

BY-LAWS OF CAVE SPRINGS OWNERS, INCORPORATED
Revised January 1997, 1998, 1999, 2005, and 2013

ARTICLE I. OFFICES

Section One: Registered Offices

The registered office and principal place of business of CAVE SPRINGS OWNERS, INC. is fixed and located at Hunt, Kerr County, Texas, 78024. For the purpose of these By-Laws, Cave Springs development and Canyon Springs Ranch are synonymous.

ARTICLE II. MEMBERSHIP

Section One: Notice of Membership Meetings

The Secretary of Cave Springs Owners, Inc. shall provide written notice of forthcoming annual and special membership meetings to each member of record not less than 30 days nor more than 60 days prior to the date of the projected meeting. Such notice shall include, as a minimum, the date, place and time of the meeting, and in the case of special meeting, the purpose for which the meeting is being convened.

Notification to the membership shall be by mail to each member at the address appearing on the records of Cave Springs Owners, Inc. The Secretary shall present written certification to the assembled membership at the opening of the meeting that duly established notification requirements have been dispatched to all members of record.

Section Two: Valid Membership

Valid membership shall be each person duly registered as a deeded property owner in the Cave Springs development. It is the responsibility of each member to ensure the addresses listed on the corporation's records are correct and the Secretary of the corporation shall provide written confirmation to the respective member(s) that address changes requested by the member(s) are listed on the corporation's records.

Section Three: Quorums and Proxies

The transactions of membership meetings shall be considered valid and binding, provided established meeting notification requirements have been fulfilled and a quorum of the membership is present, in person, at such meetings. For those members not in attendance, voting privileges can be exercised through submission of a proxy that can be secured from the corporations Secretary. In order for proxy submissions to be valid, they must be filled out and signed by the applicable member and returned to the corporate Secretary, to be received no later than 5 calendar days prior to the date of the projected meeting.

(1) Quorum Requirements. At any membership meeting, the presence of one-fourth (1/4) of the members of record, in good standing, constitutes a quorum sufficient for the conduct and transaction of business. At such membership meetings, either regular or special, one registered owner of each parcel of property, (i.e, a lot) is entitled to cast one vote regardless of

the number of deeded owners of record applicable to the respective parcel of property. This measure is implemented to provide necessary balance and accountability during the voting process.

(2) Proxies-Duration A proxy can be submitted to cast a vote for an issue that is brought before the general membership. A proxy is not valid after the expiration of the 30th day following the meeting for which the proxy is submitted and is revocable (prior to the meeting) by written request of the issuing member or duly authorized agent, executor, administrator, guardian, trustee, or other fiduciary.

Section Four: Annual Meeting

Regular annual membership meetings shall be held on the second Saturday in the month of January at 2:00 PM, unless such a day should fall on a legal holiday. In that event, the meeting shall be held on the next succeeding Saturday that is not a legal holiday.

Section Five: Order of Business

Proceedings at all membership meetings shall be conducted in accordance with the established parliamentary dictates prescribed in "Robert's Rules of Order." The order of business at the annual meeting shall be as follows:

- (1) Proof of due notice of the meeting by the secretary or assistant secretary.
- (2) Reading and disposition of the previous annual meeting minutes.
- (3) Report(s) of the treasurer and other officers.
- (4) Election of directors.
- (5) Disposition of unfinished business.
- (6) Disposition of new business.
- (7) Adjournment.

Section Six: Special Meetings Special

Meetings of the membership may be called to address issues that are impractical to defer until the regularly scheduled annual meeting. Such meetings shall be convened in accordance with the provisions of Section One, Article 11 when deemed necessary as determined by the President, Board of Directors or a petition signed by 10% of the members residing in Cave Springs.

ARTICLE III. BOARD OF DIRECTORS

Section One: Composition and Term of Office

The authorized number of the Board of Directors is fixed at seven members with terms in-office to be three years. Each member of the Board of Directors shall be a deeded owner of record of real property within Canyon Springs Ranch subdivision. The terms of office shall be staggered to provide the administrative continuity necessary for the effective conduct and completion of association business. To properly establish the staggered relationships of the individual terms, the assembled board shall, upon being initially elected (immediately following the general membership meeting), randomly draw lots to determine the duration of their initial term in office as follows:

Three members.....three year terms

Two members.....two year terms

Two members.....one year term

Upon completing the initial term of office prescribed above, board members will be elected by the general membership for a full three-year term during the proceedings of the regular annual meeting.

Section Two: Vacancy

A vacancy in the Board of Directors exists on the happening of the following events:

- (1) The death, resignation or removal of any director.
- (2) The authorized number of directors is increased without the simultaneous election of a director to fill the newly authorized number.

Section Three: Method of Filling Vacancy

A vacancy in the Board of Directors due to the death, resignation, or removal of any Director may be filled by a majority vote of the remaining Directors. Each Director so elected shall hold office for the unexpired term of his predecessor.

Any vacancy which exists as a result of an increase in the number of Directors shall be filled by an election of the membership at an annual or a special meeting called for that purpose.

Section Four: Removal

The entire Board of Directors or any individual director may be removed from office by a majority vote of members entitled to vote at an election of directors.

Section Five: General Powers

Subject to the limitations of the Articles of Incorporation these by-laws, and the Texas Business Corporation Act concerning corporate action that must be authorized or approved by the members of a corporation, all corporate powers shall be exercised by or under the authority of the Board of Directors, and the business and affairs of the corporation shall be controlled by such a board.

Section Six: Delegation of Powers to Committee

The Board of Directors may, at its discretion, appoint an executive committee and other committees. Any committee appointed by the Board of Directors shall include at least two members of the corporation.

(1) An Architectural Control Committee is appointed for the purpose of reviewing building plans, specifications and plat plans prior to commencement of any construction or exterior modifications of structures in the sub-division to assure that the proposed structure conforms to the Deed Restrictions requirements of the applicable section. Plans that are not in conformity with Deed Restrictions shall be returned to the profferer of the plans with a written explanation of the reason for rejections. Any waivers requested will be presented to the Board of Directors for its consideration and action.

Section Seven: Power to Borrow Money

No loans shall be contracted on behalf of the corporation and no evidence of indebtedness shall be issued in its name unless authorized by resolution of the general membership of the corporation. Such authority shall be confined to specific instance.

Section Eight: Directors' Meeting -- Who May Call

All meetings of the Board of Directors of the corporation, including special meetings, may be called by the President. When the President is absent, or is unable, or refuses to act, meetings of the Board may be called by any Vice-President or by any two directors.

Section Nine: New Board of Directors

Without call or notice other than this by-law, the Board of Directors shall hold an organizational meeting immediately following each annual meeting of the membership.

Section Ten: Place

Regular or special meetings of the Board of Directors shall be held in Hunt, Kerr County, Texas.

Section Eleven: Notice

Notice of all meetings of the Board of Directors shall be made in accordance with prevailing state laws

Section Twelve: Director's Meetings -- Quorum

A majority of the authorized directors constitutes a quorum of the Board of Directors for the transaction of business. Every act or decision done or made by the majority of the directors present at a meeting of the board duly held, at which a quorum is present, is the act of the Board of Directors.

Section Thirteen: Adjournment -- Lack of a Quorum

When a quorum of Directors is not present at a board meeting, the Directors will immediately adjourn after the time is fixed for the next regular meeting of the board.

Section Fourteen: Voting Rights

At any meeting of the Board of Directors, each Director shall have one vote for each issue on which a vote is to be taken.

ARTICLE IV. -OFFICERS

Section One: Appointment

The Corporation shall have as officers a President, a Vice-President, a Secretary and a Treasurer. The Board of Directors may appoint, at its, discretion, one or more additional Vice-Presidents, one or more Assistant Secretaries, and one or more Assistant Treasurers and such other officers as the business of the corporation may require. Any two or more offices, except those of President and Secretary, may be held by the same person.

Section Two: Election

Officers of the corporation shall be elected by the Board of Directors at its, organizational meeting immediately following the annual meeting of the membership.

Each officer so elected and qualified shall hold office until his resignation, death, or removal. Vacancies in offices shall be filled by election by the Board of Directors at any time for the unexpired terms.

Section Three: Suspension

Except for the President, all officers shall be subject to suspension by written order of the President, subject to approval of the Board of Directors, at any time, for unexpired terms.

Section Four: Resignation of and Removal

Any officer or agent of the executive committee elected or appointed by the Board of Directors of the corporation may be removed, during his term, by a majority vote of the Board of Directors, whenever, in its judgment, removal of such a person would serve in the best interest of the corporation. Such removal shall terminate all of that person's authority.

Any officer of the Corporation desiring to resign shall tender his resignation in writing to the Secretary of the corporation. Such resignation, if accepted by the Board of Directors, shall be effective as of the date of such acceptance.

Section Five: Right to Rely on Corporate Records

Any officer or director of the corporation is entitled to rely on and act on the records maintained by the Secretary, Assistant Secretary, and Treasurer. Unless an officer or director of the corporation has knowledge that the record was erroneous, he shall not be held answerable or in any way liable to the corporation or a member for action taken or for his failure to take action on the reliance of such records.

Section Six: Power to Sign or Endorse Checks, Drafts and Notes

All checks, drafts, and other orders for the payment of money by or to the corporation, and all notes or other evidence or indebtedness issued in the name of the corporation shall be signed or endorsed in such a manner and by such officer or officers or agent or agents of the corporation as are designated, from time to time, by resolution of the Board of Directors.

Section Seven: Power to Contract on Behalf of the Corporation

The Board of Directors may authorize any officer or officers of the corporation to enter into any contract or execute or deliver any instrument in the name of and on behalf of the corporation. Such authority may be general or may be confined to specific instances.

Section Eight: Powers and Duties of the President

The President shall be the principal executive officer of the corporation.

The President shall preside at all meetings of the membership and all meetings of the Board of Directors at which he is present.

In general, the President shall perform all duties incident to the office of the President and such other duties as may be prescribed by the Board of Directors from time to time.

Section Nine: Powers and Duties of the Vice-President

In general, the Vice-President shall perform all duties incidental to the office of the Vice-President and such other duties as directed by the President or by the Board of Directors.

In the absence of the President of the corporation or in the event of his death or 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 of the President.

Section Ten: Powers and Duties of the Treasurer

The Treasurer shall have the following powers and duties:

(1) To be custodian and take charge of and be responsible for all funds and securities of the corporation.

(2) To receive and give receipts for money due and paid to the corporation from any source whatsoever.

(3) To deposit all monies paid to the corporation in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provision of these by-laws.

(4) To perform all of the duties incidental to the office of the Treasurer and such other duties as directed by the President or by the Board of Directors.

Section Eleven: Powers and Duties of the Secretary

The Secretary of the corporation shall have the following powers and duties:

(1) To keep the minutes of the meetings of the membership and of the Board of Directors in one or more books provided for that purpose.

(2) To see that all notices are duly given in accordance with these by-laws or as required by law.

(3) To be custodian of the corporate records and ensure that all proxies submitted in response to an election notice fully conform to the requirements for timely submission.

(4) To see that the seal of the corporation is affixed to all documents duly authorized for execution under seal on behalf of the corporation

(5) To keep a register of the post office addresses of each member whose address shall be furnished to the secretary by the members.

(6) To duly authenticate, in conjunction with the President, the company records or copies thereof to be used as evidence in any action or proceedings to which the corporation may be a party.

(7) To perform all of the duties incidental to the office of the Secretary and such other duties as directed by the President or by the Board of Directors.

Section Twelve: Powers and Duties of the Assistant Secretary

Any Assistant Secretary of the corporation shall, in general, perform such duties as are assigned to them by the Secretary or by the President or by the Board of Directors.

ARTICLE V. CONTRACTS, LOANS, CHECKS

Section One: Contracts

No contract to sell, lease, or convey, and no conveyance or mortgage of any real estate owned by the corporation, or contract to assign any leasehold interest owned by the corporation shall be made unless authorized by majority vote of the membership.

Section Two: Execution of Legal Instruments

No contract to sell, lease or convey and no conveyance, mortgage lease or bill of sale of real or personal property executed pursuant to authority given by the Board of Directors shall be valid unless approved by the majority vote of the membership.

ARTICLE VI. MISCELLANEOUS

Section One: Designation of the Fiscal Year

The fiscal year of the corporation shall begin on the first day of January and end on the last day of December in each year.

ARTICLE VII. AMENDMENTS

Section One: Member Rights - Amend By-Laws:

The by-laws of the corporation may only be altered, amended, repealed or added to, or new by-laws adopted, by a majority vote of the membership at a general or special meeting.