



CORRECTED DOCUMENT FILED ON MARCH 26, 2024

**BYLAWS
OF
DEER VALLEY ESTATES COMMUNITY ASSOCIATION, INC.**

WHEREAS, DEER VALLEY ESTATES COMMUNITY ASSOCIATION, INC. (the “Association”), a Texas non-profit corporation, which is governed by its Board of Directors (the “Board”), is the governing entity of the Sunset Ranch subdivision; and

WHEREAS, these Bylaws of DEER VALLEY ESTATES COMMUNITY ASSOCIATION, INC., apply to the operation and utilization of certain properties within Deer Valley subdivision an addition in McLennan County, Texas, according to the map or plat thereof, respectively recorded in [•] in the Map Records of McLennan County, Texas.

NOW THEREFORE, as the initial Bylaws for DEER VALLEY ESTATES COMMUNITY ASSOCIATION, INC., pursuant to the Texas Non-Profit Corporation Act, the Board of Directors for the Association hereby adopts the following By-laws, as follows:

ARTICLE I
NAME AND LOCATION

The name of the corporation is DEER VALLEY ESTATES COMMUNITY ASSOCIATION, INC., hereinafter referred to as the “Association.” The principal office of the Association shall be located at an address designated by the Board of Directors for the Association. The principal office of the Association as of the date of the approval of these By-laws is: [•].

ARTICLE II
DEFINITIONS

Section 1. “Association” shall mean and refer to DEER VALLEY ESTATES COMMUNITY ASSOCIATION, INC., a Texas non-profit corporation, its successors and assigns.

Section 2. “Board of Directors” and “Board” shall mean and refer to the duly elected Board of Directors of the Association.

Section 3. “Board meeting” means a deliberation between a quorum of the voting board of the Association, or between a quorum of the voting board and another person, during which Association business is considered and the board takes formal action; and does not include the gathering of a quorum of the board at a social function unrelated to the business of the Association or the attendance by a quorum of the board at a regional, state, or national convention, ceremonial event, or press conference, if formal action is not taken and any discussion of Association business is incidental to the social function, convention, ceremonial event, or press conference.

Section 4. “Common Areas” shall mean and refer to all Property, real or personal, by whomever owned, shared and used by the Association and the Owners of Lots for their common use and enjoyment, as well as that of the Association.

Section 5. “Declaration” shall mean and refer to the Declarations of Covenants, Conditions, Restrictions and Easements for Deer Valley filed of record in the Real Property Records of McLennan County, Texas under Instrument No. [•]; and any additional land annexed into the jurisdiction of the Association as provided in the Declaration (the “Declaration”).

Section 6. “Lot” shall mean and refer to any lot as defined in the Declaration or any of the numbered lots shown on the recorded plat of the Properties.

Section 7. “Member” shall mean and refer to every person or entity which holds a Membership in the Association by virtue of Lot ownership.

Section 8. “Owner” shall mean and refer to the record owner, whether one or more persons or entitles, of a fee simple title to the surface estate in any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation

Section 9. “Properties” shall mean and refer to the property contained in those plats listed above and defined as the “Subdivision,” along with any supplements, additions or re-plats thereof or any additional lands annexed into the jurisdiction of the Association.

ARTICLE III **MEETINGS OF MEMBERS**

Section 1. Annual Meetings. Regular annual meetings of the Members shall be held once a calendar year on a day and at a time and location determined by the Board of Directors.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by a majority of the Board of Directors, or upon written request of the Members who are entitled to vote fifteen percent (15%) of all the votes of the membership.

Section 3. Location of Meetings. Meetings of Members may be held at such places within McLennan County, Texas as may be designated by the Board of Directors.

Section 4. Notice of Meetings. Written notice of each annual and special meeting of the Members shall be given by the Secretary or person designated by the Board to provide such notice. Notice shall be mailed postage prepaid, at least ten (10) but no more than sixty (60) days before such meeting to each Association Member. Notice shall be 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, date, hour, and for special meetings, the purpose of the meeting.

Section 5. Quorum. The presence at a meeting, in person, by proxy, by electronic ballot or by absentee ballot, of Members constituting at least ten percent (10%) of the votes of the membership shall constitute a quorum for any action, except as otherwise provided in the Certificate of Formation, the Declaration or these Bylaws. If, however, a quorum shall not be achieved as set forth above, the Association Board of Directors have power to adjourn the meeting from time to time and reconvene, at any time, without notice other than an announcement at the time and location for which the meeting was noticed that did not achieve quorum and any subsequent reconvened meeting, until a quorum shall be present or represented.

Section 6. Ballots and Proxies. At all meetings in which a vote is called, any Member may vote in person or by proxy; and, if authorized and established by the Board of Directors, by electronic ballot or absentee ballot as described in Section 209.00592 of the Texas Property Code. All persons owning a Lot are eligible to vote at any meeting of Members. Only one (1) vote may be exercised per Lot. Should Owners of the same Lot cast conflicting votes, or not agree upon how to vote the vote for such Lot, no vote will be counted for that Lot. The Board of Directors shall be authorized to establish voting procedures to provide reasonable assurance that the person casting the vote is entitled to vote. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot. Only Members may cast a vote assigned by a proxy given by another Member. All ballots must be signed by the Member casting such vote. Electronic votes cast under Section 209.00592 constitute written and signed ballots. In an association-wide election, written and signed ballots are not required for uncontested races.

Section 7. Action Taken Without a Meeting; Vote Without Meeting. Any action that can be taken at a meeting of the Members can be taken without a meeting by obtaining the signatures or vote of the number of Members that would be required to approve said action at a meeting, provided all Members have been given notice of the effort to approve such action with a deadline for submitting their vote or approval, and the language regarding the action to be taken is the same with respect to all signatures approving the action.

ARTICLE IV

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Each Member of the Association is eligible to serve on the Board of Directors unless having within the prior twenty years been convicted of a felony or a crime of moral turpitude. Non-Members are not eligible to serve on the Board. Any eligible Member may have their name placed into consideration as a candidate to be elected to the board by informing the Association of their desire to be a candidate and following procedures and regulations developed by the Board for the election process. Candidates for election to the Board of Directors may also be nominated by the Board or may also be made from the floor at the annual meeting.

Section 2. Election. Election to the Board of Directors shall be by a written ballot, proxy and absentee ballot. The board may authorize voting by electronic ballot. All ballots must be signed by the Member if the vote is cast:

- (1) Outside of a meeting;
- (2) In an election to fill a position on the board;
- (3) On a proposed adoption or amendment of a dedicatory instrument;
- (4) On a proposed increase in the amount of a regular assessment or the proposed adoption of a special assessment; or
- (5) On the proposed removal of a board member;

except that the Association may adopt rules to permit voting by secret ballot as long as such rules reasonably ensure that a Member cannot cast more votes than the Member is eligible to cast, that the Association counts each vote the Member is eligible to cast, and when involving an election for the board, each candidate may name one (1) person to observe the counting of the ballots, provided that this does not entitle any observer to see the name of the person who cast any ballot, and that any disruptive observer may be removed.

Written and signed ballots are not required for uncontested, Association-wide, elections. At each election, the Members or their proxies (which must be assigned to a Member, or authorized personal representative) 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 prohibited. In any election in which there are varying lengths of terms, the person receiving the largest number of votes shall be elected to the longest term.

Section 3. Tabulation of Vote. A person who is a candidate in an Association election or who is otherwise the subject of an Association vote, or a person related to that person within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code, may not tabulate or otherwise be given access to the ballots cast in that election or vote except as provided in the recount procedure in Section 4 below. A person other than a person described above may tabulate votes in an Association election or vote but may not disclose to any other person how an individual voted. A person other than a person who tabulates votes, may be given access to the ballots cast in the election or vote only as part of a recount process authorized by law.

Section 4. Recount of Votes. Any owner may, not later than the 15th day after the date of the meeting at which the election or vote was held or the date of the announcement of the results of the election or vote, require a recount of the votes. A demand for a recount must be submitted in writing either:

- (i) by verified mail, return receipt requested, or by delivery by the United States Postal Service with signature confirmation service to the Association's mailing address as reflected on the latest management certificate; or

- (ii) in person to the Association's managing agent as reflected on the latest management certificate or to the address to which absentee and proxy ballots are mailed.

The Association must estimate the costs for performance of the recount by a person qualified to conduct the recount and send an invoice to the persons requesting the recount at their last known address according to the Association's records not later than the 20th day after the Association receives the request for a recount. The person requesting the recount must pay the invoice in full within thirty (30) days after the date the invoice is sent or the request for recount shall be deemed withdrawn.

Upon payment of the invoice for recount, the Association shall, at the expense of the Owner requesting the recount, retain for the purpose of performing the recount, the services of a person qualified to tabulate votes under this section. The Association shall enter into a contract for the services of a person who:

- (i) is not a Member of the Association or related to a Member of the Association board within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code; and
- (ii) is: (a) a current or former:
 - (1) county judge;
 - (2) county elections administrator;
 - (3) justice of the peace; or
 - (4) county voter registrar; or(b) a person agreed on by the Association and each person requesting the recount.

On or before the 30th day after the date of receipt of payment for a recount the recount must be completed and the Association must provide notice of the results to each person requesting the recount. If the recount changes the results of the election, the Association shall reimburse the requesting owner for the cost of the recount. The Association shall provide the results of the recount to each owner who requested the recount. Any action taken by the board in the period between the initial election vote tally and the completion of the recount is not affected by any recount.

ARTICLE V

BOARD OF DIRECTORS

Section 1. Number. The affairs of this Association shall be managed by a Board of Directors containing three (3) members. Following the expiration of the Development Period, all Directors shall be Members of the Association.

Section 2. Term of Office. The Board of Directors shall be appointed by the Declarant, GORDON SWANSON CONSTRUCTION, INC. a Texas corporation, during the Development Period. Within 120 days of the Declarant having sold 75% or more of the Lots, including Lots from any additional lands annexed into the jurisdiction of the Association, an election shall be held at which at least one (1) director position shall be voted upon by the non-declarant members. The initial elected director positions shall be elected for terms of varied length to create staggered terms, so that following the election of a full three (3) member homeowner board of directors, one director position will expire each year. Thereafter, the Members shall elect directors for three-year terms.

Section 3. Vacancies. Any Director may resign at any time by giving written notice to the President or Secretary of the Association. Such resignation shall take effect at the time specified therein (or if no time is given, upon delivery of the resignation); and unless otherwise specified therein, the acceptance of such resignation shall not be necessary in order for it to be effective. Any vacancy occurring due to resignation, death or disqualification may be filled by the affirmative vote of a majority of the remaining Directors even though less than a quorum. A Director appointed to fill a vacancy shall be appointed for the unexpired term of his predecessor in office. A vacancy occurring by virtue of the expiration of the director's term may only be filled by the election of a director by the Members at a meeting of Members.

Section 4. Removal. Any director may be removed from the Board with or without cause by a majority vote of the Members voting at a meeting held under these Bylaws; with the replacement director being elected by the Members at the meeting at which the removal occurred. In the event of the death, resignation or disability 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.

Section 5. Compensation. No director shall receive compensation for any service they render to the Association. However, any director may be reimbursed for actual expenses incurred in the performance of their duties upon submission of an expense report and approval thereof by the Board.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at such time and place and with such frequency as the Board from time to time deems necessary. Meetings of Directors may be held at such places within McLennan County, Texas, or a county adjacent to McLennan County as may be designated by the Board of Directors; or may be held by electronic or telephonic means as provided by Section 209.0051 of the Texas Property Code.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by any two (2) directors, after no less than three (3) days' notice to each director.

Section 3. Quorum. A majority of the number of 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 the act of the Board.

Section 4. Notice of Board Meetings to Owners. Members shall be given notice of the date, hour, place and general subject of a regular or special board meeting, including a general description of any matter to be brought up for deliberation in executive session. Such notice shall be either:

- (a) mailed to each property owner at least ten (10), but not more than sixty (60) days before the meeting date;
- (b) provided at least 72 hours before the start of the meeting by posting in a conspicuous manner reasonably designed to provide notice to Members in a place located on the Association Common Areas within the Property OR posted on any internet website maintained by the Association or other internet media; AND by sending the notice by email to each Member who has registered an email address with the Association (it is an owner's duty to keep an updated e-mail address registered with the Association); or
- (c) by alternative means as provided and to the extent permitted by Chapter 209.0042 of the Texas Property Code.

Section 5. Open Meetings. Regular and special board meetings must be open to owners, subject to the right of the board to adjourn a board meeting and reconvene in closed executive session to consider actions involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, confidential communications with the Association's attorney, matters involving the invasion of privacy of individual owners, or matters that are to remain confidential by request of the affected parties and agreement of the board.

Section 6. Executive Session. Following an executive session, any decision made in the executive session must be summarized orally and placed in the minutes, in general terms, without breaching the privacy of individual owners, violating any privilege, or disclosing information that was to remain confidential at the request of the affected parties. The oral summary must include a general explanation of expenditures approved in executive session.

Section 7. Minutes. The board shall keep a record of each regular or special board meeting in the form of written minutes of the meeting. The board shall make meeting records, including approved minutes, available to a Member for inspection and copying on the Member's written request to the Association's managing agent at the address appearing on the most recently filed management certificate or, if there is not a managing agent, to the board.

Section 8. Meeting Recesses. If the board recesses a regular or special board meeting to continue the following regular business day, the board is not required to post notice of the continued meeting if the recess is taken in good faith and not to circumvent notice requirements. If a regular or special board meeting is continued to the following regular business day, and on that following day the board continues the meeting to another day, the board shall give notice of

the continuation in at least one manner set forth in Section 4 above within two (2) hours after adjourning the meeting being continued.

Section 9. Meeting or Action Taken Without Notice. A board may take action outside of a meeting, including voting by electronic or telephonic means, without prior notice to owners, if each board member is given a reasonable opportunity to express the board member's opinion to all other board members and to vote. Any action taken without notice to owners must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting, and documented in the minutes of the next regular or special board meeting.

The board may not, unless done in an open meeting for which prior notice was given to owners consider or vote on:

- (1) fines;
- (2) damage assessments;
- (3) initiation of foreclosure actions;
- (4) initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety;
- (5) increases in assessments;
- (6) levying of special assessments;
- (7) appeals from a denial of architectural control approval;
- (8) a suspension of a right of a particular owner before the owner has an opportunity to attend a board meeting to present the owner's position, including any defense, on the issue.
- (9) lending or borrowing money;
- (10) the adoption or amendment of a dedicatory instrument;
- (11) the approval of an annual budget or the approval of an amendment of an annual budget that increases the budget by more than ten (10) percent;
- (12) the sale or purchase of real property;
- (13) the filling of a vacancy on the board;
- (14) the construction of capital improvement other than the repair, replacement, or enhancement of existing capital improvement; or
- (15) the election of an officer.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. In addition to the powers enumerated in Section 204.010(a) of the Texas Property Code, the Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the use of the Common Areas, and the personal conduct of the Members or their guests thereon, and to establish penalties for the infraction thereof;
- (b) exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Membership by other

provisions of these By-Laws, the Certificate of Formation, or the Declaration;

- (c) declare that a director has resigned from the Board in the event such director shall be absent from three (3) consecutive regular meetings of the Board of Directors;
- (d) employ a manager, an independent contractor, or such other employees as the Board of Directors deems necessary, and to prescribe their duties;
- (e) adopt and publish rules and regulations relating to the interpretation and enforcement of restrictions and collection of assessments;
- (f) Borrow money and pledge property of the Association as collateral; and
- (g) To purchase or sell real or personal property.

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

- (a) 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, or at any special meeting when such statement is requested in writing by one-quarter (1/4) of the Members who are entitled to vote;
- (b) supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;
- (c) as more fully provided in the Declaration, to:
 - (1) fix the amount of the annual assessment against each Lot as set forth in the Declaration;
 - (2) send written notice of each assessment to every Owner subject thereto as set forth in the Declaration; and
- (d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) procure and maintain adequate liability and hazard insurance on property owned by the Association and, at the option of the Board of Directors, directors and officers liability insurance;
- (f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

- (h) cause the Common Areas to be maintained; and
- (i) perform the other duties of the Association set forth in the Declaration.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice president, who shall at all times be members of the Board, a secretary and a treasurer, who may be members of the Board and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless they shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. No person shall simultaneously hold both the office of President and the office of Secretary. The offices of Vice President, Secretary and Treasurer or any combination of such offices may be held by the same person.

Section 8. Duties. The duties of the officers, except as may otherwise be approved by the Board, are as follows:

President

The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes, except as may be otherwise approved by the Board of Directors.

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 by the Board.

Secretary

The Secretary and/or the contracted management company shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members, serve notice of meetings of the Board of Directors and of the Members, keep appropriate current records showing the Members of the Association together with their property address and any alternate address as may be provided in writing by such Member, and shall perform such other duties as may be required by the Board.

Treasurer

The treasurer and/or the contracted management company shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; if requested by the Board, shall cause an audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and statement of income and expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE IX COMMITTEES

The Board of Directors may act as the Architectural Control Committee, or may appoint persons to serve on the Architectural Control Committee as provided in the Declaration. The Board of Directors may appoint other committees as it deems appropriate in carrying out its purposes. Each Committee shall be created by the Board of Directors and creation by the Board shall be required to be a valid Association Committee. The Board shall have the sole authority to prescribe the terms, qualifications, membership and leadership of Committees.

ARTICLE X RECORDS

The production of the Association Books and Records shall be made in accordance with the Association's duly recorded Policies and Chapter 209 of the Texas Property Code.

manner as provided in Article 8. Despite any provision in this Section 10.09 to the contrary, the Board will not be required to afford an Owner a hearing before the filing of a lawsuit to collect past-due Assessments.

10.10. Repurchase Option. If any Owner fails to timely comply with Section 4.12 (Construction Activities), Declarant, or its assigns, shall have the option to repurchase such Owner's Lot on thirty {30} days' written notice to such Owner, for an amount equal to the purchase price of the Lot paid by Owner, without interest or reimbursement for taxes or insurance paid. This option to repurchase may be exercised by Declarant, or its assigns, in Declarant's sole discretion, for a period of twelve {12} months following the expiration of the Construction Period. On the exercise of this option, Owner shall execute and deliver to Declarant, or its assigns, an executed real estate sales contract that conforms to the requirements of this Section 10.10 within five (5) days of receipt thereof.

10.11. Construction. The provisions of the Restrictions will be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion of a provision will not affect the validity or enforceability of any other provision or portion of a provision. Unless the context requires a contrary construction, the singular includes the plural and the plural the singular, and the masculine, feminine, or neuter each includes the masculine, feminine, and neuter. All headings and titles used in this Declaration are intended solely for convenience of reference and will not enlarge, limit, or otherwise affect that which is set forth in any of the paragraphs, sections, or articles in this Declaration.

IN WIINESS WHEREOF, the undersigned has executed this Declaration to be effective as above stated.

EXECUTED THIS 24 day of March, 2024.

GORDON SWANSON CONSTRUCTION, INC.
A Texas Corporation
(Declarant)

By


Gordon Swanson
President

DECLARANT'S ACKNOWLEDGEMENT

STATE OF TEXAS

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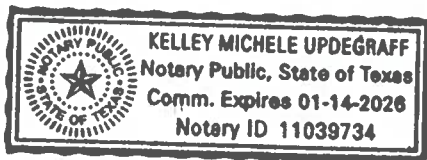
COUNTY OF MCLENNAN

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This instrument was acknowledged before me on the 24 day of March, 2024 by Gordon Swanson, as President of Gordon Swanson Construction, Inc., a Texas Corporation, on behalf of the Corporation.

SEAL




Notary Public, State of Texas