

**RESIDENTIAL BYLAWS  
OF  
THE RICCHI LUXURY CONDOMINIUM ASSOCIATION, INC.**

**ARTICLE I**

**Offices**

The initial principal office of THE RICCHI LUXURY CONDOMINIUM ASSOCIATION, INC. (the "Residential Association") in the State of Texas shall be located at 15900 La Cantara Parkway, San Antonio, Texas 78257. The Residential Association 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 Residential Association may require from time to time.

The Residential Association 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 does not need to be, identical with the principal office in the State of Texas, and the address of the principal office and the registered office may be changed from time to time by the Board of Directors.

**ARTICLE II**

**Applicability**

These Bylaws shall be applicable to the Residential Association. In accordance with the terms of the Residential Declaration, all Members and any other Persons permitted to use the Residential Common Elements shall be subject to these Residential Bylaws and to any Residential Regulations adopted from time to time by the Board of Directors. Ownership of any Residence, or rental or occupancy of any Residence shall be conclusively deemed to mean that the Owner, Tenant or occupant has accepted, ratified and will comply with the Residential Governing Documents.

**ARTICLE III**

**Purpose**

The purpose of the Residential Association is to protect and enhance the value of the Residential Property, including providing for the management, maintenance, repair and replacement of the Residential Common Elements. The Residential Association does not contemplate pecuniary gain or profit to its Members as a result of membership in the Residential Association.

## ARTICLE IV

### Definitions and Interpretation

**Section 4.1: Definitions.** The following terms shall have the meanings set forth below:

"Act." The Uniform Condominium Act, Texas Property Code, Chapter 82, Section 82.001 et seq., as amended from time to time.

"Code." The Internal Revenue Code of 1986, as amended.

"Director." A member of the Board of Directors, and for the purposes of Article VII of these Residential Bylaws, any individual who is or was a director of the Residential Association and any individual who, while a director of the Residential Association, is or was serving at the request of the Residential Association or Residential Declarant as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic association, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise.

"GAAP." Generally accepted accounting principles, as promulgated by the Financial Accounting Standards Board.

"Manager." Any professional manager or management company with whom the Residential Association contracts for the day-to-day management of either or both of the Residential Property or the administration of the Residential Association and the Condominium.

"Majority Vote." Except as otherwise provided by Texas Law, the Residential Declaration, the Residential Certificate of Formation or these Bylaws, the vote of Members in Good Standing holding, in the aggregate, a majority of the votes entitled to be cast by the Members in Good Standing present or voting by legitimate proxy at a called meeting at which Quorum is present.

"Members." All present and future Residential Owners of any Residence in the Residential Condominium.

"Member in Good Standing." A Member shall be considered to be a "Member in Good Standing" and eligible to vote if such Member: (a) has, at least ten days prior to the taking of any vote by the Residential Association, fully paid all Assessments and other charges levied by the Residential Association that are due and payable, as such Assessments are provided for under the Residential Declaration; (b) does not have any notice of unpaid Assessments that has been filed by the Residential Association against the Residence owned by such Member; and (c) has discharged all other obligations to the

Residential Association as may be required of a Member, as an owner of a Residence under the Residential Declaration, Residential Bylaws or Residential Regulations. The Board of Directors shall have sole authority for determining the good standing status of any Member and shall make such determination prior to vote being taken by the Residential Association on any matter. The Board of Directors shall have the right and authority, in its sole discretion, to waive the foregoing requirements.

"Minute Book." The minute book of the Residential Association, which shall contain the minutes of all annual and special meetings of the Members and the Board of Directors and all resolutions of the Board of Directors.

"Official Capacity." (a) when used with respect to a Director or the office of Director in the Residential Association; and (b) when used with respect to an individual other than a Director, the elective or appointive office in the Residential Association held by the officer or the employment or agency relationship undertaken by the employee or agent on behalf of the Residential Association; but (c) both (a) and (b) above do not include service for any other foreign or domestic association or any partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise.

"Person." Any individual, corporation, partnership, limited partnership, limited liability partnership, limited liability company, joint venture, estate trust, unincorporated association, any other legal entity, including any Governmental Authority and any fiduciary acting in such capacity on behalf of any of the foregoing.

"President." The officer of the Residential Association having the duties described in Section 8.4 of these Bylaws.

"Priority Lien Indebtedness." Any bona fide indebtedness, which is the result of an arm's length negotiation, that is secured by a first lien or encumbrance upon the Residential Property and/or a Residence and which shall also include subordinate financing in connection with a purchase or refinancing of a Residence or home equity loan or reverse mortgage loan secured by a Residence, and such other indebtedness as is approved by the Residential Association on a case by case basis as Priority Lien Indebtedness.

"Proceeding." Any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative, any appeal in such an action, suit, or proceeding and any inquiry or investigation that could lead to such an action, suit or proceeding.

"Reserve Fund." A fund to be maintained by the Residential Association for purposes including to meet unforeseen expenditures of the Residential Association or to purchase any additional equipment or services deemed necessary by the Residential Association for operation of the Residential Condominium subject to the provisions of the Residential Declaration.

"Residential Association." Vantage Luxury Condominiums Association, Inc., a Texas non-profit corporation organized under the Act and the Texas Non-Profit Corporation Act and created for the purposes and possessing the rights, powers and authority set forth in the Residential Governing Documents.

"Residential Board of Directors." The board of directors of the Residential Association named in the Residential Certificate of Formation and pursuant to these Residential Bylaws and their successors, as duly elected and qualified from time to time.

"Residential Declaration." This Residential Condominium Declaration for The Ricchi Luxury Condominiums and all amendments thereto, which shall be recorded in the Condominium Records.

"Residential Mortgagee." Any Person, including Residential Declarant's Mortgagee, that is the holder, insurer or guarantor of any bona fide indebtedness which is the result of an arm's length negotiation, that is secured by a first lien or encumbrance upon the Residential Property and/or a Residence and which has provided the Residential Association with written notice of its name, address and description of the Residence encumbered thereby.

"Residential Owner." Any Person (including Declarant) owning fee title to a Residence, but excluding any Person having an interest in a Residence solely as security for an obligation.

"Residential Property." The Land and the Improvements, including the Residences and the Residential Common Elements.

"Residential Regulations." The rules and regulations of the Residential Association initially adopted by the Residential Board of Directors and as amended from time to time, relating to the appearance, use and occupancy of the Residential Property, including the exterior appearance, use and occupancy of the Residences and certain construction on the Residential Property.

"Secretary." The officer of the Residential Association having the duties described in Section 8.6 of these Bylaws.

"TNCL." The Texas Nonprofit Corporation Law, as amended from time to time.

"Treasurer." The officer of the Residential Association having the duties described in Section 8.7 of these Bylaws.

"Vice President." The officer of the Residential Association having the duties described in Section 8.5 of these Bylaws.



Any capitalized term that is not defined in this Section shall have the meaning set forth in the Residential Declaration.

**Section 4.2: Interpretation.** In the event of a conflict of interpretation between the provisions set forth in these Residential Bylaws and the Residential Declaration, the Residential Declaration shall govern. If the Code is hereafter amended or changed, both the Residential Declaration and these Residential Bylaws shall be interpreted in a manner which conforms to the provisions of the Code with respect to nonprofit entities, it being the intention to preserve the status of the Residential Association as a *bonafide* nonprofit entity.

## ARTICLE V

### Members

#### Section 5.1: Membership.

(a) Each Residential Owner shall automatically be a Member of the Residential Association. Each Member shall be entitled to one vote for each Residence owned by such Member. When more than one person holds an interest in a given Residence, all such persons shall be Members and the vote for such Residence shall be exercised as they may determine among themselves. In no event shall more than one vote be cast with respect to any Residence owned by a Member. Cumulative voting is not permitted.

(b) In cases where more than one Person owns a fee interest in a Residence, all such Persons shall arrange among themselves for one of their number to exercise the voting rights attributable to such Unit. If only one of the Persons which is a fee owner of such Residence is present at a meeting of the Members of the Association, that Person may cast that Residence's vote(s). If more than one of the Persons which is a fee owner of such Residence is present and after one such Person casts such Residence's vote, another Person which is a fee owner of such Residence which is present makes prompt protest to the Person presiding over the meeting, such vote shall not be counted unless all such Persons can unanimously agree on such vote by the end of the meeting. Each Person owning a portion of the fee interest in a Residence may vote or register protest to the casting of votes by the other Persons owning portions of the fee interest in the same Residence through a proxy duly executed by such Member.

(c) Membership of a Member in the Residential Association shall automatically terminate when such Member ceases to be a Residential Owner; provided, however, that such termination shall not release or relieve such Member from any liability or obligation under the Residential Declaration that was incurred during such Member's period of ownership of a Residence. All sums due and owing to the Residential Association from any person whose membership in the Residential Association has terminated shall remain a debt owed to the Residential Association by such Member, and shall also remain a lien on such former Member's Residence in the Residential Condominium. Such debt shall be enforceable against the person, its estate and/or the Residence in the Residential Condominium.

**Section 5.2 Quorum; Act of Members.** Members in Good Standing holding thirty percent (30%) of the votes entitled to be cast by all Members represented at a meeting of the Members in person or by legitimate proxy in a form approved by the Board of Directors shall constitute a quorum at such meeting. If a quorum is not present at any meeting of Members, a majority of the Members present may adjourn the meeting from time to time without further notice. A majority of the votes entitled to be cast on a matter to be voted upon by the Members present or represented by proxy at a meeting at which a quorum is present shall be necessary for the adoption thereof unless a greater proportion is required by law, the Residential Declaration or these Residential Bylaws.

**Section 5.3 Informal Action by Members.** Any action required by law to be taken at a meeting of the Members, or any action which may be taken at a meeting of Members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof.

**Section 5.4 Membership List.** The Secretary shall be responsible for maintaining, at the principal office of the Residential Association, an updated list of Members and their last known addresses as provided by each Member in such form and containing such other information as required by the TNCL. The list shall also show opposite each Member's name the address of the Residence owned. The list shall be revised by the Secretary to reflect changes in the ownership of the Residences occurring prior to the date of the annual or special meeting. The list shall be open to inspection by all Members and other Persons lawfully entitled to inspect the list during regular business hours up to the date of the annual or special meeting. The Secretary shall also keep current and retain custody of the Minute Book.

**Section 5.5 Proxies.** Votes may be cast by written proxy or by ballot. Written proxies may be submitted by United States mail, delivered to the office of the Residential Association, delivered directly to the Secretary or delivered in such other manner as directed by the Residential Association. A proxy vote shall be defined as a written vote submitted by a Member which either states the specific vote of the Member with respect to the issues, resolutions or election being voted on by the Members at the annual or special meeting or which is written permission for the Board of Directors or a specific Director to exercise the Member's vote as the Board of Directors or the specific Director sees fit. A proxy shall be valid for the meeting specified in the proxy or any valid continuation of such meeting. Each proxy shall be revocable unless otherwise expressly stated therein. No proxy will be valid after 11 months from the date of its execution unless otherwise provided therein. A Member may not revoke a proxy except by giving actual written notice of revocation to the Person presiding over the meeting.

## ARTICLE VI

### Meetings of the Members of the Residential Association

**Section 6.1 Place of Annual and Special Meetings.** All annual and special meetings of the Members of the Residential Association shall be held at the principal office of the Residential Association or at another suitable and convenient place permitted by law and fixed by the Board of Directors from time to time and designated in the notices of the meetings.

**Section 6.2 Date of Annual Meetings.** The first annual meeting of the Members of the Residential Association shall be held in October each year on a date as shall be fixed by the Board of Directors by written notice to the Members. The Members may transact any business that may properly come before the meeting.

**Section 6.3 Notice of Annual Meetings.** The Secretary shall mail notices of the annual meetings to each Member directed to the most recent post office address provided to the Residential Association by such Member, as shown on the records of the Residential Association, by regular mail, postage prepaid. This notice shall be mailed not less than ten nor more than 60 days before the date of the meeting and shall state the date, time and place of the meeting, the purpose or purposes thereof and the items on the agenda, including the specific nature of any proposed amendment or change to the Residential Governing Documents. If a meeting is called for the purpose of increasing Residential Assessments or for proposals for Special Residential Assessments, which need approval of Members, notice shall be given according to the Residential Declaration.

**Section 6.4 Special Meeting.** A special meeting of the Members of the Residential Association may be called by the President, a majority of the Directors, or upon presentation to the Secretary of a petition stating the specific purpose of the special meeting, which petition has been signed by Members in Good Standing having not less than 51% of the aggregate votes entitled to be cast at such meeting.

**Section 6.5 Notice of Special Meetings.** The Secretary shall mail notice of any special meeting of the Members of the Residential Association to each Member in the manner provided in Section 6.3 of these Bylaws. The notice shall state the same items required by Section 6.3 of these Bylaws for notices of annual meetings. No business shall be transacted at any special meeting except as stated in the notice thereof.

**Section 6.6 Agenda.** The agenda at all meetings of the Members of the Association shall include: (a) roll call; (b) proof of notice of the meeting or waiver of notice; (c) approval of the minutes of the preceding meeting; (d) reports of officers and committees; (e) election of Directors, if applicable; (f) unfinished business; (g) new business; and (h) adjournment.

**Section 6.7 Voting by Mail.** Where Directors or officers are to be elected by Members or any class or classes of Members, such election may be conducted by mail in such manner as the Board of Directors shall determine.

**Section 6.8 Action without Meeting by Written Ballot.** Any action which may be taken by the vote of the Members at a regular or special meeting, other than the election of Directors, may be taken with or without a meeting if done in compliance with relevant provisions of the TNCL. If an action is taken without a meeting, the Secretary shall distribute a written ballot to every Member entitled to vote on the matter. The ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of any proposal, and provide a reasonable time within which to return the ballot to the Residential Association. Approval by written ballot shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the Quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the proposal at a regular or special meeting authorizing the action.

**Section 6.9 Administration of Affairs.** Subject to the provisions of the Residential Governing Documents, the Board of Directors shall govern the Residential Association.

## **ARTICLE VII**

### **Board of Directors**

#### **Section 7.1 Authority; Number of Directors; Period of Declarant Control.**

(a) The affairs of the Residential Association shall be governed by the Board of Directors. The initial Directors shall be three in number and shall be those Directors named in the Certificate of Formation. Except as provided in the Residential Declaration, Declarant shall have the right to appoint and remove members of the Board of Directors until the termination of the period of Declarant Control. If Declarant voluntarily surrenders the right to appoint and remove members of the Board of Directors prior to the termination of the period of Declarant Control, Declarant may require that specified actions of the Board of Directors be subject to Declarant approval until the expiration of the period of Declarant Control.

(b) At least 20 days prior to termination of the period of Residential Declarant Control, the Residential Association shall elect a board of at least three Residential Directors pursuant to these Residential Bylaws, of which one will be elected for a three year term, one will be elected for a two year term and one will be elected for a one year term, such terms to commence as of the date on which the period of Residential Declarant Control terminates, as per the Residential Declaration. Each Director shall hold office until his successor shall have been elected and qualified.

(c) Each Director shall be a Member, or in the case of an entity ownership of a

residence, a duly authorized agent or representative of the entity Owner. The entity Owner shall be designated as the Director in all correspondence or other documentation setting forth the names of the Directors.

**Section 7.2 Term of Directors and Compensation.** Except as otherwise set forth herein and in the Residential Declaration, each Director will serve a term of three years with at least one-third of the Directors up for election in any given year. Directors may serve a maximum of two consecutive terms. The number of Directors may be changed by amendment of these Bylaws, but may not be less than three. A Director takes office upon his election or appointment and, absent death, ineligibility, resignation, or removal, will hold office until his successor is elected or appointed. The Directors shall serve without compensation for such service.

**Section 7.3 Nominations to Board of Directors.** Persons may be nominated for election to the Board of Directors in either of the following ways:

(a) A Member who is not a Director and who desires to run for election to that position shall be deemed to have been nominated for election upon his filing with the Board of Directors of a written petition of nomination bearing the genuine signatures of at least two other Members; or

(b) A Director shall be deemed to have been nominated for re-election to the position he holds by signifying his intention to seek re-election in writing addressed to the Board of Directors.

**Section 7.4 Election of Directors.** The nominee, or nominees, as the case may be, receiving the highest number of votes shall be elected to the Board of Directors.

**Section 7.5 Vacancies on the Board of Directors.** Except with respect to Directors appointed by Declarant during the period of Declarant Control (which vacancies shall be filled by Declarant), if the office of any Director shall become vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, the remaining Directors, at a special meeting duly called for this purpose, shall choose a successor who shall fill the unexpired term of the directorship being vacated. At the expiration of the term of his position on the Board of Directors, the successor Director shall be re-elected or his successor shall be elected in accordance with these Bylaws.

**Section 7.6 Removal of Directors by Members.** Except with respect to Directors appointed by Declarant during the period of Declarant Control (the removal of which shall only be caused by Declarant), Directors may be removed, with or without cause, by a Majority Vote of the Members at a special meeting of the Members duly called for such purpose, notice of which meeting shall be given to all Directors.

**Section 7.7 Organizational Meeting of the Board of Directors.** No later than 20 days following each of (a) the filing of the Certificate of Formation; (b) the termination of the period

of Declarant Control; and (c) each annual meeting of the Members of the Residential Association, the Board of Directors shall hold a regular meeting for the purposes of organization, election of officers and transaction of other business. Notice of this meeting shall be given to all Directors in accordance with Section 7.9 of these Bylaws, except for the initial meeting, which shall be called by Declarant.

**Section 7.8 Place of Meetings.** All meetings of the Board of Directors shall be held at the principal office of the Residential Association or at any other place or places designated at any time by resolution of the Board of Directors or by written consent of all the Directors. Any meeting of the Board of Directors may be held by any means of remote electronic communication, including electronic, telephonic, video-conferencing or the internet if each person entitled to participate in the meeting consents to the meeting being held by means of that system, provided that each Director may communicate concurrently with every other Director, and any such meeting may involve consideration of any action, including any action involving a vote on a fine, damage assessment, appeal from a denial of architectural control approval, or suspension of a right of a particular Member before the Member has an opportunity to attend a meeting of the Board of Directors to present the Member's position on the issue.

**Section 7.9 Regular Board of Directors Meetings.** Regular meetings of the Board of Directors may be held at any time and place permitted by law as from time to time may be determined by the Board of Directors. Notice of regular meetings of the Board of Directors shall be given to each Director personally, by telegram, telephone, electronic mail, facsimile or by United States mail, with postage prepaid, directed to him at his last known post office address, phone number, facsimile number or electronic mail address, as the same appears on the records of the Residential Association, at least ten but not more than 40 days before the date of the meeting. This notice shall state the date, time, place and purpose of the meeting.

**Section 7.10 Special Meetings of the Board of Directors.** Special meetings of the Board of Directors may be called by the President on his own accord or by the President or the Secretary upon the written request of any two Directors on three days' prior notice to each Director personally, by telegram, telephone, electronic mail, facsimile or by United States mail, with postage prepaid, directed to him at his last known post office address, phone number, facsimile number or electronic mail address, as the same appears on the records of the Residential Association.

**Section 7.11 Waiver of Notice.** With respect to any meeting of the Board of Directors, whether regular or special, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to giving the required notice. All written waivers shall be filed in the Minute Book of the Residential Association or made a part of the minutes of the meeting. Participation by a Director at any meeting of the Board of Directors shall likewise constitute a waiver by him of the required notice, unless the participation is for the express purpose of objecting to the transaction of business at the meeting on the grounds that the meeting has not been lawfully called or convened. If all Directors are present at any meeting of the Board of Directors, no notice of the meeting shall be required and any business may be transacted at the



meeting except as prohibited by law or these Bylaws.

**Section 7.12 Directors Quorum.** At all duly convened meetings of the Board of Directors, at least 51% of the Directors must be present to constitute a Quorum for the transaction of business, except as otherwise expressly provided in these Bylaws. The vote of a majority of the Directors present at the meeting in which a Quorum is present shall be the act of the Board of Directors.

**Section 7.13 Consent in Writing.** Any action by the Board of Directors, including any action involving a vote on a fine, damage, assessment, appeal from a denial of architectural control approval, or suspension of a right of a particular Member before the Member has an opportunity to attend a meeting of the Board of Directors to present the Member's position on the issue, may be taken without a meeting if all of the Directors shall unanimously consent in writing to the action. Such written consent shall be filed in the Minute Book. Any action taken by such written consent shall have the same force and effect as a unanimous vote of the Directors.

**Section 7.14 Records.** The Board of Directors shall cause a complete record of all of its acts and the corporate affairs of the Residential Association to be kept and to present a general report thereof to the Members at each annual meeting of the Members of the Residential Association or at any special meeting of the Members of the Residential Association where a general report is requested in writing by one-third of the Members entitled to vote.

**Section 7.15 Powers and Duties.** Subject to the Residential Governing Documents, the Board of Directors shall have and exercise all powers and duties necessary for the proper administration of the affairs of the Residential Association. In the performance of its duties as the governing body of the Residential Association, subject to limitations set forth in the Residential Declaration, the Board of Directors shall have all powers enumerated in Section 82.102 of the Act (except as otherwise provided in the Residential Governing Documents), and in addition to those powers and duties set forth in the Act, the Certificate of Formation and the Residential Declaration, the Board of Directors shall have the powers and duties enumerated below. Each Director individually and the Board of Directors collectively shall perform the duties and powers of the Board of Directors in good faith and as a fiduciary of the Residential Association, in a manner which the Director believes to be in the best interest of the Residential Association and with the care of a person of ordinary prudence under similar circumstances, including reasonable inquiry, skill and diligence.

(a) Duties:

(i) provide for the operation, maintenance, management, insurance, cleaning, sanitation, renewal, replacement, care and upkeep of the Residential Common Elements and all property, real or personal, of the Residential Association;

(ii) determine the Residential Common Expenses and any other charges comprising

the operating expenses of the Residential Association, establish the amount of Residential Monthly Assessments, as the same may increase or decrease, and assess the same against the Members in accordance with the provisions of the Residential Declaration and these Bylaws;

(iii) levy and collect, in addition to Residential Monthly Assessments, Residential Special Assessments in amounts which the Board of Directors deems proper, whenever the Board of Directors is of the opinion it is necessary to do so in order to meet increased operating or maintenance costs or additional capital expenses or because of emergencies subject to the limitations specified in the Residential Declaration;

(iv) use and expend any sums collected from Residential Monthly Assessments and Residential Special Assessments for the operation, maintenance, renewal, care and upkeep of the Residential Common Elements;

(v) maintain the Residential Common Elements;

(vi) maintain the Reserve Fund out of Residential Monthly Assessments;

(vii) pay all taxes and assessments levied or assessed against any property that may be owned by the Residential Association, exclusive of any taxes or assessments levied against any Member or otherwise properly chargeable to the Member;

(viii) collect delinquent Residential Assessments against any Residence and the Owner thereof, whether by suit or otherwise and to abate any nuisance and enforce the terms of the Residential Declaration and the observance of the Residential Regulations by injunction or other legal action or means which the Board of Directors may deem necessary or appropriate;

(ix) establish operating, escrow and other accounts in the name of the Residential Association as the Board of Directors may deem appropriate from time to time and as may be consistent with GAAP;

(x) adopt a Budget for each fiscal year which shall contain estimates of the Residential Common Expenses and the proposed Residential Monthly Assessments;

(xi) cause a complete review of the books and accounts of the Residential Association to be made by a competent independent public accountant at the end of each fiscal year and at any other time or times deemed necessary;

(xii) maintain accounting records in accordance with GAAP; and

(xiii) make and enforce compliance with the Residential Regulations relative to the operation, use and occupancy of the Residential Property, including penalties to be



levied for violations of these Bylaws, the Residential Declaration and the Residential Regulations which the Board of Directors shall adopt, and to amend the same from time to time as and when approved by appropriate resolutions which shall be binding on the Residential Owners, Tenants and occupants of the Residences, their successors in title and assigns. A copy of the Residential Regulations and copies of any amendments thereto shall be delivered or mailed to each Residence Owner and any Tenant or occupant of a Residence promptly upon the adoption thereof.

(b) Powers:

(i) employ and dismiss personnel of the Residential Association, and purchase or arrange for those services, machinery, equipment, tools, materials and supplies as, in the opinion of the Board of Directors, may from time to time be necessary for the proper operation and maintenance of the Residential Common Elements;

(ii) subject to Section 7.19 of these Bylaws, enter into contracts for professional management of the Residential Property and the Residential Association, at such prices and upon such terms as may be determined by the Board of Directors, to perform those duties and services which the Board of Directors may lawfully delegate;

(iii) employ or retain and receive advice from professional counsel and consultants, including landscape architects, architects, engineers, planners, biologists, lawyers and accountants, which the Board of Directors may deem necessary for any proper purposes of the Residential Association, and fix the compensation for professional advice or services, including those hereinbefore or hereinafter referred to in these Bylaws. The Board of Directors shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following: (A) one or more officers or employees of the Residential Association whom the Board of Directors reasonably believes to be reliable and competent in the matter presented; (B) counsel, public accountants or other Persons as to the matters which the Board of Directors reasonably to be within the professional or expert competence of this Person; and (C) a committee of the Board of Directors duly designated in accordance with law, as to matters within its designated authority, which committee the Board of Directors reasonably believes to merit confidence. The Board of Directors shall not be considered to be acting in good faith if it has knowledge concerning the matter in question that would cause this reliance to be unwarranted;

(iv) name as a trustee, on behalf of the Residential Association, the Residential Association's authorized representative, including any trustee with which the Residential Association may enter into any insurance trust agreement or any successor to this trustee (each of which shall be referred to herein as the "Insurance Trustee"), to be given exclusive authority to negotiate losses under any policy providing property insurance coverage. The Residential Association or any Insurance Trustee or substitute Insurance

Trustee designated by the Residential Association shall have the exclusive power to act as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including the collection and appropriate disposition of the proceeds thereof, the negotiation of losses, execution of releases of liability and the execution of all documents and the performance of all other acts necessary to accomplish these purposes;

(v) establish depositories for the funds of the Residential Association with the bank or banks as shall be designated from time to time by the Board of Directors and in which monies of the Residential Association shall be deposited. Withdrawal of monies shall be only by check signed by those Persons who are authorized by the Board of Directors to sign checks on behalf of the Residential Association;

(vi) invest monies of the Residential Association in any investments which the Board of Directors deems to be reasonably prudent;

(vii) borrow and repay monies and give notes, mortgages or other security upon the terms which are deemed reasonable by the Board of Directors;

(viii) acquire by purchase, gift, annexation or lease, real or personal property, if, at any time in the future, the Board of Directors deems it to be proper and not inconsistent with the terms hereof to do so;

(ix) grant and reserve easements, leases, licenses or concessions where necessary or desirable for utilities, routes of ingress and egress, or any other purpose, over the Residential Common Elements and to amend the Residential Map to show such interests;

(x) establish a form of estoppel certificate acceptable to the Residential Association for delivery to prospective purchasers and lenders and an appropriate charge for furnishing such certificate; and

(xi) do all things incidental and necessary to the accomplishment of the foregoing.

The duties imposed on and powers granted to the Board of Directors by this Section shall not be amended so as to reduce, eliminate or expand any duties or power of the Board of Directors without the affirmative vote of 67% of the votes of the Members voting at the meeting called to consider such amendment.

**Section 7.16 Liability; Conduct of Directors and Officers.** No Member, Director, officer or representative of the Residential Association shall be personally liable for debts or liabilities of the Residential Association. A Director or officer is not liable to the Residential Association, any Member or any other person for an action taken or omission made or mistake in judgment by

the Director or officer in the Person's capacity as a Director or officer, whether negligent or otherwise, unless the Director or officer's conduct was not exercised: (a) in good faith, (b) with ordinary care, and (c) in a manner that the Director or officer reasonably believed to be in the best interest of the Residential Association. The liability of officers and Directors of the Residential Association shall, to the fullest extent permitted by law, be limited by the Charitable Immunity and Liability Act of 1987, Chapter 84, Texas Civil Practice and Remedies Code, as amended.

**Section 7.17 Annual Budget and Assessments.** Copies of the proposed Budget setting forth the proposed annual Residential Common Expenses, proposed reserves and proposed Residential Assessments for the next fiscal year of the Residential Association shall be prepared by the Board of Directors and distributed to all Members at least 30 days prior to the beginning of each fiscal year of the Residential Association and shall be available to all Members for inspection during regular business hours at the Residential Association's office. If the proposed Budget is subsequently amended before the Residential Assessments are made, a copy of the amended Budget shall also be distributed and made available for inspection. Reserve Funds shall include reasonable amounts to be credited, allocated or accumulated for replacement of those Residential Common Elements that require replacement, renovation or rehabilitation periodically. Subject to the provisions of the Declaration, nothing herein contained shall be construed as restricting the right of the Board of Directors, at any time and in its sole discretion, to levy a Special Assessment in the event that the Budget as originally adopted shall appear to be insufficient to pay the cost of the operation or management of the Residential Property or in the event of emergencies.

**Section 7.18 Management Certificate.** The Residential Association shall record in the County a certificate, signed and acknowledged by an officer of the Residential Association stating:

- (a) the name of the Condominium;
- (b) the name of the Residential Association;
- (c) the location of the Residential Condominium;
- (d) the recording data for the Residential Declaration;
- (e) the mailing address of the Residential Association, or the name and mailing address of the Person managing the Residential Association; and
- (f) other information the Residential Association considers appropriate.

A new certificate shall be recorded within 30 days after the Residential Association receives notice of a change in any of the information listed in this Section 7.18 (a)-(c).

**Section 7.19 Manager.** If the Board of Directors determines that it is in the best interest of the

Residential Association to hire a Manager for the Residential Property to facilitate management of the Residential Property and/or the administration of the Residential Association, the Board of Directors may delegate to a Manager responsibility for matters of a routine nature, renewable by agreement of the parties thereto for successive one year periods only, and shall be subject to termination by either party with or without cause and without payment of a termination fee upon not more than 30 days prior written notice. After a Manager has been appointed, no decision by the Residential Association to manage its own affairs without a Manager shall be effective unless and until approved by the affirmative vote of 67% of the votes of the Members voting at the meeting called to consider such matter with the written consent of not less than 51% of the Mortgagees.

**Section 7.20 Open Meeting.** Meetings of the Members of the Residential Association and the Board of Directors shall be open to all Members. Subject to applicable law, the Board of Directors shall have the right to adjourn a meeting and reconvene in private, closed executive session to consider any actions involving personnel, pending litigation, contract negotiations, or enforcement actions, or upon the request of an affected party, or to consider matters that are confidential in the opinion of the Board of Directors; provided, however, the Board of Directors shall announce the general nature of the business to be considered in such executive session prior to adjourning the meeting.

## **ARTICLE VIII**

### **Officers**

**Section 8.1 Officers.** The officers of the Residential Association shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, a Treasurer and such other officers as may be elected in accordance with the provisions of this Article. The same individual may not hold the offices of President and Secretary. The Secretary shall be eligible to hold the office of Treasurer. The President and Treasurer must also be Directors. The Secretary need not be a Director.

**Section 8.2 Election.** Except as set forth herein, the officers of the Residential Association shall be elected annually by the Board of Directors at the organizational meeting held pursuant to Section 7.7 of these Bylaws and shall hold office until their successors are elected or appointed by the Board of Directors; provided that each officer may be removed, either with or without cause, whenever in the best interest of the Residential Association, and his successor elected by the affirmative vote of a majority of the Directors at any annual or special meeting of the Board of Directors called for that purpose. The President and Secretary shall each serve for a term of two years and the remaining officers shall serve for a term of one year. The Board of Directors may, from time to time, appoint other officers who, in its judgment, are necessary. Any officer may resign at any time by giving written notice to the Board of Directors or to the President or Secretary of the Residential Association. Any resignation shall take effect as of the date of the receipt of such notice or any later time specified therein. Unless specified therein, the acceptance of a written resignation shall not be necessary to make it effective.

**Section 8.3 Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled by election by the affirmative vote of a majority of the Directors at any annual or special meeting of the Board of Directors called for that purpose.

**Section 8.4 President.** The President shall be the chief executive officer of the Residential Association and shall preside at all meetings of the Members of the Residential Association and the Board of Directors. The President shall have the general powers and duties usually vested in the office of the president of a community association, including the power to appoint committees from time to time as he may deem appropriate to assist in the conduct of the affairs of the Residential Association; provided, however, no such committee shall have the right to exercise the full authority of the Board of Directors. The President shall be an ex-officio member of all standing committees, if any. The President shall execute deeds, contracts and other instruments, in the name and on behalf of the Residential Association and under its corporate seal when a seal is required, except when these documents are required or permitted by law to be otherwise executed, and except when the signing and execution thereof shall be delegated by the Board of Directors to another officer or agent of the Residential Association.

**Section 8.5 Vice President.** In the absence of the President or in the event of the President's inability or refusal to act, a Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order of their election) shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all of the restrictions upon the President. Any Vice President shall have only such powers and perform only such duties as the Board of Directors may from time to time prescribe or as the officers may from time to time delegate.

**Section 8.6 Secretary.** The Secretary shall attend all meetings of the Board of Directors and all meetings of the Members of the Residential Association and record all votes and the minutes of all meetings and proceedings, including resolutions, in the Minute Book. The

Secretary shall perform the same duties for any committees when required. The Secretary shall have charge of the Minute Book, the records of the Residential Association and any papers which the Board of Directors shall direct the Secretary to keep; shall perform all duties incident to the office of Secretary, including sending notices of meetings to the Members, the Directors and members of any committees, and shall perform any other duties which may be prescribed by these Bylaws or by the Board of Directors or the President. The Secretary shall also have custody of the corporate seal and shall affix the same to any instrument requiring it when authorized by the Board of Directors and shall attest or certify the same when appropriate. The Secretary shall keep, or cause to be kept, at the principal office of the Residential Association, a membership register showing the following: (a) the names and addresses of all Directors; (b) the names and addresses of all Members as provided by the Members; (c) the Residence that is owned by each Member; and (d) the vote of each Member. The Secretary shall prepare, execute and cause the recordation of amendments to the Residential Declaration on behalf of the Residential Association except when the preparation, execution and

recordation thereof shall be delegated by the Board of Directors to another officer or agent of the Residential Association provided this delegation is approved by resolution of the Board of Directors. The delegation of the duties of the Secretary shall not relieve the Secretary from any responsibility related to overseeing and reviewing any duties performed by the agent.

**Section 8.7 Treasurer.** The Treasurer shall have the responsibility for the Residential Association's funds and securities, shall keep full and accurate accounts of receipts and disbursements in books belonging to the Residential Association, and shall deposit all monies, checks and other valuable effects in the name of and to the credit of the Residential Association in those depositories which may be designated from time to time by the Board of Directors. The Treasurer shall disburse the funds of the Residential Association, as the Treasurer may be ordered to do from time to time by the Board of Directors or by the President, and shall render to the President and the Directors at the regular meetings of the Board of Directors, or whenever they or either of them shall require, an account of his transaction as Treasurer and of the financial condition of the Residential Association. Nothing shall prohibit the functions of the Treasurer to be delegated to an agent of the Residential Association provided this delegation is approved by resolution of the Board of Directors. The delegation of the duties of the Treasurer shall not relieve the Treasurer from any responsibility related to overseeing and reviewing any duties performed by the agent. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine.

**Section 8.8 Compensation.** The officers of the Residential Association shall serve without compensation except that they shall be entitled to reimbursement for all expenses reasonably incurred in the discharge of their duties.

**Section 8.9 Removal.** 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 Residential Association would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

## **ARTICLE IX**

### **Indemnification of Directors, Officers and Other Authorized Representatives**

**Section 9.1 General Indemnification.** The Residential Association shall indemnify an individual who was, is or is threatened to be made a named defendant or respondent in a Proceeding because the individual is or was a Director against judgments, penalties (including excise and similar taxes), fines, settlements, and reasonable expenses (including court costs and attorney's fees) actually incurred by the individual in connection with a Proceeding only if it is determined in accordance with Section 9.5 of these Bylaws that the individual: (a) conducted himself or herself in good faith; (b) reasonably believed: (i) in the case of conduct in such individual's Official Capacity as a Director of the Residential Association, that his conduct was in the Residential Association's best interests, and (ii) in



all other cases, that his conduct was at least not opposed to the Residential Association's best interests; and (c) in the case of any criminal Proceeding, had no reasonable cause to believe that his conduct was unlawful.

**Section 9.2 Personal Interest or Liability.** A Director shall not be indemnified by the Residential Association as provided in Section 9.1 of these Bylaws for obligations resulting from a Proceeding: (a) in which the Director is found liable on the basis that personal benefit was improperly received by him, whether or not the benefit resulted from an action taken in the individual's Official Capacity; or (b) in which the individual is found liable to the Residential Association, except to the extent permitted in Section 9.4 of these Bylaws.

**Section 9.3 Final Judgment Required.** The termination of a Proceeding by judgment, order, settlement, or conviction or on a plea of nolo contendere or its equivalent is not of itself determinative that the individual did not meet the requirement set forth in Section 9.1 of these Bylaws. An individual shall be deemed to have been found liable in respect of any claim, issue or matter only after the individual shall have been so adjudged by a court of competent jurisdiction after exhaustion of all appeals therefrom or after such judgment becomes final and non-appealable.

**Section 9.4 Limits on Indemnification.** If the individual is found liable to the Residential Association or is found liable on the basis that personal benefit was improperly received by the individual, the indemnification described in Section 9.1 of these Bylaws (a) is limited to reasonable expenses actually incurred by the individual in connection with the Proceeding including court costs and attorney's fees; and (b) shall not be made in respect of any Proceeding in which the person shall have been found liable for willful or intentional misconduct in the performance of his or her duty to the Residential Association.

**Section 9.5 Determination of Indemnification.** A determination of indemnification under Section 9.1 of these Bylaws must be made: (a) by a majority vote of a Quorum of Directors who at the time of the vote are not named defendants or respondents in the Proceeding; (b) if such a Quorum cannot be obtained, by a majority vote of a committee of the Board of Directors, designated to act in the matter by a majority vote of all Directors, consisting solely of two or more Directors who at the time of the vote are not named defendants or respondents in the Proceeding; or (c) by special legal counsel selected by the Board of Directors or a committee of the Board of Directors by vote as set forth in this Section 9.5(a) or (b) of these Bylaws or, if such a Quorum cannot be obtained and such a committee cannot be established, by a majority vote of all Directors.

**Section 9.6 Authorization and Determination of Reasonableness of Expenses.** Authorization of indemnification and determination as to reasonableness of expenses (including court costs and attorney's fees) must be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification, and determination as to reasonableness of

expense (including court costs and attorney's fees) must be made in the manner specified by Section 9.5(c) of these Bylaws for the selection of special legal counsel. A provision contained in the Certificate of Formation, the Bylaws, a resolution of the Board of Directors or an agreement that makes mandatory the indemnification described in Section 9.1 of these Bylaws shall be deemed to constitute authorization of indemnification in the manner required herein, even though such provision may not have been adopted or authorized in the same manner as the determination that indemnification is permissible.

**Section 9.7 Success in a Proceeding.** The Residential Association shall indemnify a Director against reasonable expenses (including court costs and attorney's fees) incurred by him in connection with a Proceeding in which he is named defendant or respondent because he is or was a Director if he has been wholly successful on the merits or otherwise, in the defense of the Proceeding.

**Section 9.8 Court Determination of Indemnification.** If, upon application of a Director, a court of competent jurisdiction determines, after giving any notice the court considers necessary, that the Director is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not he has met the requirements set forth in Section 9.1 of these Bylaws or has been found liable in the circumstances described in Section 9.2 of these Bylaws, the Residential Association shall indemnify the Director to such further extent as the court shall determine; provided, however, if the individual is found liable to the Residential Association or is found liable on the basis that personal benefit was improperly received by the individual, the indemnification shall be limited to reasonable expenses (including court costs and attorney's fees) actually incurred by the individual in connection with the Proceeding.

**Section 9.9 Advancing Director Expenses.** Reasonable expenses (including court costs and attorney's fees) incurred by a Director who was, is, or is threatened to be named defendant

or respondent in a Proceeding may be paid or reimbursed by the Residential Association in advance of the final disposition of the Proceeding and without the determination specified in Section 9.5 of these Bylaws or the authorization or determination specified in Section 9.6 of these Bylaws, after the Residential Association receives a written affirmation by the Director of his good faith belief that he has met the standard of conduct necessary for indemnification under this Article IX and a written undertaking by or on behalf of the Director to repay the amount paid or reimbursed if it is ultimately determined that he has not met that standard or it is ultimately determined that indemnification of the Director against expenses (including court costs and attorney's fees) incurred by him in connection with that Proceeding is prohibited by Section 9.4 of these Bylaws. A provision contained in the Certificate of Formation, these Bylaws, a resolution of the Board of Directors, or an agreement that makes mandatory the payment or reimbursement permitted under Section 9.9 of these Bylaws shall be deemed to constitute authorization of that payment or reimbursement.

**Section 9.10 Repayment of Expenses by Director.** The written undertaking required by Section 9.9 of these Bylaws must be an unlimited general obligation of the Director but need not



be secured. It may be accepted without reference to financial ability to make repayment.

**Section 9.11 Witness Expenses.** Notwithstanding any other provision of this article, the Residential Association may pay or reimburse expenses (including attorney's fees) incurred by a Director in connection with his appearance as a witness or other participation in a Proceeding at a time when he is not named defendant or respondent in the Proceeding.

**Section 9.12 Officer Indemnification.** An officer of the Residential Association shall be indemnified by the Residential Association as and to the same extent provided for a Director by Section 9.1, 9.6, 9.7, and 9.8 of these Bylaws and is entitled to seek indemnification under those Sections to the same extent as a Director. The Residential Association may indemnify and advance expenses (including court costs and attorney's fees) to an officer, employee or agent of the Residential Association to the same extent that it may indemnify and advance expenses (including court costs and attorney's fees) to Directors under this article.

**Section 9.13 Indemnification of Others.** The Residential Association may indemnify and advance expenses (including court costs and attorney's fees) to individuals who are not or were not officers, employees, or agents of the Residential Association but who are or were serving at the request of the Residential Association as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic association, partnership, joint venture, sole proprietorship, trust or other enterprise to the same extent that it may indemnify and advance expenses (including court costs and attorney's fees) to Directors under this Article IX.

**Section 9.14 Advancing Expenses for Others.** The Residential Association may indemnify and advance expenses (including court costs and attorney's fees) to an officer, employee, agent, or individual identified in Section 9.13 of these Bylaws and who is not a Director to such further extent, consistent with law, as may be provided by the Certificate of Formation, these Bylaws, general or specific action of the Board of Directors or contract or as permitted or required by common law.

**Section 9.15 Insurance Authorized.** The Residential Association may purchase and maintain insurance or another arrangement on behalf of any individual who is or was a Director, officer, employee or agent of the Residential Association or who is or was serving at the request of the Residential Association as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic association, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, against any liability asserted against him and incurred by him in such a capacity or arising out of his status as such a Person, whether or not the Residential Association would have the power to indemnify him against that liability under this Article IX. Without limiting the power of the Residential Association to procure or maintain any kind of insurance or other arrangement, the Residential Association may, for the benefit of individuals indemnified by the Residential Association: (a) create a trust fund; (b) establish any form of self-insurance; (c) secure its indemnity obligations by grant of a security interest or other lien on the assets of the Residential Association; or (d)

establish a letter of credit, guaranty or surety agreement. The insurance or other arrangement may be procured, maintained or established within the Residential Association or with any insurer or other individual deemed appropriate by the Board of Directors, regardless of whether all or part of the stock or other securities of the insurer or other Person are owned in whole or part by the Residential Association. In the absence of fraud, the judgment of the Board of Directors as to the terms and conditions of the insurance or other arrangement and the identity of the insurer or other Person participating in an arrangement shall be conclusive, and the insurance or arrangement shall not be voidable and shall not subject the Directors approving the insurance or arrangement to liability, on any ground, regardless of whether Directors participating in the approval are beneficiaries of the insurance or arrangement. Notwithstanding the provisions of this Section 9.15 in the event of any conflict between the provisions of the Section 9.15 and the provisions of the Declaration, the provisions of the Declaration shall control.

**Section 9.16 Indemnification Prohibited.** Notwithstanding any provision of this Article IX to the contrary, no indemnification shall be authorized by or provided under this Article IX for any act in violation of any Legal Requirements.

## **ARTICLE X**

### **Association Books and Records**

The Residential Association shall keep or cause to be kept (a) detailed financial records of the Residential Association in sufficient detail to enable the Residential Association to prepare a resale certificate in accordance with the provisions of Section 82.157 of the Act; (b) the plans and specifications used to construct the Residential Condominium; (c) the name and mailing address of each Owner of a Residence; (d) voting records, proxies and correspondence relating to all amendments to the Residential Declaration; and (e) the minutes of all meetings of the Members of the Residential Association and the Board of Directors. All books and records of the Residential Association shall be available for inspection by the Residence Owners, Residential Mortgagees, and their respective agents and representatives, during normal business hours. All books and records of the Residential Association shall be kept in accordance with GAAP, consistently applied, and may be audited at least once a year by an independent certified public accountant. If requested in writing by a Member or a Residential Mortgagee, the Residential Association shall furnish such requesting Member or Residential Mortgagee copies of the audited financial statements of the Residential Association within 90 days following the end of each fiscal year of the Residential Association. The Board of Directors shall further make available for the inspection by Members, Residential Mortgagees, and their respective agents and representatives, during normal business hours, the current version of the Residential Governing Documents and all other documents affecting the Residential Association, the Residence Owners, or the Residential Property, as well as all amendments thereto and revisions thereof. Declarant shall furnish copies of the information set forth in this Section to the Residential Association on the date the first Residence is conveyed to a Residence Owner. For purposes of this paragraph, "available" shall mean available for inspection, upon reasonable advance request of not less than 24 hours, during regular business hours at the office of the Residential

Association or the office of a Manager of the Residential Association. The cost of any copies shall be reimbursed to the Residential Association at a rate set by the Board of Directors.

## **ARTICLE XI**

### **Winding Up and Termination**

Upon the winding up of the Residential Association, the real and personal property of the Residential Association shall be distributed pursuant to the provisions of the Certificate of Formation or, if no such provision is made, distributed to one or more organizations which are exempt from taxation under Section 501(c)(3) of the Code.

## **ARTICLE XII**

### **Committees**

**Section 12.1 Committees of Directors.** The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint one or more committees, each of which shall consist of two or more Directors, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the Residential Association, except that no such committee shall have the authority of the Board of Directors in reference to amending, altering or repealing the Residential Bylaws; electing, appointing or removing any Member of any such committee or any Director or officer of the Residential Association; amending the certificate of formation; restating certificate of formation; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Residential Association; authorizing the voluntary dissolution of the Residential Association or revoking proceedings therefore; adopting a plan for the distribution of the assets of the Residential Association; or amending, altering or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered or repeated by such committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon it or him or her by law.

**Section 12.2 Other Committees.** Other committees not having and exercising the authority of the Board of Directors in the management of the Residential Association may be appointed in such manner as may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, Members of each such committee shall be Members of the Residential Association, and the President of the Residential Association shall appoint the Members thereof. Any Member thereof may be removed by the person or persons authorized to appoint such Member whenever in their judgment the best interests of the Residential

Association shall be served by such removal.

**Section 12.3 Term of Office.** Each Member of a committee shall continue as such until the next annual meeting of the Members of the Residential Association and until his successor is appointed, unless the committee shall be sooner terminated, or unless such Member be removed from such committee, or unless such Member cease to qualify as a Member thereof.

**Section 12.4 Chairman.** One Member of each committee shall be appointed chairman by the person or persons authorized to appoint the Members thereof.

**Section 12.5 Vacancies.** Vacancies in the Membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

**Section 12.6 Quorum.** Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the Members present at a meeting at which a quorum is present shall be the act of the committee.

**Section 12.7 Rules.** Each committee may adopt rules for its own government not inconsistent with these Residential Bylaws or with rules adopted by the Board of Directors.

### **ARTICLE XIII**

#### **Contracts, Checks, Deposits, and Funds**

**Section 13.1 Contracts.** The Board of Directors may authorize any officer or officers, agent or agents of the Residential Association, in addition to the officers so authorized by these Residential Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Residential Association, and such authority may be general or confined to specific instances.

**Section 13.2 Checks, Drafts, etc.** All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Residential Association, shall be signed by such officer or officers, agent or agents of the Residential Association 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 Residential Association.

**Section 13.3 Deposits.** All funds of the Residential Association shall be deposited from time to time to the credit of the Residential Association in such banks, trust companies, or other depositories as the Board of Directors may select.

**Section 13.4 Gifts.** The Board of Directors may accept on behalf of the Residential Association any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Residential Association.

## **ARTICLE XIV**

### **Miscellaneous**

**Section 14.1 Fiscal Year.** The fiscal year of the Residential Association shall be the calendar year unless the Board of Directors shall determine otherwise.

**Section 14.2 Amendments to Bylaws.** These Bylaws may be amended from time to time by the affirmative vote of 67% of the votes of the Members voting at the meeting called to consider such matter. Members must be given notice of any meeting of the Directors for the purpose of amending the Bylaws not less than ten or more than 20 days preceding the date of the meeting. Any such notice shall include the specific amendment or other change proposed to be made to these Bylaws.

**Section 14.3 Assessments and Enforcement Thereof.** The Residential Declaration establishes a general plan for levying and collecting assessments and vests the Residential Association with this responsibility. The provisions of the Residential Declaration, including any and all amendments subsequently made to the provisions concerning assessments in the Residential Declaration, are incorporated herein by reference, and such incorporated terms shall control over any conflicting provisions in these Residential Bylaws.

**Section 14.4 Waiver of Notice.** Whenever any notice is required to be given under the provisions of the INCL or under the provisions of the Residential Certificate of Formation or the Residential Bylaws or Residential Declaration, 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.

**Section 14.5 The Residential Declaration.** These Residential Bylaws set forth the general governance of a non-profit corporation, which is required to be established by that Residential Condominium Declaration of Vantage Luxury Condominiums (the "Residential Declaration") filed in the Official Records of Hidalgo County, Texas. The Residential Declaration controls The Ricchi Luxury Condominium (the "Residential Condominium"), which is more particularly described in the map thereof filed in the Map Records of Bexar County, Texas. To the extent that any provision in these Residential Bylaws conflict with the Residential Declaration, the terms of the Residential Declaration shall control.

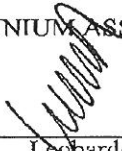
**Section 14.6 Construction.** Number and gender as used in these Bylaws shall extend to and include both singular and plural and all genders as the context and construction require. Words and phrases defined in the Residential Declaration shall have the same meanings when used in these Residential Bylaws unless specifically defined herein.

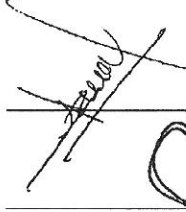
**ARTICLE XV**

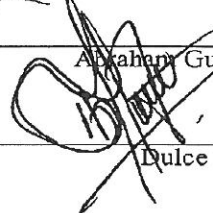
**Adoption of Residential Bylaws**

The foregoing Initial Residential Bylaws of this Residential Association are hereby adopted by the undersigned, being all the Directors of such Residential Association named in the Certificate of Formation on the 14 day of March, 2013.

THE RICCHI LUXURY CONDOMINIUM ASSOCIATION, INC.

  
\_\_\_\_\_  
Leonardo Trevino, Director

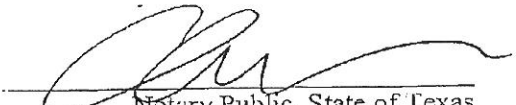
  
\_\_\_\_\_  
Abraham Gutierrez, Director

  
\_\_\_\_\_  
Dulce Rivera, Director

THE STATE OF TEXAS       }  
COUNTY OF BEXAR       }

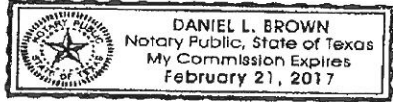
SWORN, ACKNOWLEDGED, AND SUBSCRIBED TO BEFORE ME on March 14, 2013 by  
Leobardo Trevino, Director of The Ricchi Luxury Condominium Association, Inc., on behalf of  
said corporation.



  
\_\_\_\_\_  
Notary Public, State of Texas  
My commission expires: \_\_\_\_\_

THE STATE OF TEXAS       }  
COUNTY OF BEXAR       }

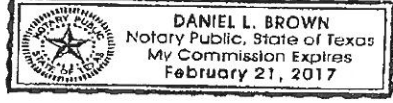
SWORN, ACKNOWLEDGED, AND SUBSCRIBED TO BEFORE ME on March 14, 2013 by  
Abraham Gutierrez, Director of The Ricchi Luxury Condominium Association, Inc., on behalf of  
said corporation.




  
\_\_\_\_\_  
Notary Public, State of Texas  
My commission expires: \_\_\_\_\_

THE STATE OF TEXAS       }  
COUNTY OF BEXAR       }

SWORN, ACKNOWLEDGED, AND SUBSCRIBED TO BEFORE ME on March 14, 2013 by  
Dulce Rivera, Director of The Ricchi Luxury Condominium Association, Inc., on behalf of said  
corporation.



  
\_\_\_\_\_  
Notary Public, State of Texas  
My commission expires: \_\_\_\_\_

Doc# 20130068303  
# Pages 28  
04/08/2013 10:12AM  
e-Filed & e-Recorded in the  
Official Public Records of  
BEXAR COUNTY  
GERARD C. RICKHOFF  
COUNTY CLERK  
Fees \$120.00

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COUNTY OF BEXAR  
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*Gerard C. Rickhoff*