselves as the “voting member” for multiply owned property.

Upon written affidavit that provides a list of the multiple owners’ names of a single property, or several jointly owned properties having common ownership, that attests to the fact that the list includes all owners of the property, and that is signed by all the owners, joint owners may designate their “voting member” and successive alternates, whereupon such affidavit shall be honored by the Corporation insofar as it does not conflict with any provision of these Bylaws, and is delivered to the Officer presiding over the meeting before the voting starts. Voting representatives, that is, the “voting member” and alternates may be changed by written affidavit at any time, except during the course of a vote.

When said affidavit designating the “voting member” has not been received prior to the start of the voting, the member presenting himself/herself as the “voting member”, either in person or by proxy, shall be presumed by the Officer conducting the meeting to be the member duly allowed by these Bylaws to cast a vote, providing said “voting member” qualifies as such in accordance with the first part of this Article II, paragraphs 2.01 and 2.02, and said Officer has no information indicating that the “voting member” is not, or may not be, qualified as required, herein. When a voter fails to comply with these voting procedures, the Officer conducting the meeting has reason to believe that a voter is not qualified to be a “voting member”, the owners of jointly owned properties are known to not agree on the “voting member” for the property, or more than the single allowed vote for one, or more, commonly, jointly owned properties is cast, all ensuing votes and multiple votes cast under such conditions shall be void and not counted.

Each “voting member” shall cast a single vote for each different directorship candidate of the member’s choice to a limit of, but not to exceed, the number of directorship vacancies being filled; therefore, no directorship candidate may receive more than a single vote from each “voting member.” When more votes are cast by a “voting member” than the existing directorship vacancies, the Directors seated immediately prior to the time of the vote shall choose, in accordance with these Bylaws, by a vote among themselves which Director candidates shall receive a vote from those selected by the “voting member.” When multiple votes are cast by a “voting member” for a single candidate, only one vote for said candidate shall be counted, and the other votes for that candidate shall be discarded.

Votes before the general membership on non-binding issues, referendums, and the like, shall be taken as directed by the President, or in the President’s absence the member conducting the meeting.

Membership Dues

2.03. The owner, or owners, of each property, or group of properties, under different ownership, who are accorded a voting right hereinabove, shall be assessed annual membership dues; such that, a single annual assessment shall accompany each voting right. The amount of the monthly dues for the next year shall be proposed by the Board of Directors for approval in accordance with Paragraph 2.10 herein, and yearly notices requesting payment of dues and defining a due date shall be sent to each voting member by the Treasurer, followed by two successive monthly notices requesting past-due payment from delinquent members.

After a member's dues payment is delinquent by one year, the Corporation may file a lien in the Comal County Records for the entire amount of said delinquent dues, together with interest and penalty thereon as is judged to be reasonable by the Board of Directors, on each individual tract making up the property for which the delinquent dues exist, with said liens to run until any one of them are paid off; whereupon, the liens on the other tracts making up the delinquent property shall be withdrawn, so that in no event will multiple payments of delinquent dues occur. All subsequent unpaid dues, interest, and penalty accruing to the property after the lien is filed shall also be collected before the lien is deemed to be satisfied.

In addition to the annual membership dues, the Board of Directors may propose to the membership special dues to pay specific expenses; and upon majority approval by the membership, said special dues shall be collected by the Treasurer in the same manner as provided hereinabove for the annual membership dues.

Transfer of Membership

2.04. Membership in this Corporation is not transferable or assignable, except as results from the transfer of ownership in property located in Village Shores Subdivision.

Meetings of Members

2.05. An annual meeting of the members shall be held during the fourth quarter, beginning with the year 1987, as called by the Board, for the purpose of electing Directors and for the transaction of other business as may come before the meeting. If the election of Directors shall not be held on the day 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 possible.

Special Meeting

2.06. Special meetings of the members may be called by the President, the remaining Board of Directors excluding the President, or not less than one-tenth of the "voting members." The date of the meeting shall meet the time frame set out by paragraph 2.08 of these Bylaws, and be set by the party calling the meeting.

Place of Meeting

2.07. Whether called by the Board or by other members, the Board of Directors shall designate the location of all meetings, and in so doing, shall accommodate the date and time of the meeting set by those calling the meeting. The meeting may be held anywhere in Comal County, Texas, that provides adequate seating and protection from the weather, and is made available to the Board for this purpose.

Notice of Meetings

2.08. Written or printed notice stating the place, day, and hour of any meetings of members shall be delivered, either personally or by mail, to each member not less than ten (10) nor more than fifty (50) days before the date of such meeting by the officers or persons calling the meeting. In case of a special meeting or when required by statute or these Bylaws, the purpose or purposes for which the meeting is called shall be included in notices, and deemed to

be delivered when deposited in the United States mail, addressed to all of the members at their addresses as they appear on the records of the Corporation, or on the Comal County tax roles, with postage thereon prepaid. For this purpose, it shall be the sole responsibility of each member to supply the Corporation with their correct address, and to update this with the applicable changes as they occur.

Failure to send notices to all members shall render the proceedings of the meeting void, whether the failure to send notices is discovered before or after the meeting. No actions shall be initiated as a result of the meeting after such failure is discovered, providing said failure does not occur as a result of members' failures to timely inform the Corporation of their addresses, nor from a mail delivery failure. No business shall be handled at the special meeting which is not included in the purpose, or purposes, of the meeting listed in the meeting notice. The Corporation shall not be bound by any actions, resolutions, mandates, and the like, resulting from special meetings which are convened by others than the President, or a vote of the Directors; but such results may, at the Directors' sole discretion, be subsequently considered for actions at another Directors' meeting convened for this purpose.

All costs of meetings convened at the direction of the President, or a vote of the Board of Directors shall be funded by the Corporation, but meetings convened by others shall be funded by them; and any costs incurred therefrom by the Corporation shall be fully covered by a deposit from said other members prior to the Corporation's becoming responsible for the cost. As the information is readily available in the County records, the Corporation shall not be required to provide members with a list of owners.

Informal Action by Members

2.09. Any action required by law to be taken at a meeting of the members, or any action 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 so taken shall be signed by all of the members entitled to vote with respect to the subject matter thereof.

Quorum

2.10. A quorum shall consist of no less than 20% of the membership, as comprised of members present at the meeting and valid proxies received for the meeting.

Proxies

2.11. At any meeting of the members, a "voting member" entitled to vote may vote by proxy executed in writing by the "voting member," or by the "voting member's" duly authorized attorney-in-fact, provided the proxy clearly states the following:

- a) Name of the individual, and no more than a single individual, to whom the proxy is granted;
- b) the extent or subject matter for which the proxy is granted;
- c) the time to the nearest minute and the date that the proxy is granted;
- d) the clearly identified meeting for which the proxy applies;
- e) a statement clearly indicating that the proxy shall be automatically revoked and superseded by, a later proxy constructed as provided herein, or by the vote of the proxy grantor upon his presence, and request, at the time the voting is held.

- f) Immediately below this material the proxy shall contain the words: “The undersigned hereby attests to the fact that he/she is designated the “voting member” as provided by the Bylaws for Village Shores Property Owners Association.”
- g) This shall be immediately followed on the next line by the proxy grantor’s signature,
- h) and below that the printed or typed name of the grantor, followed by
- i) the lot number, or numbers, of the property covered by the proxy.

No proxy shall be valid for more than one duly convened meeting, but the proxy shall be automatically postponed to new meeting dates when the meeting is postponed.

Voting by Mail

2.12. Where Directors or officers are to be elected by members, such election may be conducted by mail in such manner as the Board of Directors shall determine.

2.13. Proposed Bylaws amendments shall be presented in writing from the Board of Directors, prior to the annual meeting via mail to the membership for vote.

2.14 Any notice in these Bylaws required to be in writing or mail shall include electronic methods known as e-mail.

ARTICLE III.

BOARD OF DIRECTORS

General Powers

3.01. The affairs of the Corporation shall be managed by its Board of Directors.

Number, Tenure, and Qualifications

3.02. The number of Directors shall be five. Each Director shall hold office until the next annual meeting of members and until his successor shall have been elected and qualified.

Qualifications for directorship nominees and for continuing to hold the office of Director are as follows:

- 1) Upon nomination for the position of Director, each nominee shall a) proceed to read, or state (if so) that he/she had read, the Deed Restrictions for Village Shores Subdivision, and b) promise without qualifications, verbally or in writing, to actively support, defend, and execute said Restrictions, to both the existing Board of Directors and assembled members, prior to the vote on his/her election.
- 2) To be elected and serve as a Director, a candidate must openly agree to manage the Corporation in accordance with its Bylaws, existing at the time of election and as subsequently revised in accordance herewith, regardless that he may not have read, remembered, or understood them prior to election.
- 3) To continue qualification said active support, defense, and execution of the Deed Restrictions, and adherence to the Bylaws, must be continued by each Director.
- 4) Any voting member as defined in 2.01 and 2.02.

5) No nominee, nor Director, may be under indictment, nor on probation, for a felony.

Any violation of these qualifications found by a competent court of law, or as determined by more than a minority vote of the other Directors, shall disqualify an elected Director. Said Director shall be allowed to correct the cause for disqualification if done so within a reasonable time, as determined solely by the other Directors who voted for the disqualification. Immediately upon disqualification, the Director shall cease functioning in the role of Director, including, but not limited to, voting on matters before the Directors, and this shall continue until the disqualification is rescinded. Upon failure to correct the cause of disqualification in aforesaid reasonable time, the other Directors shall replace the disqualified Director in accordance with these Bylaws.

Regular Meetings

3.03. A regular annual meeting of the Board of Directors shall be held without other notice than these Bylaws, immediately after, and at the same place as, the annual meeting of members. The Board may provide by resolution the time and place, in Comal County, Texas, for the holding of additional regular meetings of the Board without other notice than such resolution.

Notice

3.04. Notice of any special meeting of the Board of Directors shall be given at least four days previously thereto by written notice delivered personally or sent by mail or telegram to each Director at his address as shown by the records of the Corporation, unless verbal notification has been, or is, accepted by the Director, whereupon that shall suffice. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any Director may waive written 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. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Bylaws.

Quorum

3.05. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board, unless provided otherwise in these Bylaws; but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting.

Manner of Acting

3.06. 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 specifically provided lesser or greater number is required by law or by these Bylaws. Any act of the Board may, with prior due notice by the membership, be overturned by a majority vote of the eligible voting members.

Vacancies

3.07. Any vacancy occurring in the Board of Directors and any directorship to be filled by reason of an increase in the number of Directors, shall be filled by the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Compensation

3.08. Directors as such shall not receive any stated salaries for their services, but by resolution of the Membership, a fixed sum and the expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board, but nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving reasonable compensation for out-of-pocket expenses actually incurred for VSPOA requirements, with written approval of the other Board Members.

Informal Action by Directors

3.09. Any action required by law to be taken at a meeting of Directors, or any action which may be taken at a meeting of Directors, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by these Directors not at the meeting.

ARTICLE IV.

OFFICERS

4.01. The officers of the Corporation shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, a Treasurer, and such other officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect or appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable; such officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary, or President and Treasurer.

Election and Term of Office

4.02. The officers of the Corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as conveniently possible. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.

Removal

4.03. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation would be served thereby.

Vacancies

4.04. A vacancy in any office because of death, resignation, disqualification, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

President

4.05. The President shall be the principal executive officer of the Corporation and shall in general supervise and control all of the business and affairs of the Corporation. He/she shall preside at all meetings of the members and of the Board of Directors; may sign, with the Secretary or any other proper officer of the Corporation 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 these Bylaws or by statute to some other officer or agent of the Corporation; and in general 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.

Vice President

4.06. In the absence of the President or in the event of his/her inability to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in order of their election) shall perform the duties of the President, and when so acting shall have all of the powers of, and be subject to all the restrictions upon, the President. Any Vice President shall perform such other duties as from time to time may be assigned to him/her by the President or Board of Directors.

Treasurer

4.07. If required by the Board of Directors, the Treasurer shall, at the expense of the Corporation, 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 in accordance with the provisions of Article VI of the Bylaws; 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 him/her by the President or Board of Directors.

In order to monitor payment of member's dues for submittal of past-due notices as required by paragraph 2.03 herein, the Treasurer shall maintain a current list of members names, addresses, and their dues payments, which shall be made available to the Secretary and President in a timely manner for their periodic communications with members, and for other purposes that

may develop. The Treasurer shall also maintain and make available the members voting list as provided in Article VII, herein.

Secretary

4.08. The Secretary shall keep the minutes of the meetings of the members and of the Board of Directors in one or more books or files provided for that purpose; give notices in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records; keep a register of the post office address of each member which shall be furnished to the Secretary by the Treasurer; 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/her by the President or Board of Directors.

Assistant Treasurers and Assistant Secretaries

4.09. If required by the Board of Directors, the Assistant Treasurer shall, at the expense of the Corporation, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Treasurers and Assistant Secretaries in general shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the President or Board of Directors.

Indemnification of Officers and Directors

4.10. The approval by the membership upon amending these Bylaws constitutes their vote to fully and completely indemnify every past, present, and future Director and Officer of this Corporation against all expenses and liabilities, including, but not limited to, counsel's fees, reasonably incurred by or imposed upon the person in connection with any controversy to which the person may be made a party, or in which the person may become involved, by reason of being or having been a Director or Officer of this Corporation, whether or not the person is a Director or Officer at the time such expenses are incurred, unless adjudged by a court of competent jurisdiction, after exhaustion of all appeals therefrom, that (1) the person failed to conduct himself, or herself, in good faith; (2) the person had not reasonably believed; (a) in the case of conduct in his/her official capacity as a Director or Officer of the Corporation, that his/her conduct was in the Corporation's best interests; and (b) in all other cases that his/her conduct was at least not opposed to the Corporation's best interest; (3) in the case of any criminal proceeding, he/she had reasonable cause to believe his/her conduct was unlawful; (4) he/she is found liable on the basis that personal benefit was improperly received by him/her, whether or not the benefit resulted from an action taken in the person's official capacity; or (5) the person is found liable to the Corporation as provided hereinbelow; provided, that in the event of a voluntary settlement of any such controversy by the Director or Officer involved, the indemnification provided herein shall apply only when the then existing Board of Directors is provided full knowledge of all aspects of the settlement, and approves, both, 1) such settlement and 2) any reimbursement to such involved Director or Officer, as being for the best interests of the Corporation.

Aforesaid indemnification of Directors and Officers shall include indemnification from liability to the Corporation or its shareholders or members for monetary damages from an act or omission in the Director's or Officer's capacity as a Director or Officer, except that this provision does not authorize the elimination or limitation of the liability of the Director or Officer to the extent the person is found liable for (1) breach of the Director's or Officer's duty

of loyalty to the Corporation or its shareholders or members; (2) an act or omission not in good faith that constitutes a breach of duty of the Director or Officer to the Corporation or an act or omission that involves intentional misconduct or a knowing violation of the law; (3) a transaction from which the Director or Office received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the Director's or Officer's office; or (4) an act or omission for which the liability of a Director or Officer is expressly provided by an applicable statute. Furthermore, the foregoing rights or indemnification shall be in addition to, and not exclusive of, all other rights to which such Director or Officer may be entitled.

The payment of expenses covered by this indemnification shall not be disallowed for lack of a court's resolution of the aforesaid factors. Upon the indemnitee's execution of a promissory note to repay indemnification payments in the event of disallowance because of the finding of one of the above factors, payment can be made on a convenient schedule for both parties as costs are incurred, otherwise payment shall be withheld until all planned and possible court proceedings are completed.

Dealings Between Corporation Officers and Directors

4.11. No Director or officer of this Corporation shall have any personal contracts nor business arrangements of any type with Village Shores Property Owners Association that provide a personal gain of any type while serving the Corporation.

ARTICLE V.

ARCHITECTURAL COMMITTEE

Creation, Qualifications, Makeup, and Alteration of Committee

5.01. The Board of Directors shall elect four (4) unrelated property owners to serve together with the President, as the Architectural Committee. Each prospective committee member shall be, first, determined by the Board to possess the qualifications required of Directors in Article III of these Bylaws; secondly, nominated by the Board; and then each nominee's permission shall be obtained, before each is elected. No more than one member of the Committee at any one time shall be a practicing realtor or real estate agent; and no residential builder working in Comal County shall be a member of the Committee. Before being elected, all nominated members shall agree to not receive any remuneration of any type from any property owners, builders, contractors, or other parties involved in construction in any way in the subdivision.

The President shall serve as the Chairman of the Committee. Upon electing the Committee members, the Board shall name one, or more, Vice-chairmen of the Committee, as needed, for it to function effectively while the Chairman and other Vice-chairmen are away, and shall not leave this to the discretion of the Committee. The Vice-chairmen, in the order designated by the Board, shall assume the duties of Chairman upon the Chairman's absence. Just as it creates, the Board may replace any or all Committee members for no cause, and also change the Vice-chairmen at will. All actions by the Board involving the creation or change of the Architectural Committee membership or leadership (designation of Vice-chairmen) shall only be valid upon the presence and vote of the majority of a quorum of four or more Board members.

Committee members may resign, or Committee leaders may change to a non-leadership member at their own request, and the Board shall honor such requests, unless such requests are voluntarily withdrawn before the Board replaces the resigning or changing committee member. In recognition of the fact that the Committee needs multiple chairmen to be able to function properly at all times, the refusal of Committee members to serve as Vice-chairmen when needed may result in some of these individuals being replaced on the committee by another qualified Corporation member willing to serve in a Vice-chairman capacity.

Conflicts of Interest

5.02. In the event that a written and signed charge of conflict of interest against a Committee member is received by the Board, or upon any other indication to the Board that a conflict of interest may exist, as soon as is practical, the Board shall convene to consider the charge or indication. The Board may postpone action in order to obtain additional information relevant to a decision, but upon obtaining sufficient information, or upon sufficient indication that insufficient evidence exists, to in the Board's opinion reasonably support the charge or indication, the Board shall either take action to replace the committee member involved in the conflict of interest, or shall acknowledge to all inquiring parties and record in the Minutes of the Board that no conflict of interest was found to exist. Failure of the Board to take one of these actions within sixty (60) days of being first informed of the possible conflict of interest shall be construed as meaning that no conflict of interest exists. While conflict of interest cases are being considered by the Board, the Committee members involved shall continue to function normally on the committee as though no considerations by the Board were in progress until they are replaced as provided hereinabove.

Term

5.03. The Architectural Committee shall be elected until replaced, or until voluntary resignation as provided above. Each newly elected group of Board of Directors shall by vote, duly recorded in their minutes, confirm the membership and leadership of the Committee, or begin the process of their replacement. Such provision for confirmation notwithstanding, inaction by the Board shall be construed as confirmation, the existing Committee shall continue to function as though it had been demonstratively confirmed, and all its actions shall have the full force and effect of a confirmed Committee.

Delegation of Authority

5.04. The Architectural Committee shall have the full power of the Board of Directors of Village Shores Property Owner's Association to carry out and enforce the various Deed Restrictions applicable to Village Shores Subdivision, subject to the approval of the Board of Directors. Failure of the Board to indicate disapproval shall constitute approval, and the Board shall not review nor consider any action, nor inaction, by the Committee unless consideration is requested in writing and signed by a property owner, or by majority vote the Board initiates such consideration. Such written requests for consideration of Committee actions, or inactions, must be accepted from any property owner in the Subdivision, and upon receipt of pertinent information concerning the subject under consideration, the Board shall duly consider the subject of the request, and take whatever action it deems appropriate. Such decisions by the Board shall be by secret ballot in closed session, and if known by anyone present, the votes of the individuals shall not be revealed to anyone.

The Architectural Committee shall not delegate any of its authority to other parties or committees of any type, but this does not mean that it cannot utilize Committee members and others in the course of performing its duties so long as decision-making authority concerning matters involving Deed Restrictions and architectural subjects are not delegated.

Duties and Responsibilities

5.05. The Architectural Committee shall carry out the intent of the various Deed Restrictions (as modified) for Village Shores Subdivision as they currently exist in the Comal County Records. This shall include, but not be limited to, monitoring building activity in the Subdivision; requiring timely submittal of building plans, specifications, plot plans and external design; approving or disproving such submitted material; monitoring and inspecting construction as, in the Committee's opinion, is within its authority and is required to ensure compliance; encouraging and enforcing compliance with the Deed Restrictions, its own findings and decisions, and those of the Board of Directors, including taking legal action when necessary; and in general protecting the established way of life and property values in the Subdivision. The Committee shall carry out its duties in accordance with these Bylaws and the requirements of the Board of Directors, and when there is a disagreement or difference of opinion between the Committee and the Board, the position of the Board shall prevail.

Recognizing that the Committee's inability to consider architectural issues and take action in an expedited, timely fashion because of its inability to assemble the required voting majority can cause delays that may often be detrimental to the overall interest of Subdivision property owners, Committee members are encouraged, but not required, to attend meetings whenever physically possible, or cooperate with the Committee Chairman or Acting Chairman in voting by non-presence communication as provided hereinbelow.

Meeting Calls and Quorums

5.06. Any member of the Architectural Committee or Board of Directors may call a meeting of the Architectural Committee. The Architectural Committee meetings shall consist of three (3) or more members present to constitute a quorum, except when in the opinion of the members present there exists an emergency situation requiring their action before a quorum can be assembled, in order to carry out the assigned duties and responsibilities of the Committee. In the event of such an emergency situation, except for approvals of a) waivers of specific requirements in the Deed Restrictions, and b) building plans, specifications, plot plans and external designs, the Committee members currently present shall, by majority vote, have the power to take whatever action they deem is appropriate, subject to later ongoing, but not retroactive, modifications by the next assembled quorum. The approval of aforesaid waivers and building plans, specifications, plot plans and external design, shall only be legally granted by a full four-member quorum, or more. All motions concerning immediately aforesaid approvals shall carry by a simple majority, and when that is impossible to obtain because of the absences of a member of the Committee, a decision on that action shall be postponed until a majority prevails, either as a result of a full Committee vote, or a voluntary change in the vote of one of the four. When the presiding Committee Chairman calls for a vote, there shall be no abstention for any reason, except for the existence of a conflict of interest, for which reason members are obligated to abstain.

Non-Presence Handling of Issues

5.07. Where practical as determined by the Committee, Architectural Committee issues may be resolved in a conventional meeting attended by Committee members, or through non-present voting and communication between members, or a combination of these two methods. Upon the agreement of members who are absent, in accordance with provisions herein, their votes may be obtained by non-presence communications including, but not limited to, telephone, fax, world wide web, or other such communication by the Committee Chairman or acting Chairman, and said votes shall be counted as though the absent members were physically present.

Actions by the Committee pursuant to these non-presence votes are subject to timely verification by any member of the Committee or Board of Directors at said verifying member's sole discretion and by their own non-presence communication with the absent Committee member, insofar as the time required for said verification does not delay the Committee's actions to the point that it can be logically shown by another Committee member, and agreed to by a majority of those members present, that said delay could adversely affect the Committee's present or future position in the matter at hand, or future such situations.

The results of issues handled by the Committee through non-presence communication and voting shall be recorded in the Chairman's notes, or those of whichever other Committee member handles discussion of the issues concerning the topic and collecting the votes on it. Upon request of the Directors, said notes shall be made available to the Corporation.

Procedures for Conventional Meetings

5.08. Except in the cases where emergency action is required and the Committee Chairman or Vice-chairman is unavailable, all conventional Committee meetings (excludes non-presence communications and voting described above) shall be called by the Chairman, or in his absence, the appropriate Vice-chairman.

At the beginning of each Committee meeting, if desired by the Secretary, the first subject of business shall be to elect a temporary secretary for that meeting whose duties shall be to record all of the proceedings of the meeting in completely comprehensible form for permanent file by the Committee Chairman. The elected temporary secretary may be anyone capable of performing the duties thereof who is acceptable to the majority of Committee members present and the presiding Committee chairman. Upon completion of the legible draft of the minutes, the temporary secretary shall deliver them to the permanent Committee Chairman for verification, signing, and permanent filing. In the event the Chairman was not present at the meeting, he/she shall obtain verification of the minutes by the presiding chairman and obtain the presiding chairman's signature on them. All minutes shall be recorded, verified, and signed as soon as is practically possible after the meeting, whereupon it is the duty of the presiding chairman to deliver a copy of the verified and signed minutes to the President of VSPOA. The minutes shall always be available for review by members of the Committee and the Board of Directors.

Conventional Committee meetings shall be conducted in accordance with the latest version of Robert's Rules of Order, unless there is a conflict with the provisions of these Bylaws, whereupon the Bylaws shall prevail.

Written Construction Submittals

5.09. After building plans, specifications, plot plans and external design, or other requests for architectural approval, are submitted to the Committee for consideration, it shall be

the responsibility of the Committee to request and obtain whatever additional information it deems necessary, and the responsibility of the applicant to provide the requested information, before a decision is rendered. After all of the requested information desired by the Committee has been provided, the Committee members shall be allowed reasonable time, both separately, and collectively as an assembled Committee, to study the information as necessary to form an opinion on its adequacy and on the acceptability of the submitted request. However, in the interest of the applicant, also, such deliberation by the Committee shall be conducted with prudent speed in recognition of the need of both a sound decision and a timely one.

Any rejected submittals to the Committee shall be reconsidered by it after changes have been made to the submittals that could make them acceptable. However, the Committee shall not be required to reconsider previous unchanged rejected proposals, though it may do so at its own discretion.

Upon rejection of a submittal by the Committee, the Committee's presiding chairman shall, as soon as is practically possible, inform the applicant in writing of the rejection, and include with the written rejection the reasons for the rejection. Subsequent submittals of rejected proposals, when changed to the satisfaction of the Committee, shall be approved unless other deficiencies in the proposal are identified by the Committee, whereupon, regardless of the fact that these newly discovered deficiencies had been overlooked before, they shall be corrected before the proposal is approved. Any failure of the Committee or previous Committees to prevent conflicts with the Deed Restrictions shall not bias the Committee toward continuing to allow similar conflicts, and in fact, one of the Committee's duties shall be to prevent future such noncompliance.

Personally Presented Construction Submittals

5.10. Upon an applicant's written request submitted to the chairman before the Committee's final vote on his/her proposal, the Committee shall allow the applicant one hour of time, or more at the chairman's discretion, to explain and defend his proposal as he wishes to the assembled Committee in person. At a property owner's request, the Committee shall also grant any other property owner who wishes to speak on the submittal twenty (20) minutes of time to also address the assembled Committee at a meeting called for such presentation and announced in writing by the Committee chairman to the property owners laterally and diagonally adjacent to, and laterally and diagonally across the adjacent roadway from the lot or lots upon which the proposed architectural development is planned. During discussions of a submittal in the presence of the applicant, or other non-committee members, no Committee member shall make statements that could indicate their preferences, nor other remarks that could indicate the nature of their forthcoming vote.

Voting on Submittals

5.11. After the open meeting or meetings held to hear applicants and other property owner's, all voting on the acceptability of submitted proposals for architectural development shall be held in closed session with only the Committee members and temporary secretary present. All individuals present in closed session shall never reveal to anyone the votes of individuals, including his/her own vote, in the closed session, and a breach of this secret ballot shall, upon request of the infringed individual, be grounds for dismissing the offenders from the Committee, or in the case of non-member Directors, they shall be barred from all future Committee meetings. Other meetings of the Committee shall be open to the property owners, or closed, at the discretion of the Chairman, or acting Chairman; except that all Committee

meetings shall be open to the members of the Board of Directors not on the Committee. Said non-member Directors shall have no vote on Committee issues, although they must be allowed to participate in the discussions. No proxy votes on any Architectural Committee business will have legal validity, nor be recognized by any presiding chairman of the Committee.

Appeals Hearing

5.12. Upon written request from applicants whose architectural proposals have been rejected by the Architectural Committee, the Board of Directors shall provide an appeals hearing, duly announced one week or more in advance by written notification to the requesting applicant, the property owners laterally and diagonally adjacent to, and those laterally and diagonally across the adjacent roadway from, the property being the subject of the hearing. The applicant shall be granted twenty (20) minutes, and adjacent property owners ten (10) minutes each to present their positions in person to the assembled Board of Directors, after which, at the Board's convenience, after sufficient gathering of additional necessary information and due deliberation, it shall meet in closed session to vote on the appealed application. The individual votes shall not be revealed by anyone.

The Board shall inform the Architectural Committee of the reasons for its decisions on all appealed applications, which shall be a basis for subsequent decisions by the Committee on the applications covered by the appeals, as well as for the notification of the decision to the applicant. However, the Board's reasons need not be the sole basis for subsequent decisions on the appealed proposals, for as the proposals are changed by applicants, or as other unacceptable parts of the application are discovered, so must the basis for subsequent Committee decisions change.

The Chairman of the Architectural Committee, or Vice-Chairman in the absence of the Chairman, shall inform the appealing applicant in writing of the decision and reasons provided by the Board.

If at all possible, all appeals hearings shall be attended by the Chairman, Vice-chairman, ex-Chairman, or ex-Vice-chairman who presided during the original Architectural Committee considerations of the proposals being appealed.

No appealed proposals shall differ from the proposals submitted to, and rejected by the Architectural Committee, and any that do differ shall, immediately upon detection of a difference, be rejected for appeals consideration, and returned to the Architectural Committee for further consideration.

ARTICLE VI.

CONTRACTS, CHECKS, DEPOSITS, AND FUNDS

Contracts

6.01. The Board of Directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances.

Checks and Drafts

6.02. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President or a Vice President of the Corporation.

Deposits

6.03. 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.

Gifts

6.04. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purpose or for any special purpose of the Corporation.

Neither the Board of Directors, nor anyone else in the Corporation, shall authorize, nor pay, Corporation funds as gifts to any individual or organization, including, but not limited, to charitable organizations. Corporate funds shall only be paid for goods and services, and these must constitute clear benefit, or at the time of the acquisition or engagement were believed by a majority of the Board of Directors to constitute clear benefit, to Village Shores Subdivision and/or its property owners.

ARTICLE VII.

CERTIFICATE OF MEMBERSHIP

7.01. The Board of Directors may provide for the issuance of membership cards or other evidence of membership in the Corporation, which shall be in such form as may be determined by the Board. Such evidence shall be signed by the President or a Vice President and by the Secretary or an Assistant Secretary. The name and address of each member and the date of issuance of the certificate shall be entered on the records of the Corporation. If aforesaid evidence shall become lost, mutilated, or destroyed, new copies may be issued therefore on such terms and conditions as the Board of Directors may determine.

ARTICLE VIII.

BOOKS AND RECORDS

Types

8.01. The Corporation shall keep correct and complete books and records of its accounts; the minutes of meetings of its members, Board of Directors, and committees having any authority from the Board of Directors; and a record of the names, addresses, and telephone numbers of the members entitled to vote, or to select their "voting member." The list of paid-up members entitled to vote, or to elect their "voting members," shall be maintained by the Treasurer, who shall have said list available at all members meetings, and available to the directors and other Officers of the Corporation as requested by them.

Records Inspection

8.02. For any proper purpose, all books and records of the Corporation may be inspected by any member, or his/her attorney, after presenting the Corporation with written and signed communication notifying it of said attorney's assignment to represent the member. All such inspections shall be in the continual presence of both an officer of the Corporation assigned by the Board of Directors to present the information, and the President, or another officer of the Corporation assigned by the President, and shall be at a mutually acceptable time for both the Corporate Officers and the reviewing member, or member's attorney. The inspection shall occur at a location in Comal County that is selected, solely, by the Corporate Officers providing the review, and said Officers shall have been notified in writing sufficiently beforehand by the member, or attorney, of the topics to be reviewed, so that the proper material can be made available for review.

During the inspection, the reviewer shall not deface the Corporation's papers nor digital material in any way, and doing so shall immediately terminate the inspection. Neither of the Officers shall leave the immediate presence of the reviewer, for even a brief duration, during the inspection, and if such absence is necessary, the inspection shall be recessed, and the Corporation's records secured, until full monitoring is again possible. The Officers providing the inspection must conduct it such that protection of the Corporation's records from any sort of destruction, loss, or alteration is of highest priority, even relative to the continued conductance of the inspection, if in their judgment there is a danger of such damage to the records.

ARTICLE IX.

FISCAL YEAR

9.01. The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December in each year.

For purposes of the Treasurer's report presented at the annual members meeting, the reporting period shall be from the end of the month closest to the date of the preceding annual meeting to the beginning of the month during which the current meeting is held, which depending upon the dates of the meetings, in some cases may be more, or less, than a full year. The Treasurer's report shall identify the dates and elapsed number of months that constitute the reporting period for the report.

ARTICLE X.

WAIVER OF NOTICE

10.01. 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 Bylaws of the Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XI.

AMENDMENT TO BYLAWS

11.01. These Amended Bylaws shall supersede and fully replace all previous Bylaws and Amended Bylaws for Village Shores Property Owners Association.

A majority vote (greater than fifty percent) of approval by voting members of the Corporation (as defined in Paragraphs 2.01 and 2.02 herein) is required to change these Bylaws. Amendment(s) to these Bylaws may be proposed by either the Board of Directors or by a voting member of the Corporation who meets the requirements of Paragraph 2.02 herein. All proposed amendment(s) to these Bylaws shall be presented to the entire membership in writing from the Board of Directors, prior to the annual meeting, via mail for vote approval in accordance with Paragraph 2.13 herein.

BYLAWS REVISION ADOPTED BY MAJORITY VOTE OF THE MEMBERSHIP ON NOVEMBER 19, 2011.

Filed and Recorded
Official Public Records
Joy Streater, County Clerk
Comal County, Texas
01/27/2012 02:10:14 PM
CASHTHREE
201206003149



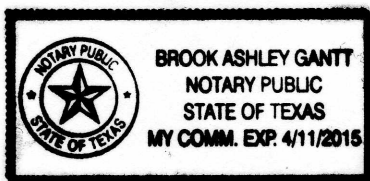
Joy Streater

Wayne Eckstine

Wayne Eckstine, 2011 President
Village Shores Property Owners Association

SUBSCRIBED AND SWORN TO BEFORE ME
by Wayne Eckstine on the 26th day of January, 2012.

Brook Ashley Gantt
Notary Public, State of Texas





yc

Certification of Village Shores Property Owners Association

Village Shores Subdivision, Comal County, Texas

Recording of subdivision plats:

- Unit one _____ Vol. 3, page 34
- Unit two _____ Vol. 4, page 50
- Unit three _____ Vol. 5, page 11

Recording of Declaration of Restrictive Covenants:

- Unit one _____ Vol 177, page 483
- Unit two _____ Vol. 205, page 698
- Unit three _____ Vol. 238, page 539

Recording of By Laws Amended 2002: Document # 200206025157

Mailing address for Village Shores Property Owners Association:

Gene Marshall, Secretary
 971 Village Shore Dr.
 Canyon Lake, TX 78133

Names and addresses of persons managing the Association:

- | | |
|-------------------------|----------------------|
| J. R. Estill, Treasurer | Kim Sempe, President |
| 1072 Village Shore Dr. | 16125 Tahoe |
| Canyon Lake, TX 78133 | Houston, TX 77040 |

Information available at web site: vsboatx.com

Additional contact available by e-mail at: villageshores@gmail.com

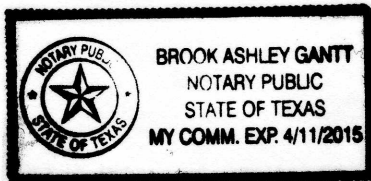
Signed and acknowledged by Wayne D. Eckstine, member of Board of Directors as of January 26th, 2012.

Wayne Eckstine

SUBSCRIBED AND SWORN TO BEFORE ME

by Wayne Eckstine on the 26th day of January, 2012.

Brook Ashley Gantt
 Notary Public, State of Texas



Filed and Recorded
 Official Public Records
 Joy Streater, County Clerk
 Comal County, Texas
 01/27/2012 02:10:15 PM
 CASHTHREE
 201206003150



Joy Streater