

**BYLAWS
OF
THE BLUFFS AT TWO CREEKS HOMEOWNERS ASSOCIATION, INC.**

1. NAME AND LOCATION.

(a) Name. The name of the corporation is **THE BLUFFS AT TWO CREEKS HOMEOWNERS ASSOCIATION, INC.**

(b) Location. The principal office of the Association shall be located at 11 Lynn Batts Lane, Suite 100, San Antonio, Texas 78218, or such other location in Bexar County, Texas, designated by the Board of Directors from time to time.

2. DEFINITIONS. All capitalized terms and abbreviations used in these Bylaws shall have the same meaning and definitions as provided in the Declaration (as herein defined), including, but not limited to, the following:

Association or HOA means The Bluffs at Two Creeks Homeowners Association, Inc., a Texas non-profit corporation, its successors and assigns.

Board means the Board of Directors of the HOA, elected or appointed as provided herein.

Bylaws means these Bylaws of the HOA, as adopted and amended from time to time in accordance with the provisions of the Texas Non-Profit Corporation Act and the Declaration.

Common Areas means all properties leased, owned or maintained by the Association for the use and benefit of the Members, as more particularly described in the Declaration.

Declarant means Bitterblue/Two Creeks Phase 1, Ltd., a Texas limited partnership, and its successors or assigns who are designated by Declarant as such in writing, and who consent in writing to assume the duties and obligations of the Declarant with respect to the Lots acquired by such successor or assign.

Declaration means the Two Creeks – Unit 2 Declaration of Covenants, Conditions, Easements and Restrictions, recorded in Volume 11954, Page 1117, Real Property Records of Bexar County, Texas, as amended from time to time.

Director means a member of the Board of the HOA elected or appointed as provided herein.

Lot means any tract of land out of the Properties, as described in the Subdivision Plat, except for the Common Areas.

Member means those persons entitled to membership in the HOA as provided in the Declaration.

Owner means the record owner(s), whether one or more persons or entities, of fee simple title to any Lot within the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Properties means the real property in Bexar County, Texas, marketed as *The Bluffs at Two Creeks*, and described in and subject to the terms of the Declaration, and such additions thereto as may hereafter be subject to the Declaration and brought within the jurisdiction of the HOA.

3. MEMBERSHIP, VOTING, AND MEETINGS.

(a) **Membership and Voting.** The qualifications for membership and voting rights of the Members of the Association shall be as set forth in the Declaration.

(b) **Annual Meeting.** The initial annual meeting of the Association shall be held on or before February 27, 2006, on such specific date and at such time and place as the Board of Directors may determine. Thereafter, there shall be a meeting of the Association on the second Tuesday of January of each year, beginning in January 2007, at 6:30 o'clock p.m., or at such other reasonable time and place [not more than sixty (60) days before or after such date] as the Board of Directors may determine. At each such annual meeting, there shall be elected a Board of Directors in accordance with the provisions of these Bylaws. The Members may also transact such other business of the Association as may properly come before them at each annual meeting.

(c) **Special Meetings.** Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of Members entitled to vote twenty-five percent (25%) of all of the votes of the Class A membership.

(d) **Notice of Meetings.** Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or the person authorized to call the meeting, by mailing a copy of such notice (postage prepaid, at least ten (10), but not more than fifty (50) days) before such meeting to each Member entitled to vote at such meeting, addressed to the Member's address last appearing on the books of the Association or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

(e) **Quorum.** The presence at the meeting of Members entitled to cast (or of proxies entitled to cast) one-tenth (1/10) of the votes of each class of membership, shall constitute a quorum for any action, except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws.

(f) **Proxies.** At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Each proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

(g) **Adjourned Meeting.** If any meeting of Members cannot be organized because a quorum has not attended, the Members who are present may adjourn the meeting without notice other than announcement at the meeting, to a time not less than forty-eight (48) hours from the time the original meeting was called.

4. BOARD OF DIRECTORS.

(a) **Number.** The affairs of this Association shall be governed by a Board of Directors of not less than three (3) nor more than nine (9) Directors, who need not be Members of the Association. The initial Board of Directors shall be composed of the three (3) persons designated in the Articles of the Association, who shall so serve until the election of Directors at the first annual meeting of the Members. It is expressly provided that there shall be no conflict of interest in the event a Director hereunder shall also be a director, officer, owner, agent or other person affiliated with Declarant.

(b) **Term of Office.** At the first annual meeting, the Class A Member(s) shall elect two (2) Directors for a term of one (1) year; and the Class B Member(s) shall elect three (3) Directors for a term of one (1) year. At each annual meeting thereafter, the same procedure shall be followed until there are no longer any Class B Member(s); at which time the Class A Members shall elect the entire Board of Directors as follows: three (3) Directors shall be elected for a term of one (1) year each, and two (2) Directors shall be elected for a term of two (2) years each. Thereafter, all Directors shall be elected for a term of two (2) years each.

(c) **Removal.** Any Director may be removed from the Board, with or without cause, by a majority vote of each class of Members of the Association. Notwithstanding the foregoing, any of the three (3) initial members of the Board of Directors may be removed at any time by a majority of the initial members of the Board of Directors, with or without cause, and without the consent or approval of any Members of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

(d) **Nomination.** Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and one or more Members of each class of Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations shall be made from Class A Members for Class A vacancies to be filled, and from Class B Members for Class B vacancies to be filled.

(e) **Election.** Election to the Board of Directors shall be by secret written ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

(f) Organizational Meeting. Organizational meetings of newly elected Board of Directors shall be held within sixty (60) days of the election of such Board of Directors at such date and time as may be agreed to by a majority of the Directors, with notice thereof given to all Directors, by phone, mail, facsimile, telegraph or teletype at least three (3) days in advance of such meeting. At any organizational meeting of a newly elected Board of Directors, the required officers shall be elected and the President, or in his absence any vice president or other officer he shall designate, shall preside over all subsequent meetings.

(g) Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. At least one (1) meeting, regular, organizational, or special, shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone, facsimile, telegraph, or teletype at least three (3) days prior to the day named for such meeting.

(h) Special Meetings. Special meetings of the Board of Directors may be called by the President of the Association, or by any two (2) Directors, on not less than three (3) days' notice to each Director, given personally, or by mail, telephone, facsimile, telegraph, or teletype, which notice shall state the time, place and purpose of the meeting.

(i) Waiver of Notice and Actions by Consent. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Directors, no notice shall be required and any business may be transacted at such meeting. In addition, the Board of Directors shall have the right to adopt resolutions by unanimous written consent without requirement of a meeting. Any adoption of unanimous consent resolutions by the Board of Directors shall satisfy the requirement that the Board meet at least once annually.

(j) Voting. Each Director shall have one (1) vote. Except as otherwise expressly provided herein or in the Declaration, all decisions by the Board shall be by a vote of a majority of the Directors.

(k) Quorum. At all meetings of the Board of Directors, a majority of the number of Directors shall constitute a quorum for the transaction of business; and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be regarded as the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such reconvention of an adjourned meeting, any business which might have been transacted at the meeting subject to the requirement of a quorum being present, as originally called, may be transacted without further notice.

(l) Fidelity Bonds. The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums for such bonds shall be paid by the Association.

(m) Compensation. No Director shall receive compensation for any service rendered to the Association; however, any Director may be reimbursed for actual expenses incurred in the performance of his duties.

(n) Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association. The Board of Directors may do all such acts and things which the Association may do and which are not by these Bylaws or the Declaration or applicable law directed to be exercised or done by the Members. The Board of Directors shall be expressly empowered and shall have the following duties:

(1) To make, establish and promulgate, and in its discretion to amend from time to time, or repeal and re-enact, such rules, regulations, and bylaws not in conflict with the Declaration, as it deems proper, covering any and all aspects of the Subdivision and any improvements thereon, including the operation, maintenance and preservation thereof, or the Association.

(2) To obtain and maintain in effect, policies of insurance that, in the opinion of the Board, are reasonably necessary or appropriate to carry out the Association's functions.

(3) To keep books and records of the Association's affairs, and to make such books and records, together with current copies of the Association Restrictions available for inspection by the Members, Owners, mortgagees, and insurers or guarantors of any mortgage, upon request during normal business hours.

(4) To determine, levy and collect the Assessments and other charges in accordance with the terms of the Declaration.

(5) To retain and pay for legal and accounting services necessary or proper in the operation of the Association.

(6) To retain and pay for the services of a person or firm ("Manager") to manage and operate the Association, including its property, to the extent deemed advisable by the Board. Additional personnel may be employed directly by the Association or may be furnished by the Manager. Each contract entered into between the Association and the Manager will be terminable by the Association without cause upon sixty (60) days written notice to the Manager. To the extent permitted by law, the Board may delegate any other duties, powers and functions to the Manager.

(7) To enter into contracts or licenses with any third party on such terms as the Board will determine.

(8) To administer and enforce the terms of the Declaration; provided that the Board of Directors is not required to enforce the covenants, conditions and restrictions contained in the Declaration.

(9) To establish, make and enforce compliance with such rules as it shall determine necessary or proper and governing or related to the operation, use, occupancy, or non-use and non-occupancy of all property leased, owned or maintained by the Association.

(10) To keep in good order, condition and repair all of the areas leased, owned or maintained by the Association and all items of personal property of the Association, if any.

(11) To collect delinquent Assessments by suit or otherwise and to enjoin or seek damages from an Owner as is provided in these Bylaws, the Articles or the Declaration.

(12) To prosecute all claims of the Association for damages or otherwise, including the authority to contract for the services of attorneys and determine when and whether to file suit. Such power shall extend to all causes of action which the Association may have, whether for damages at law or injunctive or other relief.

(13) To protect and defend all areas leased, owned or maintained by the Association from loss and damage by suit or otherwise.

(14) To borrow funds for the purpose of constructing or improving all areas leased, owned or maintained by the Association and, in aid thereof, subject to approval by a two-thirds (2/3) vote of each class of Members of the Association, to mortgage said property, and to execute such instruments as necessary, evidencing such indebtedness.

(15) To take such steps as are reasonably necessary to protect all areas leased, owned or maintained by the Association against foreclosure.

(16) To suspend the enjoyment rights of any Owner for failure to pay Assessments and/or any infraction of the published rules and regulations of the Association, in accordance with applicable law and the Declaration.

(17) To enter into contracts within the scope of the duties and powers of the Board of Directors and the Association.

(18) To establish a bank account for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Directors.

(19) To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association.

(20) To dedicate, sell or transfer all or any part of all areas leased, owned, or maintained by the Association to any public agency, authority or utility, for such purposes and subject to such conditions as may be determined by the Board; provided, however, the Board of Directors shall be empowered to accept donations of property to the Association, on behalf of the Association, which donations prohibit such dedications or transfers or are otherwise conditioned.

(21) Participate in mergers, consolidations and/or reciprocal agreements with other nonprofit corporations organized for the same purposes or annex additional property and common area.

(22) To appoint the members of the ACC, as provided in the Declaration.

(23) To exercise all of the powers and perform all of the duties of the Board as set forth in the Declaration.

(24) In general, to carry on the administration of the Association and to do all of those things, necessary and reasonable, in order to carry out the communal aspect of subdivision ownership, and to exercise any and all powers, right, and privileges which the Board of Directors of the Association by law may now or hereafter have or exercise.

(o) Initial Manager. The initial Manager shall be Association Management Services, whose current address is 1600 N.E. Loop 410, Suite 202, San Antonio, Texas 78209.

5. OFFICERS.

(a) Designation. The officers of the Association shall include a President and Vice President, all of whom shall be elected by and from the Board of Directors, and a Secretary and a Treasurer. The Board of Directors or President may appoint one (1) or more assistant secretaries or assistant treasurers as deemed necessary to aid in the conduct of the business of the Association.

(b) Election and Term. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office for one (1) year, unless such officer shall sooner resign or shall be removed or otherwise disqualified to serve.

(c) Removal or Resignation. Any officer may be removed, either with or without cause. Any officer may resign at any time by giving written notice to the Board, the President or 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.

(d) Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to fill such vacancy shall serve for the remainder of the term of the officer he replaces.

(e) Special Offices. The Board of Directors may by resolution create such other offices and appoint such other officers as it may choose, each of which officers shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

(f) Multiple Offices. The offices of the Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices, except in the case of special offices created pursuant to **Section 5(e)** herein.

(g) Duties. The duties of the officers are as follows:

President. The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Association and of the Board of Directors. The President shall have all the general powers and duties which are usually vested in the office of president of an association, including but not limited to, the power to appoint committees from time to time as he may in his discretion deem appropriate to assist in the conduct of the affairs of the Association.

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

Secretary. The Secretary shall record the votes and keep all the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association. The Secretary shall have charge of such books and papers as the Board of Directors may direct, and shall, in general, perform all the duties incident to the office of Secretary. The Secretary shall compile and keep up to date at the principal office of the Association a complete list of Members and their last known addresses, as shown on the records of the Association.

Treasurer. The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of, the Association in such depositories as may from time to time be designated by the Board of Directors.

6. BOOKS AND RECORDS.

(a) **Records.** The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

(b) **Fiscal Year.** The fiscal year of the Association shall begin on the first day of January in each year and end on the last day of December in each year, except that the first fiscal year shall begin on the date of incorporation.

(c) **Authority.** The persons who shall be authorized to execute any and all instruments of conveyance or encumbrances, including promissory notes, shall be the President and the Secretary of the Association, either or both or whom may sign, with or without the affixing of the Association's seal. In addition to such persons, the Board of Directors may, by written resolution, authorize other officers of the Association to sign such instruments or other instruments on behalf of, and as the act of, the Association.

7. **COMMITTEES.** The Board of Directors shall appoint the members of the Architectural Control Committee ("ACC") after turnover of the ACC to the Association by Declarant as provided in the Declaration. The Board shall also appoint a Nominating Committee as provided in these Bylaws. In addition, the Board of Directors may appoint one or more committees as it deems appropriate from time to time to carry out any functions or duties of the Board.

8. **INDEMNIFICATION.** The Association shall indemnify each Director, manager, or officer, and their respective heirs, executors, administrators, personal representatives, successors, and assigns against all loss, costs and expense, including counsel fees and court costs, to the fullest extent permitted by, and subject to the required findings and procedures of, Article 1396-2.22A, Vernon's Texas Revised Civil Statutes Annotated, as it exists on the date of incorporation of the Association. The foregoing rights shall not

be exclusive of other rights to which such Director, manager, or officer may be entitled. The Association shall be entitled to procure insurance to cover all or a portion of the Association's obligation of indemnification. Nothing herein contained shall be deemed to obligate the Association to indemnify any Member or Owner who is or has been a Director, manager, or officer of the Association, with respect to any duties or obligations, assumed or liability incurred by him under and by virtue of the Declaration or other declaration of covenants, conditions, and restrictions related to the properties, as a Member or Owner of a Lot covered thereby.

9. ASSESSMENTS.

(a) Assessments. As more fully set forth in the Declaration, each Member is obligated to pay to the Association annual and special assessments, which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent.

(b) Remedies of the Association. Any assessment or expense incurred by the Association to discharge an obligation of an Owner, not paid within thirty (30) days after the due date, shall bear interest from the date of delinquency at the highest per annum, legal rate of interest permitted under applicable law. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Lot of such Owner, and interest, costs and attorneys fees of any such action shall be added to the amount of such assessment, as provided for and in accordance with the Declaration. No Owner may waive or otherwise escape liability for the assessments provided in the Declaration by nonuse of the Common Areas or abandonment of his Lot.

10. NON-PROFIT ORGANIZATION. This Association is not organized for profit. No Member, Director or person from whom the Association may receive any properties or funds, shall receive, or be lawfully entitled to receive, any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any member of the Board of Directors; provided, however that (a) reasonable compensation may be paid to any Member while acting as an agent or employee of the Association for services rendered in affecting one or more of the purposes of the Association, and (b) any member of the Board of Directors may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

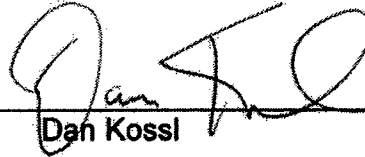
11. AMENDMENT.

(a) Amendment. These Bylaws may be amended at a regular or special meeting of the Members by vote of a majority of the quorum of each class of Members present in person or by proxy.

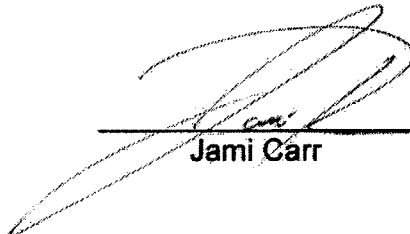
(b) Interpretation. In the event of any conflict between the terms of the Articles and these Bylaws, the terms of the Articles shall govern and control. In the event of conflict between the provisions of the Declaration and these Bylaws, the provisions of the Declaration shall govern and control. Accordingly, any amendment to the Articles or the Declaration shall be deemed to amend these Bylaws, as of the filing of such amendment to the Articles or Declaration, to the extent of any conflict with the terms hereof, but the Board of Directors, when it shall become aware of such amendment and conflict, shall promptly adopt such amendment to these Bylaws as may be necessary to conform these Bylaws to the terms of the Articles and/or Declaration, as amended.

IN WITNESS WHEREOF, the undersigned, being all the initial Directors of THE BLUFFS AT TWO CREEKS HOMEOWNERS ASSOCIATION, INC., have executed these Bylaws to be effective as of ~~January~~ February 27, 2006.

February



Dan Koss



Jami Carr



Todd P. Helmer

Doc# 20060154840 Fees: \$80.00
06/30/2006 4:56PM # Pages 17
Filed & Recorded in the Official Pu
Records of BEXAR COUNTY
GERRY RICKHOFF COUNTY CLERK

Any provision herein which restricts the sale, or use of the described real
property because of race is invalid and unenforceable under Federal law
STATE OF TEXAS, COUNTY OF BEXAR
I hereby certify that this instrument was FILED in File Number Sequence on
the date and at the time stamped hereon by me and was duly RECORDED
in the Official Public Record of Real Property of Bexar County, Texas on:

JUN 30 2006



Gerry Rickhoff
COUNTY CLERK BEXAR COUNTY, TEXAS