WAGON CITY SOUTH, Inc

2707 N CONWAY AVE

Box647 MISSION, TEXAS 78574

BY-LAWS

EFFECTIVE DECEMBER 13, 2017

Replaces all previous By-Laws of Wagon City South, Inc.

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By-Laws

**WAGON** CITY SOUTH, **INC.**

2707 N Conway Ave Unit647

Mission, TX 78574

December 13th 2017

**Replaces all previous By-Laws of Wagon City South, Inc.**

**ARTICLE ONE GENERAL**

* 1. Title

Wagon City South, Inc. (WCS) is a Texas Non-Profit Corporation, incorporated May 10, 1984, for an indefinite period. The registered office of Wagon City South, Inc. (WCS} in the State of *r*exas, shall be located in the County of Hidalgo, 2707 North Conway Avenue, Unit 616, Mission, Texas

78574 and the registered agent shall be the President.

* 1. Purpose

The purpose of the Corporation shall be to provide and maintain recreation facilities for its members and guests, and to see to the orderly use of such facilities for the general welfare of the Lot Owners of Wagon City South.

* 1. Fiscal Year

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

* 1. Governing Body

The governing body of the Corporation shall be a Board of Directors. The Board shalt consist of the following officers: President, Vice President, Secretary, Treasurer, and three Directors. The affairs of the WCS, Inc. shall be managed and administered by this Board. The by-laws may require one or more board members to reside in the subdivision as full time residents. Ref.: Chapter 209, section 209.00591

*Wagon City South, Inc. shall be governed by Title 11, Chapter 209, of the Texas Residential Property Owners Protection Act as it relates to Home Owners Associations.* If any part of these by-laws conflict with chapter 209, that part only shall control. **Those passages** in ***italics* are direct quotes from Chapter**

**209.** The Chapter contains much more information and rules regarding the operation of Wagon City

South, Inc. For additional information and guidance Chapter 209 should be consulted.

* 1. Lot Owner

A Lot Owner is one who owns a lot in Wagon City South. In case a lot is owned by a trust a trustee of the trust is deemed the Lot Owner. In case a lot is sold on an installment contract, the contract buyer or spouse and not the contract seller is deemed the Lot Owner.

* 1. Renters

#### Renters do not have voting rights, nor the right to introduce or make motions. Also, Renters may not serve as an Officer or a Director. May serve on Committees at discretion of the board.

* 1. Definitions

#### "By Law'' is Standard Operating Procedure to run an organization.

"Board" as used hereafter shall refer to the Board of Directors. The term "Corporation" shall refer to Wagon City South, Inc. The term "Recreation Area" shall refer to that area, grounds, recreation buildings and structures owned in common by all members of Wagon City South, Inc. *"Assessment" means a regular assessment, special assessment, or other amount a property owner is required to pay a property owners' association under the dedicatory instrument or by law.*

*"DedicatoryJnstru!71ent" means each governing instrument covering the establishment, maintenance, and operation of a residential subdivision. The term includes restrictions or similar instruments subjecting property* to *restrictive covenants, bylaws, or similar instruments governing the administration or operation of a property owners' association, to properly*

*adopted rules and regulations of the property owners' association, and to all lawful amendments*

to *the covenants, bylaws, rules, or regulations.*

*"LQts\_" means any designated parcel of land located in a residential subdivision, including any improvements on the designated parcel.*

*"Owner" means a person who holds record title to property in a residential subdivision and includes the personal representative of a person who holds record title to property in a residential subdivision.*

*"Property owners' association" or "association" means an incorporated or unincorporated association that:*

*Is designated as the representative of the owners of property in a residential subdivision;*

*Has a membership primarily consisting of the owners of the property covered by the dedicatory instrument for the residential subdivision; and manages or regulates the residential subdivision for the benefit of the owners of property in the residential subdivision.*

*"Regular assessment" means an assessment, a charge, a fee, or dues that each owner of property within a residential subdivision is required* to *pay to the property owners' association on a regular basis and that is designated for use by the property owners' association for the benefit of the residential subdivision as provided by the restrictions.*

*"Special assessment" means an assessment, charge, a fee, or dues, other than a regular assessment, that each owner of property located in a residential subdivision is required to pay to the property owners' association, according to procedures required by the dedicatory*

*instruments, for:*

*Defraying, in whole or in part, the cost, whether incurred before or after the assessment, of any construction* or *reconstruction, unexpected repair, or replacement of a capital improvement in common areas owned by the property owners' association, including the necessary fixtures and*

*personal property related to the common areas; maintenance and improvement of common areas owned by the property owners' association; or other purposes of the property owners' association as stated in its articles of incorporation or the dedicatory instrument for the residential subdivision.*

* 1. Management Certificates

*A property owners> association shall record in each county in which any portion of the residential subdivision is located a management certificate, signed and acknowledged by an officer or the managing agent of the association. Refer to 209.004*

* 1. Record Keeping

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member of the Association. This inspection is for written records and copies of the written records will be provided within ten (10) business days at a reasonable cost (personnel files to be excluded). The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at a reasonable cost.

Inspection of written books and records shall be in accordance with Chapter 209 of the Texas Residential Property Owner Protection Act, of the Texas Property Code.

1. *Certificates of formation, bylaws, restrictive covenants, and all amendments* to *the certificates of*

*formation, bylaws, and covenants shall be retained permanently;*

1. *Financial books and records shall be retained for seven years;*
2. *Account records of current owners shall be retained for five years;*
3. *Contracts with a term of one year or more shall be retained for four years after the expiration of*

*the contract term;*

1. *Minutes of meetings of the owners and the board shall be retained for seven years;*

*f Tax returns and audit records shall be retained for seven years.*

*Refer to 209.005*

Every odd numbered year all documents to be destroyed must be listed and approved for destruction by a majority vote of the board and must be listed in board meeting minutes. Actual destruction must take place with at least 3 board members present and so noted in minutes of following meeting.

### ARTICLE II

**MEETINGS**

* 1. Lot Owners Meetings

1. Regular meetings of Lot Owners will be held on the second Wednesday of each month beginning in October and ending in April. Meetings shall begin at 10:00 AM in the recreation hall.
2. The regular meeting in December shall be the annual meeting, at which time the election of Board Members shall be held.
3. A special meeting of Lot Owners may be called at any time by the President; (2) the Board of Directors; (3) members having not less than 1/l0of the votes entitled to be cast at the meeting; or (4)other officers or persons as provided by the certificate of formation or bylaws of the corporation.
4. Notice of all Lot Owners meetings shall be given by posting on the bulletin boards in the recreation hall and at the outdoor bulletin board. No other notice of a regular or annual meeting of Lot Owners is required except where any of the following matters will be address:
   1. authority to make unbudgeted expenditures or levy special assessments,
   2. proposed covenant changes or
   3. proposed by-law changes.

In these cases an additional notice shall be mailed or delivered to all lot owners not less than 20 days in advance of the meeting. The notice shall include information pertaining to the issue to be addressed and the fact that the lot owner may vote thereon in person or by absentee ballot.

1. Emergency meeting of lot owners may be called by the President without regard to timely notice to all lot owners, provided all lot owners are promptly notified of actions taken as a result of the meeting.
   1. Board Meetings
2. Regular meetings of the Board shall be held prior to the Lot Owners meetings at a time to be selected by the Board and posted on the calendar of events and on the bulletin boards in the recreation building and outside bulletin board. Lot Owners may attend such meetings but shall be heard only at the discretion of the President. Lot Owners wishing to address the Board should make such request to the President prior to the Board meeting.
3. A special meeting of the Board may be called by the President or by four Board members. All board meetings, except those requiring executive session, may be attended by any lot owner.
4. Lot Owners wishing to raise specific matters at a Lot Owners meeting are encouraged to make their wishes known to the President prior to the Board Meeting preceding the Owners meeting.
5. Members shall be given notice of the date, hour, place and general subject of a special board meeting, including a general description of any matter to be brought up for deliberation in executive session. The notice shall be posted on the bulletin boards in the recreation building and the outdoor bulletin board, and sent to all members on the Wagon City South email list. This notice must meet the 72 hour notice requirement. Refer to Texas law 209.0051. It is an owner's duty to keep an updated e-mail address registered with the property owners association under Texas Law Subsection 209.0051 (e) (2) (B).
6. Any expenditure not budgeted and over $2,500.00 must be authorized by a quorum of the lot owners by 60% vote at any regular or special lot owners meeting.
7. Any and all contracts made for the Corpol'ation must be approved by the Board and signed by the President and one (1) Board member. A copy of each approved contract shall be posted on the bulletin board in the Clubhouse. A summary review will be presented at the next Lot Owners meeting.
   1. Quorum
8. Lot owners of 60 lots, in ood standing, present in person or by absentee ballot, shall constitute a quorum at Lot Owners Meetings.
9. A quorum of four Board members shall be required for transaction of business at a Board meeting.
10. Emergency meetings of lot owners may be called by the President without regard to timely

notice to all lot owners, provided all lot owners are promptly notified of actions taken as a result of the meeting.

1. Once a quorum at a meeting has been established, the continued presence of a quorum is presumed to exist only until the chair or any other member notices that a quorum is no longer present. If the chair notices the absence of a quorum, he or she should declare this fact, at least before taking any vote or starting the questions on any new motion. Any member noticing the apparent absence of a quorum can and should make a *point of order* to that effect whenever another person is not speaking. It is dangerous to allow the transaction of substantive business to continue in the absence of a quorum.

Although a Point of Order relating to the absence of a quorum is generally not permitted to affect prior action, if there is clear and convincing proof no quorum was present when business was transacted, the presiding officer can rule that business invalid (subject to appeal).

[Roberts Rules of Order (10th ed.) p. 337-38, see also p. 12-13 of Roberts Rules of Order in *brief)*

* 1. Adjournment

The presiding officer may not adjourn any Lot Owners meeting or Board meeting without a motion from the floor, which has been seconded and passed by majority vote.

* 1. Robert's Rules of Order

Robert's rules of Order, when not inconsistent with these by-laws, shall govern all Lot Owners and Board meetings

**ARTICLE** Ill

##### ELECTIONS AND VOTING

* 1. Election of Officers

1. The President, Vice-President, Secretary, Treasurer, and Directors shall be elected by the Lot Owners annually. They shall serve without compensation and shall give security for the faithful performance of their duties by bonding or by insurance, the cost of same to be borne by the Corporation.
2. Prior to the October Meeting of Lot Owners, the President shall appoint a nominating committee of at least three Lot Owners, including not more than one current office holder, and shall designate the chairperson of that commlttee.
3. Nominations for the Board shall be submitted by the nominating committee, **with prior consent of the nominee.** at the November meeting. The presiding officer at this meeting shall also accept nominations from the floor **with consent of the nominee.**
4. No more than one member of a family shall hold one of the following offices at the same time: President, Vice-President, Secretary, Treasurer or Director.
5. In case there are three or more nominees for an office at one election and no person receives a majority vote, a run-off election shall be held immediately between the two with the highest number of votes.
6. A regular Board of Directors meeting (if necessary) shall be held within fourteen (14) days following the December Business (annual) Meeting for the purpose of the orderly transfer of duties and related data or information from outgoing Board members to the incoming Board members.
7. The term of office shall begin on January 1st.
8. Officers (President, Vice-President, Secretary, Treasurer) shall be elected for a one-year term. Directors shall be elected for a three-year term. Officers may succeed themselves for the same or another office. No officer or director shall serve on the Board for more than three consecutive years.
9. *If a board is presented with written, documented evidencefrom a database or other record*

*maintained by a governmental law enforcement authority that a board member has been convicted of afelony or crime involving moral turpitude NOT MORE THAN* 20 *years before the date the board is presented with the evidence, the board member is immediately ineligible to serve on the board of the property owners' association, automatically considered removed from the board, and prohibited fromfuture service on the board.*

* 1. Vacancies

1. *If a vacancy should occur in an office by reason of death or resignation, the remaining Board\_*

*shall fill such vacancy. Such appointee shall hold that officefor the remainder of the unexpired term of the position.*

1. If a vacancy should occur in an office by reason of recall, the Lot Owners, at their next Lot Owners meeting shall elect a successor to serve until the next annual election.
   1. Recall

Any officer or director may be subject to recall and removal. A petition for recall may be initiated by 20% of the Lot Owners. When such a petition is received, its consideration shall be placed on the agenda of the next Lot Owners meeting. If a majority of votes cast on the issue of recall are in favor thereof, such officer or director shall immediately be removed from office.

* 1. Voting

1. A Lot Owner shall have one vote for each lot owned, except those that own 1½ lots. In those cases that lot will be allowed 1½ votes.
2. In election of Board Members, a Lot Owner may vote in person, electronic ballot or by Absentee ballot.
3. Any vote cast in an election or special vote must be in writing and signed by the Lot Owner including lot number. WCS will have the lot owner sign and provide lot number on the owner check in sheet. The lot owner then receives their ballot. This will allow secret ballot voting without providing information on actual ballot. Ref Bill Text: TX S81168 Section 11

Section 209.058

1. Absentee and electronic ballots shall be filed with the Secretary at least 24 hours before the meeting at which they are voted.

*An absentee or electronic ballot:*

*{1} may be counted as an owner present and voting for the purpose of establishing a quorum only for items appearing on the ballot;*

* 1. *may not be counted, even if properly delivered, if the owner attends any meeting to vote in*

*person, so that any vote cast at a meeting by a property owner supersedes any vote submitted by absentee or electronic ballot previously submitted for that proposal; and*

* 1. *may not be counted on thefinal vote of a proposal if the motion was amended at the*

*meeting to be differentfrom the exact language on the absentee or electronic ballot.*

* 1. Absentee ballots may be obtained only from the Secretary.

*A solicitation for votes by absentee or electronic ballot must include:*

1. *an absentee ballot that contains each proposed action and provides an opportunity* to *vote for or against each proposed action;*
2. *instructions for delivery of the completed absentee ballot, including the delivery location;*

*and*

1. *thefollow language: "By casting your vote via absentee ballot you willforgo the opportunity to consider and vote on any action from thefloor on these proposals, if a meeting is held. This means that if there are amendments to these proposals your votes will not be counted on thefinal vote on these measures. if you desire to retain this ability, please attend any*

*meeting in person. You may submit an absentee ballot and later choose to attend any meeting in person, in which case any in-person vote will prevail."*

*For the purposes of this section, "electronic ballot" means a ballot given by:*

1. *e-mail, facsimile, or posting on an internet website;*
2. *for which the identity of the property owner submitting the ballot can be confirmed; and*
3. *for which the property owner may receive a receipt of the electronic transmission and receipt of the owners ballot.*
4. *If an electronic ballot is posted on an Internet website, a notice of the posting shall be sent* to

*each owner that contains instructions on obtaining access to the posting on the website.*

1. electronic ballots sent to Secretary only.
2. Nothing contained herein shalt be construed to prevent an absentee or electronic ballot from voting even though it may disclose the way such vote is to be cast.
3. The President shall appoint three judges for the annual election of Board members prlor to

## December voting.

1. No written ballot may be disqualified by election judges unless said ballot is,mutilated or marked so as intention indiscernible.
2. Proxy voting is not allowed.
   1. Roll Call Voting

Voting at lot owners' meetings may be done by voice or show of hands on any matters noted herein as requiring voting by written and signed ballot. Anyone can request a roll call vote to formalize a hand or voice vote. Roll call voting is the preferred voting method at lot owners meetings.

The sign in sheet that is created by the Vice President at the beginning of each meeting will be used for roll call voting. When a vote is needed each name will be read from sign in sheet and the owner wHI respond. The results of this Roll Call Vote will be tallied by the board with results supplied to the Lot Owners. The sign in sheet used for voting should be dated, reason for vote noted with one copy being posted on board in recreation hall and one copy filed by secretary for future reference.

* 1. Recount

*Any owner may, not later than the 1st1' day after the later of the date of any meeting of owners 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.*

1. *A demand for a recount must be submitted in writing either: Verified mail or in person to the property owners' association.*
2. *The property owners' association must estimate the costsfor performance* of *the recount by a*

*person qualified to tabulate votes and must send an invoice for the estimated costs to the requesting owner.*

1. *The owner demanding a recount under this section must pay the invoice described in full to the*

*property owners' association on or before the 30th day after the date the invoice is sent* to *the owner. If the invoice described is not paid by the deadline prescribed, the owners demand for a recount is considered withdrawn and a recount is not required.*

*Refer to: Bill Text: TX SB1168 Section 10 Section 209.0057*

**ARTlaEIV**

**DUTIES OF OFFICERS AND BLOCK CAPTAINS**

No Director, Officer, or Committee Chairperson of Wagon City South, Inc. elected or appointed to fill an official capacity within the structure of WCS, shall receive any financial or reimbursement for services rendered to WCS. This does not include material.

* 1. President.

The President shall preside at all Lot Owners meetings and Board meetings, have general supervision over the affairs of the corporation, its properties and employees and shall be an ex­ officio member of all committees except for the Tally committee, the nominating committee and the Audit committee. The President may appoint such committees (in addition to the standing committees) as the President deems necessary. If not re-elected, the outgoing President shall be on the Board as an ex-officio member without voting rights for an additional year unless denied this courtesy by a vote of six (\_6) elected members of the board. An ex officio member of the board who is NOT entitled to vote does not have the duties or liabilities of a director provided by this chapter. The President will protect the assembly from annoyance, from obvious frivolous dilatory motions by refusing to recognize them (subject to an appeal to the membership by any two (2) members), and will assist in the expediting of business in every way compatible with the rights of the members, to decide all questions of order. In general, order and decorum will bemaintained throughout the meeting. The President may appoint an assistant treasurer, preferably a full time resident to fulfill the duties of the absent treasurer.

* 1. Vice-President.

The Vice-President shall perform the duties of the President only in the absence or inability of the President to perform the duties of the office. The Vice-President will be responsible for sign in sheet at beginning of meetings. The sign in sheet should include name and lot number. This will be used for determining a quorum and roll calf voting that may occur during this meeting.

The Vice-President shall also serve as an aide to the President and perform any specific duties assigned by the President.

* 1. Secretary.

The secretary shall have the care and custody of all records, minutes, books and correspondence and shall do and perform all duties pertaining to the office of Secretary. It is not necessary to summarize matters **discussed** at a meeting in the minutes of that meeting, it is improper to do so. Minutes are a record of what was **done** at the meeting, not a record of what was said.

The Secretary shall be custodian of the Corporate Seal and shall affix it to all written documents where required. The Secretary shall maintain a complete list of the members entitled to vote (their membership paid to date}, arranged in alphabetical order. This list shall be placed where the voting is to be held during the whole time of said voting and shall be open to examination by any member or attorney in fact of any member.

**The following three paragraphs were added by Amendment #1:**

# IN ORDER TO COMPLV WITH "HOUSING FOR OLDER PERSONS ACT, 24 CFR 100.307

VERIFICATION OF OCCUPANCY", UPON CHANGE OF OCCUPANCY OF ANY HOUSING UNIT THE SECRETARY OR DESIGNEE SHALL GIVE A COPY OF THE WAGON CllY SOUTH, INC. COVENANTS AND BY­ LAWS TO SUCH NEW OCCUPANT AND OBTAIN FROM SUCH NEW OCCUPANT A SIGNED CERTIFICATION THAT AT LEAST ONE OF THE HOUSEHOLD OCCUPANTS IS 55 YEARS OF AGE OR OLDER.

IN MARCH OF EACH YEAR, THE SECRETARY OF DESIGNEE SHALL AUDIT ALL AGE CERTIFICATIONS. OBSOLETE CERTIFICATIONS SHALL BE REMOVED FROM THE FILE. IF THERE IS AN OCCUPIED HOME WITH NO AGE CERTIFICATION ON FILE, THE SECREATARY OR DESIGNEE SHALL OBTAIN SUCH CERTIFICATION.

UPON COMPLETION OF THIS AUDIT, THE SECRETARY OR DESIGNEE SHALL POST A REPORT ON

THE OFFICIAL OUTDOOR BULLETIN BOARD STATING THE NUMBER OF OCCUPIED HOMES IN WAGON

CITY SOUTH, INC., THE NUMBER OF HOMES CERTIFYING AT LEAST ONE OCCUPANT 55 YEARS OF AGE OR OLDER, AND THE PERCENTAGE OF OCCUPANCY BY A PERSON 55 YEARS OF AGE OR OLDER.

* 1. Treasurer.

The Treasurer shall receive all monies of the Corporation, giving his receipt therefore. Subject to the approval of the Board, the Treasurer shall pay expenses of the Corporation within the constraints of Article VI of these by-laws. The treasurer's books and annual report shall be subject to annual audit by the Auditing Committee after the close of the fiscal year. Treasurer report received as is given and no motion to accept is needed or proper. Roberts Rules of Order.

* 1. Directors.

1. One Director shall be appointed, by the President, as Activity Chairperson of the Ways and Means committee. (Entertainment Committee)
2. One Director shall be appointed, by the President, to supervise the maintenance of the WCS

property.

1. One Director shall be appointed, by the President, to assist the Board in Long Range Planning.
   1. Block Captains

Block Captains are volunteers who welcome newcomers and get necessary information pertaining to living in Wagon City South to the new owners. This is vital information in case of emergency, accident, death or disaster.

Upon the purchase of a lot by a new owner in Wagon City South, the Block Captain for that area/section should provide the following:

1. Wagon City South Welcome tote bag.
2. Forms and information:
   1. Age Certificate and certification there are no children under 18 years of age.
   2. Vital information form to be retained by Block Captain and a copy filed in secretary's file cabinet.

(c} Provide copy of covenants and by-laws.

1. Current directory.
2. Provide a copy of current Newletter (if available).
3. Submit completed forms to Wagon City South board secretary so that information will be included in the next directory.
4. Answer all new owner's questions.

All material and forms needed can be obtained from the Block Captain Chairperson or WCS Secretary.

**ARTIClEV**

### COMMITTEES

* 1. Standing Committees.

The Committees provided in the Article are Active Committees. All committees shall be appointed by the President.

* 1. Tally Committee.

The Tally Committee will consist of four (4) or more members and is responsible for validating and counting of ballots for elections. A person who is a candidate in an election or who is otherwise the subject of an association vote, or a person related to that person by blood or

marriage may not be a member of the Tally Committee or have access to the ballots cast in the election or vote. Any other person may tabulate votes in an election or vote but may not disclose to any other person how an individual voted. Ballots are to be given to the Secretary immediately after the tally is completed.

*Complies with the Texas Property Code Section 209.00594 as amended by the Texas 82nd*

*Legislature S8472 effective 1September2011.*

* 1. Ways and Means Committee:

The President shall select one of the directors as chairperson of this committee. The chairperson may select Lot Owners to serve on this committee as necessary. The activities and recommendations of this committee shall be subject to approval of the Board. Individual expenditures of the committee in excess of $250.00 from the Activity Fund shall require approval of the Board.

Duties of the committee include:

1. Responsibility for collection and expenditure of monies in connection with special recreation functions occurring on the premises of the Corporation. All Monies collected shall be promptly remitted to the Treasurer.

WCS has and always will provide free coffee for all events sponsored by our association. (Ex. Wednesday morning socials, lot owners meetings).

1. Responsibility for scheduling the use of the recreation facilities of the Corporation. Lot Owners desiring to use the recreation facilities for any function shall obtain approval from the chairperson of this committee. In the event the use of the facility will involve the collection of fees or an expenditure to exceed $250.00, consent of the Board is required. The Board shall not unduly withhold approval for use of the facilities but shall determine the preference for all activities.
2. A Lot Owner may reserve the dining hall for private use with approval of the Board. The Lot Owner reserving the dining hall shall be responsible for cleaning the facility, putting chairs and tables back as they were found. Form can be obtained from Activity Director or board member. Two copies of the form are needed, one for the requestor and one to be filed. Form WCS 2.
   1. Architectural Control Committee.

The President shall appoint a Director and such other Lot Owner committee members as deemed necessary. Such appointed members shall serve for a term of one year but may be reappointed from yeartoyear.

Duties of the committee include:

1. Recommending to the Board actions to assure Lot Owner compliance with the covenants of Wagon City South Subdivision. These actions may include, but are not limited to, referral of problems to the City of Mission Planning Director, Code Enforcement Officer, Building Inspector, or Police or the initiation of legal action. The Committee shall not itself initiate any of these

actions without Board approval.

1. Receiving, reviewing and acting on requests for lot improvements submitted by Lot Owners.
2. Maintaining a copy of all requests for lot improvements and any other records deemed necessary to substantiate actions taken.
   1. Long Range Planning Com111ittee.

The President shall appoint a Director and such other Lot Owner members as deemed necessary; The Committee shall recommend to the Board future additions or modifications to the property of the Corporation. The Board may submit such recommendations to the Lot Owners for their approval and inclusion in the budget.

##### ARTICLE VI

**CORPORATE PROPERTY, FINANCE, SPECIAL PROJECTS**

* 1. Corporate Property.

Corporate property shall be under the control of the Board. It may not be removed from its normal place without Board approval. This includes all Corporate records. The only exception is for outside audits.

a. For the benefit of WCS members all equipment owned and maintained by WCS shall be in working order at all times, winter and summer. Including, but not limited to the swimming pool, air conditioners, furnace and lawn sprinkler system. The only time this equipment will

be shut down is for repair or replacement. All members are entitled to the amenities offered by WCS for their welfare and enjoyment. Shutting down the equipment to save money, does not save money. When equipment is restarted it may not work as designed and could result in more cost to repair or replace.

* 1. Maintenance Fee.

The amount of the annual maintenance fee to be assessed against each lot for the coming year shall be carefully determined by the Board for recommendation to the Lot Owners at the annual meeting. The Lot owners may approve the recommendation by 60% of the votes cast by Lot Owners voting thereon. If the recommendation is not approved, the fee shall remain as fixed from the previous year. The Maintenance fee is due on January 1st of the year for which it is assessed and becomes delinquent as of January 31st• The fee shall be used exclusively for the expansion, maintenance, upkeep or furtherance of the common interests of the Corporation. It shall not be used as a maintenance fee for individual property.

* 1. Assessments

Subject to the requirements of Chapter 209 of the Texas Residential Property Owner Protection Act, of the Texas Property code, and 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 ls made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency, accompanied by fines as set forth in the Rules, Regulations and Policies of WCS, and the WC$ may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the prope\_rty. Interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such asse sment. 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/her lot.

* 1. *ALTERNATIVE PAYMENT SCHEDULE FOR CERTAIN ASSESSMENTS.*

1. *A property owners' association composed of more than 14 lots shall adopt reasonable guidelines to establish an alternative payment schedule by which an owner may make payments to the property owners' association for delinquent regular or special assessments or any other amount owed to the association without accruing additional monetary penalties. For purposes of this section, monetary penalties do not include reasonable costs associated with administering the payment plan or interest.*
2. *The minimum term for a payment plan offered by a property owners' association is three*

*months.*

1. *A property owners' association may not allow a payment planfor any amouf)t that extends more than 18 months from the date of the owner's request for a payment plan. The association is not required to enter into a payment plan with an owner whofailed to honor the terms of a previous payment plan during the* two *years following the owner's default under the previous payment plan.*
2. *A property owners' association shallfile theassociation1s guidelines under this section in the real property records* of *each county in which the subdivision is located.*
3. *A property owners' association's failure tofife as required by this section the association's guidelines in the real property records of each county in which the subdivision is located does not prohibit a property owner from receiving an alternative payment schedule by which the owner may make partial payments to the property owners' association for delinquent regular or special assessments or any other amount owed to the association without accruing additional monetary penalties, as defined by Subsection (a).*
   1. Special Assessments.

One time assessments may be levied from time to time to cover unanticipated or unusual expenses provided the proposed assessment is brought before a regular or special Lot Owners' meeting and is approved by 60% of the votes cast by Lot Owners voting thereon.

No assessment levied by the Board pursuant to the "Second Amendment to the Covenants, Stipulations and Restrictions applicable to the Wagon City South Subdivision, Hidalgo County, Texas" shall be effective unless and until it is approved by 60% of the votes cast by lot Owners voting thereon at a regular or special meeting.

* 1. Lot Care.

If maintenance of a lot (such as mowing, spraying, or trimming trees hanging over the street) is deemed necessary by the Board, such maintenance shall be done at prevailing wages and the lot Owner shall be billed for such costs. The bill becomes delinquent in 30 days. Lot owners shall comply with WCS covenant item #13 and City of Mission ordinance governing lawn care.

# a.

b.

C.

Pet Owner Responsibilities

Pet owners shall keep their animal(s) under control at all times by leash or other suitable means. Mission City codes require dogs to be on a leash.

Pet owners shall ensure their pets do not enter upon the property of other owners without their permission or become a nuisance by loud, persistent barking.

Pet owners will not allow their pets on Association property.

Pet owners shall be responsible for clean up and appropriate sanitary disposal of their pet's wastes.

* 1. Noise

Quiet time after 10 PM shall be observed.

* 1. Procedures for Implementing Violation Penalties:

{l Notice of an allege violation shall be presented to the President of wcs Board or to the designated representative for these actions.

!2/ T\_he President or\_de igna ed representative shall talk to the alleged violator to review the

*: : ;t*

and determine ifa violation occurred and attempt to resolve in a peaceful and timely

(3) l)fthhe a!feg d violation is a violation, the Board will give the violator 30 days to resolve

# (cure t e violation.

* 1. Sanctions.

The Board shall take appropriate action to collect delinquent amounts under Sections 6.2, 6.3,

and 6.4 above. Such action may include, but is not limited to, one or more of the following:

1. A penalty of 10% per annum may be assessed against a Lot Owner who is delinquent in accordance with any payment plan.
2. Such Lot Owner may be denied use of the Recreation area except to pick up mail until the delinquency is corrected.
3. The fact of such delinquency with the name of the delinquent may be posted on the bulletin board.
4. The Board may file a lien against any delinquent lot.
5. All expenses, including attorney fees and court costs, incurred by the Board hereunder shall be the responsibility of the delinquent Lot Owner.

*f NOTICE REQUIRED BEFORE ENFORCEMENT ACTION.*

*Before a property owners' association may suspend an owners' right to use a common area,file a suit against an owner other than a suit to collect a regular or special assessment or foreclose under an association's lien, charge an owner for property damage, or levy a finefor a violation of the restrictions or bylaws or rules of the assodation, the association or its agent must give written notice to the owner by certified mail, return receipt requested.*

1. *The notice must:*
   1. *describe the violation or property damage that is the basis for the suspension action, charge, orfine and state any amount due the association from the owner.*

*{2)inform the owner that the owner:*

* + 1. *1s entitled to a reasonable period to cure the violation and avoid thefine or suspension if the violation is of a curable nature and does not pose a threat to public health or safety.*

*{B}may request a hearing under Section 209.007 on or before the 3<11' day after the date the notice was mailed to the owner; and*

*(C}may have special rights or relief related to the enforcement action under federal law, including the Service members Civil Relief Act (50 U.S.C. opp. Section 501 et seq.), if the*

*owner is serving on active military duty. Ref TX Act SB 1168 Section 17*

* 1. Budget.

The Board shall present a proposed budget at the annual meeting and make copies available to Lot Owners on request. The budget as proposed or as amended shall be adopted at the January

Lot Owners meeting. The adoption of the budget constitutes approval of expenditure by the Board of the amount of each line item (except contingency). Any expenditure or contract for expenditure for any purpose in excess of the line item amount for that purpose in the maintenance fund budget or any expenditure or contract for expenditure charged to the contingency line item of the maintenance fund budget shall require approval of the Lot Owners at a regular or special meeting.

* 1. Reports.

The Treasurer shall submit a monthly report of receipts and disbursements at each regular meeting and shall submit an annual report of same at the January meeting. **NO MOTION** NECESSARY.

* 1. Audit.

At the annual meeting the President shall appoint an audit committee of three Lot Owners Including the designated chairperson. At the close of the fiscal year, this committee shall audit all financial records of the Treasurer. The report of the auditing committee shall be submitted at the January meeting and copies made available to Lot Owners on request. Outside audit is allowed and must be budgeted.

* 1. Funds.

All monies received shall be deposited in an account or accounts to be designated by the Board. Such monies shall be allocated on the corporate records to one of more of the following funds as herein provided:

1. Activity Fund.

Any monies received from fund raising events hosted by Activity groups (i.e. Bingo, cards. pool, sewing. etc.) shall be deposited in this fund in their respective line item accounts. Monies in this fund shall be spent only to pay expenses of these fund raising events, taxes generated by such events and for their expenses and related equipment as directed by the Board.

1. Maintenance Fund

All monies received from any other source (including but not limited to donations, special fund raisers and interest earned on any other funds), shall be deposited in the Maintenance Fund. Subject to the provisions of these by-laws, monies in this fund may be spent for any proper corporate purpose.

##### ARTICLE VII AMENDMENTS

* 1. Procedure

Any By-Law change shall be made only at the annual meeting, with prior notification and must be approved by 67% of votes cast by lot Owners thereon. Every year a committee shall be appointed by the President to review the current By-Laws, recommending changes as needed every odd year.

**ARTICLE VIII**

### OFFICE PROCEDURES

* 1. Office

All office related items should be stored and **used** in a secure office area in the club house. This includes all office equipment, computers, documents, forms, file cabinets, extra keys, and other items to be determined. A printer/copier will be added to this room to be used as needed. Only board members will have access to this office.

* + 1. The locks/keys to this office will be changed by the 15th day of each January.
  1. Forms

1. All forms used by Wagon City South, Inc. shall be numbered. As an example: WCS 1 Created 1/1/16

Going forward the next form number will be WCS 2 with creation date, etc.

Only numbered forms will be recognized by the board. This is to avoid multiple variations of the same form.

1. *A property owners' association may not allow a payment planfor any amount that extends more*

*than 18 months from the date of the owners requestfor a payment plan. The association is not required to enter into a payment pion with an owner whofailed* to *honor the terms of a previous payment plan during the two yearsfollowing the owners default under the previous payment plan.*

1. *A property owners' association shallfile theassociation's guidelines under this section in the real property records of each county in which the subdivision is located.*
2. *A property owners' association's failure tofile as required by this section the association's guidelines in the real property records of each county in which the subdivision is located does not prohibit a property owner from receiving an alternative payment schedule by which the owner may make partial payments to the property owners' association for delinquent regular or special assessments or any other amount owed to the association without accruing additional monetary penalties, as defined by Subsection (a).*
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* 1. Lot Care.

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Quiet time after 10 PM shall be observed.

* 1. Procedures for Implementing Violation Penalties:
     1. Notice of an alleged violation shall be presented to the President of WCS Board or to the designated representative for these actions.
     2. The President or designated representative shall talk to the alleged violator to review the

violation and determine if a violation occurred and attempt to resolve in a peaceful and timely manner.

* + 1. If the alleged violation is a violation, the Board will give the violator 30 days to resolve

(cur-e) the violation.

1. All forms that need to be filled out by a Lot Owner will be available directly outside this office in labeled slots. Once forms are completed, they are to be placed in a slot on the office wall/door and picked up once each day by a board member and acted upon.
2. Additional forms shall be stored in the file cabinets stored in the office. **Any board member can**

### replenish the forms as needed.

1. All completed forms shall be filed in the designated file cabinets by the current board member. This includes financial forms, block captain forms, etc. Any forms or documents that need to be removed from the files require:
   1. Two people to be present
   2. Sign in a register which documents were removed, when they were removed and when they were returned.
   3. When possible make a copy of items to be removed and return the original items ASAP.
2. Fireproof storage is needed for documents that must be kept long term.