

BY-LAWS OF
BEAR SPRINGS TRAILS OWNERS ASSOCIATION, INC.
A NON-PROFIT CORPORATION

ARTICLE 1

NAME AND OFFICERS

Name

1.01. The name of the Corporation is BEAR SPRINGS TRAILS OWNERS ASSOCIATION, INC., hereinafter referred to as the "Association" or the "Corporation".

Principal Office

1.02. The principal office of the Corporation in the State of Texas shall be located in the Community of Pipe Creek, County of Bandera. The Corporation may have such other offices, either within or without the State of Texas, as the Board of Directors may determine or as the affairs of the Corporation may require from time to time.

Registered Office and Registered Agent

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

ARTICLE 2

DEFINITIONS

2.01. "Association" shall mean and refer to BEAR SPRINGS TRAILS OWNERS ASSOCIATION, INC., its successors and assigns.

2.02. "Property" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions for Bear Springs Trails Subdivision, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

2.03. "Common Area" shall mean all property together with any improvements thereon owned by the Association for the common use and benefit of the Owners.

2.04. "Declarant" shall mean and refer to Bear Springs Trails, L.L.C., a Texas limited liability company, and its successors and also its assignee if such assignee is designated in writing as an assignee of the rights of Declarant under the Declaration.

2.05. "Lot" shall mean and refer to each lot shown or designated on the Plat of Bear Springs Trails Subdivision, to which map or plat reference is here made for all purposes, and including any additional lots shown or designated upon any subsequent replat of any lot shown on the Plat, or additional lots platted and annexed.

2.06. "Owner" shall mean and refer to the record owner, whether one or more persons or entitles, of a fee simple title to any Lot which is a part of the Property, including contract seller(s) , but excluding those having such interest merely as security for the performance of an obligation.

2.07. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Property recorded or to be recorded in the Office of the County Clerk of Bandera County, Texas.

2.08. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

2.09. "Plat" shall mean and refer to the subdivision plat for Bear Springs Trails Subdivision, recorded in Volume 6, Page 299-301, of the Plat Records of Bandera County, Texas. Also, the plat to be recorded as Bear Springs Trails, Section 2: approximately 35 lots.

2.10. "Property" shall mean and refer to all of the land shown and described on the Plats.

Other terms and phrases as used herein shall have the same meaning as in the Declaration.

ARTICLE 3

MEMBERS AND VOTING RIGHTS

The classes of Members and voting rights are as set forth in the Declaration and any amendments thereto.

ARTICLE 4

MEETING OF MEMBERS

Annual Meetings

4.01. The first annual meeting of the Members shall be held on the second Saturday in June, and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter, at the hour of 10:00 o'clock A.M., for the purpose of electing Directors (after Declarant's appointment rights as to Directors has expired as provided in the Declaration) and for the transaction of other business as may come before the meeting. If the day fixed for the annual meeting shall be on a legal holiday in the State of Texas, such meeting shall be held on the next succeeding business day. If the election of Directors shall not be held on the day designated herein for any annual meeting, or any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Members as soon thereafter as possible.

4.02. Special meetings of the Members may be called by the President, the Board of Directors, or not less than ten percent (10%), in number, of the Members having voting rights.

Place of Meeting

4.03. The Board of Directors may designate any place in Bandera County, Texas, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be the registered office of the Corporation in the State of Texas; but if all of the Members shall meet at any time and place, either within or without the State, and consent to the holding of a meeting, such meeting shall be valid without call or notice, and at such meeting, any corporate action may be taken.

Notice of Meetings

4.04. Written or printed notice stating the place, day and hour of any meeting of Members shall be delivered, either personally or by mail, to each Member entitled to vote at such meeting, not less than ten (10) nor more than fifty (50) days before the date of such meeting, by or at the direction of the President, or the Secretary, or the Officers or persons calling the meeting. In case of a special meeting or when required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the Corporation, with postage thereon prepaid.

Quorum

4.05. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, thirty-three and 33/100 percent (33 1/3%) of the votes of Membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Proxies

4.06. At any meeting of Members, a Member entitled to vote may vote by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. No proxy shall be valid after six (6) months from the date of its execution, unless otherwise provided in the proxy. Each proxy is revocable. Each proxy shall automatically cease upon conveyance by the Member of his Lot.

Voting By Mail

4.07. Where Directors or Officers are to be elected by Members, such election may be conducted by mail in such manner as the Board of Directors shall determine.

Denial of Cumulative Voting

4.08. At each election for Directors, every Member entitled to vote at such election shall have the right to vote, in person or by proxy, for as many persons as there are Directors to be elected and for whose election he has a right to vote; provided, however, no Member may cumulate his votes by giving one candidate as many votes as the number of such Directors multiplied by his vote shall equal or by distributing such votes on the same principle among any number of such candidates

ARTICLE 5

BOARD OF DIRECTORS

General Powers

5.01. The affairs of this Corporation shall be managed by its Board of Directors. For the first four (4) years ending at the June 2007 annual meeting, Directors need not be Members. Thereafter, Directors shall at all times be persons who are Members of the Corporation. The Board of Directors shall have the power to exercise for the Association, all powers, duties and authority vested in or delegated to this Association and not reserved to the Membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration.

Number and Tenure

5.02. The number of Directors shall be three (3). The number of Directors may be increased from time to time by amendment to these By-Laws; provided, however, the number of Directors of the Corporation shall not be less than three (3).

The initial Board of Directors shall be appointed by the Declarant and shall serve until Declarant has sold eighty percent (80%) of the Lots as shown on the Plats at which time the Members shall elect a new Board of Directors. The Board initially elected by the Members shall hold office until the next annual meeting of Members. All Directors shall continue to hold office until his term expires and until his successor has been elected and qualified. Directors elected by the Members shall serve for a term of two (2) years.

5.03. Any vacancy occurring in the initial Board of Directors shall be filled by appointment by Declarant. After expiration of Declarant's appointment power, vacancies shall be filled by the affirmative vote of a majority of the remaining Directors even though less than a quorum of the Board of Directors. A Director appointed or elected to fill a vacancy shall serve the unexpired term of his predecessor in office. Any Directorship to be filled by reason of an increase in the number of Directors shall be filled by appointment as to the initial Board and thereafter, shall be filled by election at an annual meeting or at a special meeting of the Members called for that purpose.

If at any time after the January 2007 annual meeting any Director shall at any time sell or otherwise dispose of or voluntarily or involuntarily cease to be an Owner during his term of office, then upon such termination or cessation of his ownership interest, such Director shall automatically be deemed to have effectively resigned from the Board and he shall automatically be removed therefrom.

Regular Meetings

5.04. A regular annual meeting of the Board of Directors shall be held without other notice than this By-Law, immediately after, and at the same place as, the annual meeting of Members. The Board of Directors may provide by resolution the time and place, in Bandera County, Texas, for the holding of additional regular meetings of the Board without other notice than such resolution.

Special Meetings

5.05. Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) Directors. The person or persons authorized to call special meetings of the Board may fix any place in Bandera County, Texas, as the place for holding any special meeting of the Board called by them.

Notice

5.06. Notice of any special meeting of the Board of Directors shall be given at least two (2) days previously thereto by written notice delivered personally or sent by mail, FAX or telegram to each Director at his address as shown on the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed with postage thereon prepaid. If faxed, such notice shall be deemed to be delivered when transmitted to the FAX number of record in the Corporation's records. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular meeting of the Board need to be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these By-Laws. All notices of special meetings shall specify the business to be transacted at such meeting and no other business not so specified shall be acted upon at any special meeting.

Quorum

5.07. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

Manner of Acting

5.08. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these By-Laws. A Director may vote in person or by proxy executed in writing by the Director. No proxy shall be valid after three (3) months from the date of its execution. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and unless otherwise made irrevocable by law. Directors present by proxy may not be counted toward a quorum.

Compensation

5.09. Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board; but nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.

Informal Action by Directors

5.10. Any action required by law to be taken at a meeting of Directors, or any action which may be taken at a meeting of Directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors. Such approval in writing may be evidence by the original signature of a Director or a facsimile thereof transmitted to the Board of Directors.

5.11. The Board shall adopt an annual budget for the estimated corporate expenses each year, and to provide the manner of assessing and collecting from the Members their respective shares of such estimated expenses, subject to any limitations contained in the Declaration. The annual budget as estimated by the Board for each fiscal year shall be approved by the Board, and copies thereof shall be furnished to each Member at least thirty (30) days prior to the annual meeting of the Members.

5.12. The Corporation shall indemnify, hold harmless and reimburse any person who serves as a director, officer, agent or employee of the Corporation against expenses actually and necessarily incurred by such person, and against any amount paid in satisfaction of judgment in connection with any action, suit, or proceeding in which he is made a party by reason of being or having been such a director, officer, agent or employee to the fullest extent allowed by applicable law, subject to and in accordance with the laws of the State of Texas with respect thereto.

5.13. No person shall be liable to the Corporation for any loss or damage suffered by it resulting from any action taken or omitted to be taken by him as a director or officer of the Corporation in good faith and as if such person exercised or used the same degree of care and skill as a prudent man would have exercised or used in the same or similar circumstances in the conduct of his own affairs.

ARTICLE 6

OFFICERS

Officers

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

Election and Term of Office

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

Removal

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

Vacancies

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

President

6.05. The President shall be the principal Executive Officer of the Corporation and shall in general supervise and control all of the business and affairs of the Corporation. He shall preside at all meetings of the Members and of the Board of Directors. He may sign, with the Secretary or any other proper Officer of the Corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors have authorized to be executed; except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws or by statute to some other Officer or agent of the Corporation; and in general he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Vice-President

6.06. In the absence of the President or in the event of his inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The vice-President shall perform such other duties as from time to time may be assigned to him by the President or Board of Directors.

Treasurer

6.07. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. He shall have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for moneys due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Article 8 of these By-Laws; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Secretary

6.08. The Secretary shall keep the minutes of the meetings of the Members and of the Board of Directors in one or more books provided for that purpose; give all notices in accordance with the provisions of these By-Laws or as required by law; be custodian of the Corporate records of the Corporation; keep a register of the post office address of each Member which shall be furnished to the Secretary by each Member; and, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Assistant Treasurers and Assistant Secretaries

6.09. The Assistant Treasurers and Assistant Secretaries in general shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the President or the Board of Directors.

Compensation

6.10. The Secretary, Treasurer and/or the Assistant Secretary and/or Treasurer may receive compensation for their services if approved by resolution of the Board of Directors.

ARTICLE 7

COMMITTEES

Architectural Control Committee

7.01. The Architectural Control Committee shall consist of three (3) persons subject to appointment and removal by Declarant, as provided in the Declaration, until such time as Declarant has sold eighty percent (80%) of the Lots as shown on the Plat; and thereafter appointment and removal of the three (3) persons shall be by the Board of Directors of the Association. Declarant may delegate the power of appointment and removal to the Board of Directors at such earlier time as Declarant deems advisable.

The Architectural Control Committee designated by the Board of Directors shall be subject to all the provisions hereinafter set forth for other committees.

Other Committees

7.02. Committees not having and exercising the authority of the Board of Directors in the management of the Corporation may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Membership on such committees may, but need not be, limited to Directors. Except as otherwise provided in such resolution, Members of each such Committee shall be Members of the Corporation, and the President of the Corporation shall appoint the Members thereof. Any Members thereof may be removed by the person or persons authorized to appoint such Member whenever in their judgment the best interest of the Corporation shall be served by such removal. The resolution designating such Committee shall set forth the term of office of the Members and procedure for designation of Chairman, method of filling vacancies, designating a quorum and establishing rules for its own government not inconsistent with these By-Laws, statutory law or with rules adopted by the Board of Directors.

ARTICLE 8

CONTRACTS, CHECKS, DEPOSITS AND FUNDS

Contracts

8.01. The Board of Directors may authorize any Officer or Officers, agent or agents of the Corporation, in addition to the Officers so authorized by these By-Laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation that is not inconsistent with the Declaration. Such authority may be general or confined to specific instances.

Checks and Drafts

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

Deposits

8.03. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

Gifts

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

ARTICLE 9

BOOKS AND RECORDS

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Members, Board of Directors, and Committees having any of the authority of the Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the Members entitled to vote. All books and records of the Corporation, including the Articles of Incorporation and the By-Laws of the Association and the Declaration, shall be available and may be inspected by any Member or his agent or attorney at the principal office of the Association, for any proper purpose at any reasonable time, and copies may be purchased at a reasonable cost.

ARTICLE 10

ASSESSMENTS

As more fully provided 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. If the assessment is not paid within fifteen (15) days after the due date the same shall be subject to a one-time late charge of ten percent (10%) of the past due amount, and any assessment not paid within thirty (30) days after its due date shall bear interest from such thirtieth (30th) date until paid at the rate of twelve percent (12%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the assessment or foreclose the lien against the Owner's property. Interest, late fees, costs, and reasonable attorneys fees may be added to and become a part of such assessment, as provided in the Declaration. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

ARTICLE 11

CORPORATE SEAL

The Association shall not be required to have a corporate seal.

ARTICLE 12

AMENDMENTS TO BY - LAWS

The power to alter, amend, or repeal the By-Laws, or to adopt new By-Laws, shall be vested in the Members and the By-Laws may be altered, amended, or repealed and new By-Laws may be adopted at a regular or special meeting of the Members called for that purpose by a majority vote of a quorum of Members present in person or by proxy, unless a greater quorum or vote is required by the Declaration. Notice of all such meetings of the Members shall be given as provided in Section 4.04. of the By-Laws and shall specify the section or sections of the By-Laws proposed to be altered, amended, or repealed.

ARTICLE 13

WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the Texas Non-Profit Corporation Act or under the provisions of the Articles of Incorporation or the By-Laws of the Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE 14

FISCAL YEAR

The fiscal year of the Corporation shall begin on January 1 of each year and end on December 31 of the same year.

ARTICLE 15

CONFLICTS

In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of BEAR SPRINGS TRAILS OWNERS ASSOCIATION, INC., a Texas Non-Profit Corporation; and that the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted by unanimous consent of the Directors thereof, on the 8th day of April, 2003.

IN WITNESS WHEREOF, I have hereunto subscribed my name this the 8th day of April, 2003.


Vicky Lynn Steere, Secretary