



BYLAWS OF
SUNSET CANYON LAND OWNERS ASSOCIATION
A TEXAS NON-PROFIT CORP.
DRIPPING SPRINGS, TEXAS 78620
AUGUST 2018

ARTICLE 1—NAME AND PURPOSE

SECTION 1.01—NAME

The name of this organization shall be the SUNSET CANYON LAND OWNERS ASSOCIATION, INC. ("the Association" or "SCLA").

SECTION 1.02—PURPOSE

The purpose of the Association shall be to provide a framework within which the landowners of Sunset Canyon can act in matters of common interest.

ARTICLE 2—OFFICE

SECTION 2.01—OFFICE

The Association shall have and continuously maintain in Hays County, Texas, a registered agent and a registered office as required by the Texas Non-Profit Corporation Act. The registered office shall be designated by the Board of Directors.

ARTICLE 3—MEMBERSHIP QUALIFICATIONS

SECTION 3.01—QUALIFICATIONS

Association membership shall be open to any owner or owners of one or more parcels of land in Sunset Canyon, Hays County, Texas. Such an owner shall be made a member upon application to the Association and payment of current dues. Membership in the Association is automatically terminated for anyone who ceases to be a landowner in Sunset Canyon.

ARTICLE 4—MEETINGS OF MEMBERS

SECTION 4.01—ADMINISTRATION

Business and meeting affairs of the Association shall be conducted according to the guidelines provided in the current edition of *Robert's Rules of Order*.

SECTION 4.02—ANNUAL MEETING

An Annual Meeting of the members shall be held on the fourth (4th) Monday of January in each year, at the hour of 7:00 p.m., for the purpose of electing Officers and Directors and for the transaction of other business as may come before the meeting. If the election of Officers and Directors shall not be held on the day designated herein for any Annual Meeting, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as possible.

SECTION 4.03—SCHEDULED MEETINGS

There shall be at least one scheduled meeting of the members per year (*e.g.*, the Annual Meeting). The general purpose of these meetings shall be for the Board of Directors to inform the membership of the business that has been conducted since the prior membership meeting. Specific items of business shall be addressed if they are on the agenda published by the Board and included with the notice of the meeting. Scheduled meetings may be preceded or followed by social functions as planned by the Board of Directors.

SECTION 4.04—SPECIAL MEETINGS

Special meetings of the members may be called by the President or the Board of Directors, and must be called upon petition from at least (30) members having voting rights.

SECTION 4.05—PLACE OF MEETING

The Board of Directors may designate any place within Hays County as the place of meeting for any annual, scheduled, or special meeting called.

SECTION 4.06—NOTICE OF MEETING

Written notice stating the place, day, and hour of any annual, scheduled, or special meeting of the Association shall be delivered by mail to each member entitled to vote at such a meeting, not less than ten (10) nor more than thirty (30) days before the date of the meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting. In all cases, the purpose or purposes for which the meeting is called shall be stated in the notice, and the notice shall include an agenda of the business to be addressed. The notice of the Annual Meeting shall include the names of the slate of nominees.

SECTION 4.07—CONDUCT OF BUSINESS

Specific items of business shall be addressed under Orders of the Day if they are on the agenda published by the Board and included with the notice of the meeting. Business not on the agenda may be discussed under New Business and possibly deferred as unfinished business for the next meeting. Motions to incur expenditures of funds will be "out of order" and must be deferred as Unfinished Business for the next meeting, unless they are on the agenda and in the notice of the meeting.

ARTICLE 5—VOTING

SECTION 5.01—VOTER ELIGIBILITY

Each member whose current dues and assessments are paid shall be entitled to one vote on each matter submitted to a vote of the members.

SECTION 5.02—QUORUM

At any meeting, a quorum shall consist of twenty (20) members eligible to vote represented in person, by proxy, or by mail ballot.

SECTION 5.03—PROXIES

At the meeting of members, a member entitled to vote may vote by proxy. All proxies shall be in writing and filed with the Secretary. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Owner members shall be allowed to designate tenants or any other legally qualified person(s) to exercise their vote(s) by proxy.

SECTION 5.04—DECISION OF A VOTE

At any meeting, a vote shall be decided by a simple majority of votes cast by eligible voters present at the meeting or by proxy except as otherwise provided.

SECTION 5.05—VOTING BY MAIL

Any vote may be conducted by mail, by ballot delivered by mail, to each member entitled to vote, not less than ten (10) days before the deadline for ballot counting. If mailed, the ballot shall be deemed to be delivered when deposited in the US Postal Service addressed to the member at his/her address as it appears on the records of the Association. Votes on a mail ballot shall be decided by a simple majority of votes cast.

ARTICLE 6—BOARD OF DIRECTORS

SECTION 6.01—QUALIFICATIONS AND TENURE

The Board of Directors will consist of four (4) officers and five (5) at-large committee members in which one will be designated by the President as Parliamentarian. The Board of Directors shall be elected by the membership at the Annual Meeting.

SECTION 6.02—POWERS AND DUTIES

The Board of Directors shall have power to exercise all powers, duties, and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these bylaws. The Board shall have the right to enforce the Covenants, Conditions and Restrictions as recorded in the deed of each lot in Sunset Canyon, Hays County, Texas. The Board of Directors shall prepare an operating budget for the current calendar year and present it to the membership at the annual January membership meeting. The Board of Directors shall cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the Annual Meeting of the members, and at any scheduled or special meeting when such statement is requested in writing by twenty (20) members. The Board of Directors shall supervise all officers and agents of the Association and see that their duties are properly performed.

SECTION 6.03—ELECTION AND TERM OF OFFICE

Any member eligible to vote may be elected to the Board of Directors. Each officer shall hold office until the next Annual Meeting of members and until his/her successor shall have been elected and qualified. Any officer may be removed from the Board of Directors with cause by a two-thirds (2/3) vote of the eligible voting members.

SECTION 6.04—OPEN MEETINGS

The Board of Directors shall meet at least quarterly. A meeting of the Board of Directors may be called by or at the request of the President or any two Directors, after not less than one (1) day notice to each Director. Subject to applicable law, the Board shall have the right to adjourn a meeting and reconvene in a private, closed executive session to consider any actions involving personnel, pending or threatened litigation, contract negotiations, confidential attorney communications, enforcement actions or the invasion of privacy of individual members or upon the request of an affected party, or to consider matters that are confidential in the opinion of the Board, provided, however, the Board shall announce the general nature of the business to be considered in such executive session prior to adjourning the meeting.

SECTION 6.05—QUORUM

A majority of the Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as an act of the Board, unless the act of a greater number is required by law or by these bylaws.

SECTION 6.06—ACTION TAKEN WITHOUT A MEETING

Any action required by law to be taken at a meeting of the Board of Directors, or any action which may be taken at a meeting of the Board of Directors, may be taken without a meeting if a consent in writing setting forth the action as taken shall be signed by all of the Directors.

SECTION 6.07—VACANCIES

In the event a vacancy occurs on the Board by virtue of the death, resignation, or removal of an officer, or for any other reason, the remaining members of the Board of Directors shall appoint a successor who shall serve the unexpired term.

SECTION 6.08—COMPENSATION

No Director shall receive compensation for any service rendered to the Association. However, any Director may be reimbursed for actual expenditures in the performance of his/her duties.

ARTICLE 7—OFFICERS

SECTION 7.01—OFFICERS

The Officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer.

SECTION 7.02—ELECTION AND TERM OF OFFICE

The Officers shall be elected by the membership at the Annual Meeting. Self-nomination forms shall be sent with the required notice of the Annual Meeting. Such forms shall be returned to the Secretary at least seven (7) days prior to the Annual Meeting at which time the ballot shall be printed with such nominations. Nominations shall also be made from the floor. The ballot shall also allow room for insertion of those nominations made on the floor. Any member eligible to vote may be elected to an office. Each Officer shall hold office until the next Annual Meeting of members and until his/her successor shall have been elected and qualified. Any Officer may be removed from office with cause by a two-thirds (2/3) vote of the eligible voting members.

SECTION 7.03—PRESIDENT

The President shall preside at all meetings of the members and the Board of Directors, and shall see that orders and resolutions of the Board and Association are carried out. The President may sign, with any other Officer of the Association, any contracts or other instruments which the members of the Association have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors, by the membership, by these bylaws or by statute to some other Officer or agent of the Association.

SECTION 7.04—VICE PRESIDENT

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

SECTION 7.05—SECRETARY

The Secretary shall be responsible for recording the votes and keeping the minutes and proceedings of all meetings of the Board and of the Association, giving all notices in accordance with the provisions of these bylaws or as required by law, keeping a register of the post office address of each member as furnished to the Secretary by the member, and maintaining a record of the ownership of lots in Sunset Canyon.

SECTION 7.06—TREASURER

The Treasurer shall receive and deposit in appropriate bank accounts in the name of the Association, all monies of the Association, and shall cause the disbursements of such funds as directed by resolution of the Board of Directors; shall normally sign all checks from such accounts as the Board of Directors may from time to time determine; keep books of account; shall be responsible for preparation of a current statement of income and expenditures to be presented to the membership at each of its meetings, and to provide a copy of such statement to members as requested.

ARTICLE 8 --COMMITTEES

SECTION 8.01—SPECIAL COMMITTEES

The Board of Directors of the Association may appoint special committees, such as Building Review Committee, Legislative Committee, Water Resources Committee, or other such special committees, as deemed appropriate or necessary in response to membership requests for such committees. Special committees shall be appointed to perform only specific tasks, surveys, or research. Special committees shall report findings and make recommendations for action directly to the Board of Directors, but action may not be taken by the special committee or the Board of Directors without first presenting such recommendations at a regular or special meeting of the membership, in accordance with the provisions of the bylaws regarding such meetings, and without first receiving approval to take such recommended actions by a majority vote of members present at the meeting or voting by proxy.

ARTICLE 9—DUES AND ASSESSMENTS

SECTION 9.01—DUES AND ASSESSMENTS

Annual dues shall be \$35.00 per membership for the calendar year beginning January 1 and ending December 31. Changes in the annual dues may be voted upon at any meeting of the members when proposed by the Board of Directors, but such change shall not be effective until January 1, of the following year. Other assessments may be voted upon and effected at any meeting by the members. Changes in dues or invocation of assessments can only be voted upon when the intent for such change has been published in the agenda for the meeting and included with the notice of the meeting.

SECTION 9.02—PRORATION OF DUES

Annual dues may be prorated for new memberships of SUNSET CANYON LAND OWNERS ASSOCIATION during the calendar year of their purchase, upon their request to the Board.

ARTICLE 10—SEAL

SECTION 10.0.1

The Board of Directors shall have a seal in circular form having within its circumference the words: SUNSET CANYON LAND OWNERS ASSOCIATION.

ARTICLE 11—MISCELLANEOUS PROVISIONS GOVERNING AFFAIRS OF THE ASSOCIATION

SECTION 11.01—FISCAL YEAR

The fiscal year of the Association shall be the calendar year.

SECTION 11.02—BOOKS AND RECORDS

The Association shall keep correct and complete books and records of account and shall also maintain a record showing the names of all members of the Association who are eligible to vote on any matter submitted to a vote of the members. All books, records, and minutes of the Association may be inspected by any member of the Association at any reasonable time.

SECTION 11.03—FUNDS/FINANCIAL OBLIGATIONS

The Board of Directors may expend funds or incur obligations up to \$3,000.00 in one calendar year without membership approval, and may expend any amount of money or incur any financial obligation specifically approved by the membership acting in accordance with the provisions of the bylaws for voting. Checks for reasonable and necessary expenses may be signed by the Treasurer; all other expenditures may be signed by the Treasurer, but must be approved by the Board of Directors. The Treasurer shall not sign any check for over \$200.00 without express approval of the Board of Directors. In the event of dissolution of the Association, the remaining monies from dues and special assessments shall be prorated and returned to the members based on their contribution.

Unbudgeted expenditures may be approved retroactively by SCLA Members at a regular or special member meeting or voting by mail.

SECTION 11.04---AUDITS

The books and records of accounts of the Association shall be inspected by any member other than a current Officer or Board member as of December 31 of each year. Preferably, the auditor shall be a CPA, accountant, or bookkeeper in a professional status. The auditor shall be appointed by the Board of Directors.

ARTICLE 12—LEGAL AND PROFESSIONAL SERVICES

SECTION 12.01

Prior to expending funds on or incurring any obligations for legal or professional services, approval must be obtained by the membership. Additionally, prior to entering into a lawsuit in behalf of the Association, approval must be obtained by the membership.

ARTICLE 13—AMENDMENT OF THE BYLAWS

SECTION 13.01

These bylaws may be amended, required notice having been given, at a regular or special meeting of the members, by a vote of two-thirds (2/3) of a quorum of members present in person or by proxy. The text of any proposed changes to the bylaws shall be sent with the required notice of the meeting.

ARTICLE 14—PROTECTION OF DIRECTORS AND OFFICERS

SECTION 14.01

Any member of the Board of Directors may be indemnified for expenses and costs, including attorney's fees, actually and necessarily incurred in connection with any claim asserted against that director, by action in court or otherwise, by reason of his or her being or having been such director, except in relation to matters as to which he or she shall have been guilty of intentional misconduct in respect of the matter in which indemnity is sought.