BY- LAWS ADOBE WELLS HOMEOWNERS ASSOCIATION, INC.

ARTICLE I - General

Section A - Definitions

- 1. CORPORATION shall refer to the Adobe Wells Homeowners Association, Inc.
- 2. PARK shall mean and include the streets, alleys, lights, golf courses, swimming pools, club houses, grounds, washaterias, and other amenities and matters incidental thereto which may be presently owned and/or controlled by the Corporation.
- 3. PROPERTY OWNERS shall refer to Persons who own lots in the sections defined hereafter.
- 4. PROPERTY OWNERS IN GOOD STANDING shall refer to property owners whose dues are paid to date and who are in compliance with the Covenants, By- Laws, Building Restrictions and Rules and Regulations of the Corporation.
- 5. OFFICERS shall be the President, Vice President and Treasurer of the Corporation.
- 6. <u>SECTION I</u> shall refer to that part of the park located on the North side of Daffodil and the residential lots associated there with.
- 7. <u>SECTION II/III</u> shall refer to that part of the park located on the South side of Daffodil and the residential lots associated therewith, with the exception of Section II RV, as defined in Article I, Section A, Item 8.
- 8. <u>SECTION II RV</u> shall refer to that part of the park located West of 50th Street and facing either Camellia Avenue or Bluebonnet Avenue (AKA Yucca Drive) and the residential lots associated therewith.
- 9. <u>SECTION DIRECTOR</u> shall refer to the person(s) elected by the property owners in a section.
- 10. <u>RESIDENT PROPERTY OWNER</u> shall refer to those property owners in residence within the park at the time of any function as provided for herein.
- 11. <u>THE BOARD OF DIRECTORS</u> shall include the Officers, Section Directors, and, for one year, the retiring President.
- 12. <u>DUES</u> shall mean the payment periodically made in advance by the property owners to the Corporation to meet the expenses of the Corporation.

Section B

The purpose of the Corporation is to own, operate, control and maintain the park and to enforce the Covenants and other rules, regulations and/or rights adopted by the Corporation and applying to the property, property owners, residents, tenants or guests.

The purpose of the Corporation is to obtain, manage, construct, and maintain property in or of a residential real estate development. The residential real estate development is Adobe Wells Senior Citizen Subdivision, Hidalgo County, Texas (Amended 02/14/2011)

Section C

The office of the Corporation is located on Daffodil near Taylor Road in Hidalgo County, Texas. The mailing address of the Corporation is: Adobe Wells Homeowners Association, Inc., 4901 Daffodil #465, McAllen, Texas 78501

Rev. 03/13/06 Corrected 04/04/07 Amended: 02/14/11 Amended: 04/09/12

Section D

The fiscal year of the Corporation shall begin January 1 and end December 31

Section E

The governing body of the Corporation shall be the Board of Directors.

Section F

The term of office for the Officers and Section Directors shall begin February 1 and end January 31 or until their respective successors are duly elected or Selected.

Section G

The Covenants heretofore adopted by the Corporation are included herein by reference.

Section H

All property owners, renters, guests, tenants, spouses and residents shall adhere to and abide by the said Covenants, By-Laws, and all rules and regulations adopted by the Corporation.

ARTICLE II - Meetings and Voting

Section A

The annual meeting of the property owners shall be held at 10:00 AM on the third Monday in January in Wertz Hall. The purposes of this meeting shall be to adopt a budget for the ensuing year, approve annual reports, and to transact any other business.

Section B

Otherwise, monthly meetings of the property owners shall be held at 10:00 AM on the third Monday of each month, November through April. Should this day fall on a holiday, the Board will designate the day of the meeting at least 10 days in advance of the meeting date.

Amended: April 9, 2012

Section C

Regular meetings of the Board of Directors shall be held at 9:00 AM on the first Monday of each month, November through April.

Section D

- 1. Special meetings of the property owners residing in the park may be called November through April by the President, by a majority of the Board of Directors, or upon written request of 33% of the property owners in residence. The subject of the meeting must be stated in the notice of the meeting and no other business may be considered.
- 2. Special meetings of the Board of Directors may be called by the President or upon written request by a majority of the Board members.

Section E

- 1. Notices of meetings of property owners or of the Board of Directors shall be given by posting written notices on the official bulletin boards at least ten (10) days prior to the meeting.
- 2. Emergency meetings may be held with less than ten (10) days' notice provided a disposition of the subject to be considered cannot be reasonably delayed until a regular or special meeting is held.

Section F

- 1. A quorum shall consist of at least 100 property owners present at any meeting to conduct business.
- 2. A majority of the Board of Directors shall be required for the transaction of business at a Board meeting.

Rev. 3/13/06

Amended: 2/14/11 Amended: 04/09/12

- 1. Each property owner is entitled to one (1) vote, with a maximum of two (2) owners allowed to vote per lot that qualifies for full dues.
- 2. The President, Vice President and Treasurer shall be elected at large by the property owners. The Secretary shall be appointed by the President with approval of the Board of Directors.

3. Section Directors shall be elected by the property owners in the Sections in which they reside.

- 4. The election of the Officers and Section Directors shall be held in Wertz Hall from 9:00 AM to 2:00 PM on the Monday preceding the Annual Meeting and voting shall be by secret or absentee ballot.
- 5. No more than one member of a household may hold any elected or appointed office on the Board.
- 6. The President, Vice President and Treasurer shall each be elected by a majority of total votes cast, to serve for one year.
- 7. In Section I and Section II RV one (1) Director shall be elected each year for a two (2) year term, thus providing representation by two (2) Directors for each Section.
- 8. In Section II/III, two (2) Directors shall be elected each year for a two (2) year term, thus providing representation by four (4) Directors.
- 9. To be eligible for nomination as an Officer or Section Director, the nominee must be a property owner and a resident in the Section which he/she will represent.
- 10. If no nominee for the office of President, Vice President or Treasurer receives a majority of the votes cast, a run-off election shall be held within ten (10) days between the two (2) candidates receiving the highest number of votes. Notice of such election shall be posted on the bulletin boards at least ten (10) days before such election.
 - The candidate in Section I and the candidate in Section II RV receiving the highest number of votes shall become the Director. The two (2) candidates in Section II/III receiving the highest number of votes shall become the directors. In the event of a tie, a run-off election shall be held within ten (10) days. Notice of such election shall be posted on the bulletin boards at least ten (10) days before such election.
- 11. Any Officer may be recalled on a petition filed with the Secretary and signed by a majority of the property owners in good standing. A Section Director may be recalled on a petition filed with the Secretary and signed by a majority of the property owners in the Section represented by such Section Director.
- 12. No written ballot may be disqualified by persons designated to tabulate an election or other voting results unless said ballot is either mutilated or marked so that the voter's intent is unknown.
- The Board shall appoint tellers, as necessary, who are resident property owners, to oversee the entire voting process, including prior planning as well as the counting of ballots, at the annual election of Officers and Section Directors, and at any properly called Homeowners Meeting during which a ballot vote is taken.

 Rev. 3/13/06

Section H

If the office of President, Vice-President or Treasurer is vacated by recall or other event such vacancy shall be filled as follows:

President - the Vice President shall assume the duties of President. Vice President - a successor shall be appointed from the Board of Directors by the Board of Directors

Treasurer - the duties of the Treasurer shall be assumed by a person selected by the Board of Directors.

If between November 1 and April 30 a recall or other event results in a vacancy of a Section Director, the property owners in residence in the affected section shall meet within ten (10) days after such a vacancy occurs, to elect by a plurality vote a resident property owner in good standing to serve out the term created by the vacancy. Notice of such election shall be posted on the bulletin boards at least ten (10) days before such election.

ARTICLE III - Term of Office

Officers shall each serve for a one-year term and may not succeed themselves for more than one (1) additional term. Section Directors shall each serve for a two (2) year term and may not succeed themselves.

ARTICLE IV - Compensation

Section A

No resident of Adobe Wells shall be a paid employee or receive any remuneration of any kind from the Adobe Wells Homeowners Association.

Section B

The Corporation shall not purchase any property from a property owner except as provided for in said Covenants.

ARTICLE V - Contracts

The Board of Directors shall be the sole authority for obligating the Corporation.

ARTICLE VI - Duties of Officers

Section A

The duties of the Officers shall be according to the current edition of Robert's Rules of Order, unless specifically stated otherwise within.

Section B

Officers and Section Directors are expected to attend all Board meetings and shall be entitled to one vote on any matter coming before the Board. The retiring President shall be an ex-officio member of the Board without a vote.

Section C

In the event a Director ceases to be a resident property owner of the Section from which he or she was elected, the respective office shall immediately become vacant.

Rev. 3/13/06 Corrected 04/04/07 Amended: 2/14/11 Amended: 4/09/12

ARTICLE VII - Committees

Section A

The Board may appoint any committee it deems necessary for the operation of the Corporation.

Section B

- 1. The Nominating Committee shall consist of five (5) members: one from Section I, one from Section II RV, two from Section II/III and one at-large. Said members shall be resident property owners in good standing and shall be appointed by the Board at least thirty (30) days prior to the December meeting. The Nominating Committee may nominate two (2) or more persons for the offices of President, Vice President and Treasurer, three (3) or more persons for each Section Director representing Sections I and II RV, and four (4) or more persons for Section Director representing Section II/III.
- 2. Immediately following the November Board meeting the Nomination Committee Chair will have the office manager email a letter soliciting candidates to run for the Board of Directors, in addition, the letter will be posted on the bulletin boards.
- 3. The nominations for officers and section directors shall be made at the December Homeowners Meeting and posted immediately after such meeting to allow for twenty (20) day notification of election.

Section C

The President, with the approval of the Board of Directors shall:

- 1. Appoint committees as may be necessary to conduct activities.
- 2. Maintain separate accounting of activity funds.
- 3. Initiate specific functions designed to produce funds for activities.
- 4. Provide funds as available for activities, equipment and maintenance thereof, and material related to recreation.
- 5. Refer any expenditure in excess of \$800.00 from Activity Funds to a regular or special meeting of the property owners for approval.
- 6. Require the Treasurer to report all receipts and expenditures of activity funds at regular meeting of the property owners and submit a composite report of activity funds at the Annual Meeting of the property owners.

ARTICLE VIII - Corporate Property - Finance

Section A

- 1. Corporate property, wherever located, shall be under the control of the Board of Directors.
- 2. Corporate facilities and amenities are intended for use of Park residents. If not otherwise scheduled for use, such facilities may be used for private parties if 75% of persons in attendance are residents of the park.

Section B

In the event that any injury or loss results from the use of Corporation property by a property owner or guest, such property owner shall hold the Corporation harmless from any liability arising out of any said injury or loss.

Rev. 3/3/06 Corrected 04/04/07

Amended: 2/14/11 Amended: 4/09/12

Section C

No later than January 10th of each year, the Treasurer shall prepare an appropriate financial report for the preceding fiscal year ending December 31st and submit same along with all relevant records and books to the President for review by the Board of Directors. The President, with approval by the Board, shall appoint an Auditing Committee consisting of three (3) qualified people. Promptly thereafter the Board shall arrange for an annual audit and the report shall be submitted to the Board of Directors before the Annual Meeting of the property owners.

Section D

The President and Treasurer, with assistance as necessary, shall prepare a proposed line item budget for the new fiscal year. The financial report and proposed budget shall be available to all property owners five (5) days prior to the annual Meeting and they shall be subject to majority approval at the Annual Meeting.

Upon approval of the budget, the board shall not obligate or expend funds in excess of the approved line item amounts except as follows:

- 1. During the summer season (May-October) line item expenditures determined to be essential, may exceed the approved amounts by up to \$1,500.00.
- 2. Additional authority to expend funds shall be requested at a regular or special meeting of the membership.

Section E

- 1. Any changes in Dues shall be submitted by the Board of Directors at the Annual Meeting, or special meeting called for that purpose, for approval. Dues shall be paid by the property owners to the Corporation as custodian thereof and will be administered by the Board of Directors within the Corporate purpose.
- 2. The dues may be paid monthly, quarterly, semi-annually or annually. They are due and payable on the first day of the respective period and are considered delinquent ten (10) days after the due date. A penalty of five dollars (\$5.00) per month shall be assessed against any property owner delinquent in the payment of dues or an assessment.
- 3. In the event a property owner fails to pay for six (6) months or more dues and other assessments applicable to the lot or lots owned by such property owner, the Board of Directors may initiate legal action against such delinquent property owner to recover such unpaid dues, other assessments, court costs, attorney fees and any other penalties as the court may assess, provided that notice of such proposed legal action, setting forth the amount claimed, has been sent by Certified Mail to the last known address of the property owner available to the Board of Directors at least fifteen (15) days before said legal action is initiated. Enforcement of the judgement of the Court may include filing a lien on the lot or lots involved.

Section F

No assessments shall be levied without prior approval by a majority of the property owners of record.

Rev. 3/13/06 Corrected 04/04/07 Amended: 2/14/11 Amended: 04/09/12

ARTICLE IX - Rentals, Sales

Section A

The Corporation operates an adult park as defined in the Covenants.

Section B

Rentals of all lots and dwellings in Section I, II/III, or II RV are limited to two adults per dwelling. Property owners or their agents must advise the Corporate office immediately if their property is rented.

Section C

Post office box keys shall be considered property to be transferred at the time of sale.

Section D

Property owners shall be responsible for the conduct of their guests and tenants and shall be held financially responsible for damage to the park by such persons.

ARTICLE X - Amendments to By-Laws

Section A

All the By-Laws of the Corporation are subject to amendment by a two-thirds vote of the property owners in good standing present at the Annual Meeting or at a special meeting called for that purpose. All proposed amendments to the By-Laws shall be posted on the bulletin boards ten (10) days in advance of said meeting.

ARTICLE XI - Rules of Order

The current edition of Robert's Rules of Order shall govern all meetings of the Board of Directors, Annual Meetings, Monthly Meetings, Special Meetings, and Emergency Meetings, unless stated otherwise within.

Rev. 3/13/06 Corrected 04/04/07 Amended: 2/14/11 Amended: 4/09/12

> Amended: March 13,2006 Corrected: April 4, 2007 Amended: February 14, 2011 Amended: April 9, 2012 Amended: Dec. 16, 2013

Corrected to comply with State Law: March 23, 2023

AFTER RECORDING RETURN TO: Adobe Wells Homeowners Association, Inc. 4901 Daffodil Ave. #465 McAllen, TX. 78501