

**AMENDMENTS ADOPTED AND OFFICERS ELECTED TO THE BOARD OF DIRECTORS
2010 ANNUAL MEETING
JULY 10, 2010**

Proxy and Voting Amendment, Amendment #7.

WHEREAS the Association is a Texas non-profit corporation, it is governed by the Texas Property Code and Texas Business Organization Code. These codes require association members be allowed to vote at the annual or special meeting in person or by proxy.

WHEREAS Article V of the Association By-Laws does not address proxy voting, Article V must be amended to allow proxy voting by members that would otherwise be authorized to vote in accordance with Article III of the By-laws in order to bring the Association into compliance with Texas codes. This amendment is not a debatable issue.

WHEREAS the Board has developed and distributed an attorney approved proxy to property owners for use in the 2010 Annual meeting, the proxy complies with the Texas Property and Business Organizations Codes.

WHEREAS cumulative voting for the election of Officers and Directors is not authorized in subdivision covenants.

THEREFORE proxy voting is authorized for the 2010 Annual meeting and Article V of the By-Laws is amended to allow proxy voting by members that would otherwise be authorized to vote in accordance with Article III of the By-laws. Cumulative voting in the election of Officers and Directors is not authorized. The proxy format used at the 2010 Annual meeting has been approved for use by the Association's legal counsel. However, this does not preclude a property owner that is entitled to vote from submitting a proxy using a different format than that provided by the Association, and will be considered a valid proxy form. The proxy may be updated by the Board as required to list new Board members and information concerning the date, time, and location of the Annual or Special meeting. Other changes to wording will be approved by the Association's legal counsel. Unless otherwise specified, the proxy will be valid for a period of eleven months from the date of signature. It is further resolved that this Proxy amendment shall be adopted as an attachment to the By-Laws of the Association, and shall be effective upon adoption thereof and remain in force and effect until revoked, modified, or amended.

Amendment requiring the use of a printed and validated ballot for voting process at the Annual or Special Meetings, Amendment #8.

WHEREAS the Association has used a hand count for vote counting in past elections.

WHEREAS the use of raised voter cards and a hand count of raised cards does not provide a secure and verifiable voting process.

THEREFORE printed ballots will be used for voting at Annual or Special Meetings. Each ballot will have a mailing label with the property owners' name and any other information deemed necessary to validate an authorized voter affixed to the top of the ballot. This mailing label may also be stamped or otherwise annotated to validate an authorized ballot. Authorized voters will fill out the ballot during the voting procedure and return it to the Board at the conclusion of the voting process. The ballots will be collected, secured overnight and counted by the Board the following day if possible, but not later than seven days following the Annual or Special Meeting. The results of the voting process will be posted on the POA website and printed in the next newsletter. It is further resolved that this Balloting Procedure Policy shall be adopted as an amendment to the By-Laws of the Association and shall be effective upon adoption thereof and remain in force and effect until revoked, modified, or amended.

Amendment prohibiting short term rentals in residential platted property, Amendment #9.

WHEREAS the subdivision deed restrictions specify in part that all lots shall be used solely for residential purposes, except lots designated for business purposes. Lots designated as business may be used either for residential or business purposes provided, however that if used for a

business the nature and purpose of the business use shall first be approved in writing by the Grantor, his assignees or designees

WHEREAS the subdivision deed restrictions specify in part that no building other than a single family residence...shall be erected or constructed on any residential lot in Canyon Lake Hills.

WHEREAS the subdivision deed restrictions specify in part that motels and motor courts shall be deemed to be a business use.

WHEREAS in Cause No. C2009-1016C, dated June 7, 2010, the Comal County District Court, 274th Judicial District, has ordered, adjudged and decreed that the restrictive covenants of the Canyon Lake Hills Subdivision prohibit the rental and /or subletting of any property designated for single family residential use for periods of less than 30 consecutive days (hereinafter referred to as "short term rentals").

THEREFORE the By-Laws are amended to expressly prohibit all short term rentals for a period less than 30 consecutive days with no subletting in all Canyon Lake Hills properties that are restricted to residential use. Violations of this amendment will be fined the maximum amount authorized in the By-Laws. It is further resolved that this amendment prohibiting short term rentals for a period of less than 30 consecutive days shall be adopted as an attachment to the By-Laws of the Association, and shall be effective upon adoption thereof and remain in force and effect until revoked, modified, or amended.

Fine Assessment Amendment, Amendment #10.

WHEREAS the Texas Property Code and Texas Business Organization Codes permit the exercise of reasonable discretionary authority by a Property Owners Association concerning the enforcement of restrictive covenants;

WHEREAS Canyon Lake Hills Property Owners Association (hereafter the Association) is a duly registered Property Owners Association with the Texas Secretary of State;

WHEREAS the courts may assess civil damages for violation of a deed restriction not to exceed Two Hundred Dollars (\$200.00) per day (Section 202.004);

AND WHEREAS the Association requires an expedient method of enforcing properly construed and filed deed restrictions without the added expense of a civil remedy;

THEREFORE in addition to other methods of enforcement of the Deed Restrictions **and By-laws**, the Membership hereby establishes fines for violations of Deed Restrictions **and By-Laws**, after a hearing and formal finding of non-compliance, not to exceed **One Hundred Dollars (\$100.00) per day**. Board-approved fines may begin as early as ten (10) days after the finding of noncompliance and continue until the owner has come into compliance and notified the Board of that compliance. Provision for the hearing and prior notice thereof to the owner, is provided under Hearing Procedure. Prior to the hearing, the owner may notify the Board either that he/she has come into compliance or of his/her intent to contest the fine(s) at the scheduled hearing. Failure to come into compliance with the Deed Restrictions or to appear at the scheduled hearing is a waiver of defense at the hearing and constitutes consent to the imposition of the fine(s). The fine(s) assessed may be secured with an attachment against the owner's property until paid. It is further resolved that this Fine Assessment Policy shall be adopted as an attachment to the By-Laws of the Association, and shall be effective upon adoption thereof and remain in force and effect until revoked, modified, or amended.

Hearing Procedure Amendment, Amendment #11

WHEREAS the Texas Property Code and Texas Business Organizations Code permit the exercise of reasonable discretionary authority by a Property Owners Association concerning the enforcement of restrictive covenants;

WHEREAS Canyon Lake Hills Property Owners Association (hereafter the Association) is a duly registered Property Owners Association with the Texas Secretary of State; By-Laws of Canyon Lake Hills Property Owners Association Page Six

WHEREAS the Association requires a fair and expedient method of enforcing properly construed and filed deed restrictions **and by-laws**;

AND WHEREAS the Association Charter requires the Association to be the custodian and protector of the community;

THEREFORE as an adjunct to other methods of enforcement of the Deed Restrictions **and By-Laws**, the Board of Directors hereby establishes the following Hearing Procedure. Hearings, if any, will be included at regularly scheduled monthly meetings of the Board of Directors, to provide due process for actions or recommended actions. The date, time, place, and cause of the hearing is to be included in a notice sent by certified mail to the owner, to his/her address of record with CLHPOA, at least ten (10) days prior to the hearing. Exceptions to the hearing date may be granted at the sole discretion of the President to accommodate unusual circumstances affecting the owner, but any such accommodation will not delay the hearing beyond the second regularly scheduled meeting of the Board after the notice to the owner. The President of the Board or his/her alternate shall preside and serve as moderator for the proceedings. There must be a quorum of Board members present for the hearing to commence. Upon satisfaction that a quorum is present, the person presiding will call the hearing to order. After a Board member and/or complaining CLHPOA member(s) have presented the case for a finding of non-compliance, the owner, if present (absence constitutes waiver of defense), will have an opportunity to address the panel and to present cause as to why action should not be taken for non-compliance. Any of the above-named parties may submit evidence, call witnesses or other persons as appropriate to the case at hand, or submit materials to support its position. Board members may ask questions during or after each presentation and may examine any materials submitted. Upon completion of the presentation(s), the person presiding will move the Board into executive session for a decision on the case. The owner and any non-Board member(s) will be excused from the executive session. A three-quarters affirmative vote of the quorum is required to sustain a charge of non-compliance. The Board will return to open session to announce its findings and consider any action to be taken. A majority vote of the quorum suffices to determine the action; but if a fine is sustained or imposed, the fine shall not exceed **One hundred dollars (\$100.00)** per day. The action taken will have the full force of a final decision of the Board of Directors, and there is no provision for appeal to any other member(s) or meeting(s) of the Board or membership. The findings and action will be recorded as part of the minutes of the Board meeting. It is further resolved that this Hearing Procedure Policy shall be adopted as an amendment to the By-Laws of the Association and shall be effective upon adoption thereof and remain in force and effect until revoked, modified, or amended.

Addition of Texas Business Organization Code to sections of the By-Laws that also reference the Texas Property Code, Amendment #12.

WHEREAS the Association, as a non-profit corporation, is now governed by both the Texas Property Code and Texas Business Organization Code.

WHEREAS the Association By-Laws do not contain appropriate references to the Texas Business Organization Code.

THEREFORE the Association By-Laws are amended to add "and the Texas Business Organization Code" to all sentences containing "the Texas Property Code". It is further resolved that this amendment to add the Texas Business Organization code to appropriate sections of the By-Laws shall be adopted as an attachment to the By-Laws of the Association, and shall be effective upon adoption thereof and remain in force and effect until revoked, modified, or amended.

Mileage Compensation Amendment, Amendment #13.

WHEREAS the applicable section of Article VI states "...No Director shall receive any compensation as a Director, but any actual out-of-pocket expenses incurred by the Director in pursuit of the business of the corporation shall be reimbursed to the Director. Mileage reimbursement shall be equal to the standard mileage rate for charitable contributions allowed by the Internal Revenue Service."

WHEREAS our CPA has advised us that the computations used in the current Article VI are not consistent with our status as a non-charitable organization and the mileage expenses may be reimbursed up to that amount allowed by the IRS for business related expenses;

AND WHEREAS the Directors should not be expected to absorb mileage expenses.

THEREFORE Directors may be reimbursed for substantiated mileage expenses, or alternatively reimbursed at the standard mileage rate for business related expenses allowed by the Internal Revenue Service.

It is further resolved that this mileage rate shall be adopted as an attachment to the By-Laws of the Association as a resolution, and shall be effective upon adoption thereof and remain in force and effect until revoked, modified, or amended.

Following the tabulation of ballots cast at the 2010 Canyon Lake Hills POA Annual Meeting, July 10, 2010, the following candidates were elected to the Board of Directors.

**Barbara Tolman
Tom Tolman
Rolf Schmitz
Jerry Stacy
Carolyn Popp
Ann Spitzley-Mullen
Velvet Itri
Mike Mullen
Deb McCown
Ron Popp
Peggy Geary
Richard Barlow
Mel Cunningham**

Congratulations to these property owners who were elected to the Board of Directors. These elected members will be installed at the Board meeting on July 20, 2010. The new Board will elect these new officers to specific Board positions at that meeting.