



STATE OF TEXAS §

COUNTY OF TRAVIS §

**Amendment to By-Laws**  
**of**  
**Regents Hills Homeowners Association, Inc.**

WHEREAS the existing By-Laws of Regents Hills Homeowners Association, Inc. ("By-Laws" and "Association", respectively) are attached hereto as Exhibit "A";

WHEREAS Article XIV of the By-Laws provides that they may be amended from time to time by the affirmative vote of the Board of Directors of the Association; and

WHEREAS the Board of Directors has voted to approve the amendment to the By-Laws provided herein:

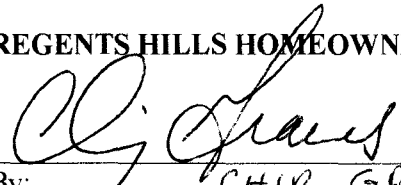
THEREFORE the Board of Directors does hereby AMEND the By-Laws as follows:

1. **By STRIKING and DELETING all of the language contained in Article III, Section 2 and REPLACING that language with the following:**

"Section 2. Number, Tenure and Qualifications. The number of directors composing the Board of Directors shall be three (3). Upon resolution of the Board of Directors, the number of directors may be increased or decreased, but the change may not lower the number of directors below three (3), create an even number of directors, nor have the effect of shortening the term of any incumbent director. Directors shall be elected at a meeting of the membership, as specified in Article II, Section 1 of these By-Laws. The standard term for directors shall be three (3) years, with a director serving until his successor has been elected and qualified. The terms for directors shall be staggered, such that at each election only one-third (1/3<sup>rd</sup>) of the director seats (or as close thereto as possible) shall be open for election. Notwithstanding the foregoing, in order to institute staggered terms, the Board of Directors shall designate one director seat to be for an initial term of one (1) year, a second seat to be for an initial term of two (2) years, and the third seat to be for an initial term of three (3) years. All director terms shall thereafter be for the standard three (3) years, unless an increase or decrease in the total number of seats shall again require the Board of Directors to designate one or more seats to have an initial term of less than three (3) years, in order to ensure that terms remain staggered. If a director seat becomes vacant prior to the expiration of its full term, the vacancy shall be filled in accordance with Article III, Section 8 of these By-Laws. A director must be a member of the Association or an officer, director, trustee or other governing official of an entity holding membership in the Association."

AGREED TO and ADOPTED this 16th day of March, 2007.

REGENTS HILLS HOMEOWNERS ASSOCIATION, INC.

  
By: CHIP GRAVES  
Title: PRESIDENT - KHHA

Acknowledgement

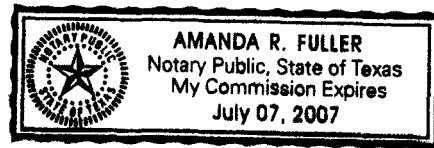
STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 19th day of March, 2007, by Chip Graves in the capacity stated above.

Amanda R. Fuller  
Notary Public, State of Texas

After recording, please return to:  
Niemann & Niemann, L.L.P.  
Attorneys At Law  
Westgate Building, Suite 313  
1122 Colorado Street  
Austin, Texas 78701



FileServer:CLIENTS:RegentsHills:BylawsAmend2-07.doc

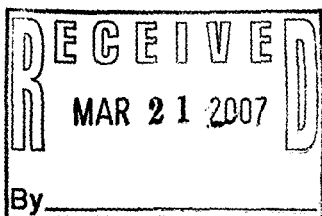


EXHIBIT "A"

BY-LAWS

OF

REGENTS HILLS HOMEOWNERS ASSOCIATION, INC.

These By-Laws govern the affairs of Regents Hills Homeowners Association, Inc., a nonprofit corporation organized under the Texas Non-Profit Corporation Act (referred to as the "Act").

ARTICLE I

Offices and Agent

SECTION 1: The registered office of the corporation required by the Texas Business Corporation Act to be maintained in the State of Texas may be, but need not be, identical with the principal office in the State of Texas, as designated by the Board of Directors.

The address of the registered office may be changed from time to time by the Board of Directors. The registered agent of the corporation may be changed from time to time by the Board of Directors.

SECTION 2: The address of the initial registered office of the Corporation shall be 907 RR 620 S, Suite 301, Lakeway, Texas 78734.

SECTION 3: The principal office for the transaction of the business of the corporation is located at:

---

907 RR 620 S, Suite 301  
Lakeway, Texas 78734

---

The Board of Directors has full power and authority to change the principal office from one location to another by noting the changed address and the effective date below:

---

Dated: \_\_\_\_\_

---

Dated: \_\_\_\_\_

\_\_\_\_\_  
Dated: \_\_\_\_\_

SECTION 4: The corporation may also have offices at such other places, within or without the State of Texas, where the corporation is qualified to do business, as the Board of Directors may from time to time designate, or the business of the corporation may require.

## ARTICLE II

### Meetings of Members

SECTION 1. Annual Meeting. Beginning in 2002, the Board of Directors shall hold an annual meeting of the members at 10:00 o'clock a.m. on the 15th day of October each year or at another time that the Board of Directors designates. If the day fixed for the annual meeting is a Saturday, Sunday, or legal holiday in the State of Texas, the meeting shall be held on the next business day. At the annual meeting, the members shall elect directors and transact any other business that may come before the meeting. If, in any year, the election of directors is not held on the day designated for the annual meeting, or at any adjournment of the annual meeting, the Board of Directors shall call a special meeting of the members as soon thereafter as possible to conduct the election of directors.

SECTION 2. Special Meetings. Special meetings of the members may be called by the President, the Board of Directors, or not less than 50% of the voting members.

SECTION 3. Place of Meeting. The Board of Directors may designate any place, either within or without the State of Texas, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If the Board of Directors does not designate the place of meeting, the meeting shall be held at the registered office of the corporation in Texas.

SECTION 4. Notice of Meetings. Subject to the provisions of Section 2.11B of the Texas Non-Profit Corporation Act, written or printed notice of any meeting of members, not including the annual meeting, shall be delivered to each member entitled to vote at the meeting not less than ten (10) nor more than fifty (50) days before the date of the meeting. If the corporation has more than 1,000 members at

the time the meeting is scheduled or called, notice may be given by publication in any newspaper of general circulation in Austin, Texas.

The notice shall state the place, day, and time of the meeting, who called the meetings, and the general purpose or purposes for which the meeting is called. Notice shall be given by or at the direction of the president or secretary of the corporation, or the officers of persons calling the meeting. If all of the members meet and consent to the holding of a meeting, any corporate action may be taken at the meeting regardless of a lack of proper notice.

SECTION 5. Quorum. Except as may be otherwise provided in Section 2.12B of the Texas Non-Profit Corporation Act, the members holding 1/10 of the votes that may be cast at a meeting who attend the meeting in person or by proxy shall constitute a quorum at that meeting.

The members present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough members leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of members required to constitute a quorum. If a quorum is not present at any time during a meeting, a majority of the members present may adjourn and reconvene the meeting one time without further notice.

SECTION 6. Actions of Membership. The membership shall try to act by consensus. However, the vote of a majority of voting members in good standing, present and entitled to vote at a meeting at which a quorum is present, shall be sufficient to constitute the act of the membership unless the vote of a greater number is required by law or the By-Laws. A member in good standing is one who has paid all required fees and dues and is not suspended as of the date of the meeting. Voting shall be by ballot or voice, except that any election of directors shall be by ballot if demanded by any voting member at the meeting before the voting begins. Notwithstanding the foregoing, the membership shall have no right to vote or act upon matters which are the subject of Article III, Section 1 hereof,

SECTION 7. Proxies. A member entitled to vote may vote by proxy executed in writing by the member. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

SECTION 8. Voting. Each member shall be entitled to vote on each matter submitted to a vote at a meeting of members. The number of votes entitled to be cast by each member shall be as set forth in the Declaration, as it may be amended from time to time. A member may vote either in person, or unless the Articles of Incorporation otherwise provide, by proxy executed in writing by the member or by his or her duly authorized attorney-in-fact. Where Directors or officers are to be elected by members, such elections may be conducted by mail.

SECTION 9. Voting by Mail. The Board of Directors may authorize members to vote by mail on the election of directors and officers or on any other matter that may be voted on by the members.

SECTION 10. Informal Action by Members. Any action required or permitted to be taken at a meeting of the members may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all the members entitled to vote with respect to the subject matter thereof.

SECTION 11. Attendance by Telephone. Subject to the provisions of the Texas Non-Profit Corporation Act and these Bylaws concerning notice of meetings and unless otherwise restricted by the Articles of Incorporation or these Bylaws, members may participate in and hold a meeting of such members by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

SECTION 12. Legal Actions. No judicial or administrative proceedings shall be commenced or prosecuted by the corporation unless approved by members entitled to cast at least sixty (60%) percent of the votes present at a duly constituted meeting of the members. The foregoing shall not apply to actions brought by the corporation to enforce the provisions of these By-Laws, the Declaration of Covenants, Conditions and Restrictions for Regents Hills Subdivision (the "Declaration"), the imposition and collection of Assessments (as defined in the Declaration), proceedings involving challenges to real property taxes, or counterclaims brought by the corporation in proceedings instituted against it, which may be pursued if approved by the Board of Directors.

### ARTICLE III

#### Board of Directors

SECTION 1. General Power. The business and affairs of the corporation shall be managed by its Board of Directors except as the Board of Directors shall delegate the power to so manage to the Executive Committee or other committee.

SECTION 2. Number, Tenure and Qualifications. The initial Board of Directors named in the Articles of Incorporation shall serve in

their capacity as directors until the first annual meeting of the shareholders of the corporation. Beginning with the first annual meeting of the shareholders, the number of directors composing the Board of Directors shall be THREE (3). Upon resolution of the Board of Directors, the number of directors may be increased or decreased, but no decrease shall have the effect of shortening the term of any incumbent director. Each director shall hold office until the next annual meeting of shareholders, unless earlier removed in accordance with the Articles of Incorporation, By-Laws, or law, and until his successor shall have been elected and qualified. A director need not be a resident of the State of Texas or a shareholder of the corporation.

SECTION 3. Regular Meetings. A regular meeting of the Board of Directors shall be held, without other notice than this By-Law, immediately after, and at the same place as, the annual meeting of the shareholders. The Board of Directors may provide, by resolution, the time and place, either within or without the State of Texas, for the holding of additional regular meetings without other notice than such resolution.

SECTION 4. Special Meeting. Special meetings of the Board of Directors may be called by or at the request of the President or any two directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the State of Texas, as the place for holding any special meeting of the Board of Directors called by them.

SECTION 5. Notice. Notice of any special meeting shall be given at least two (2) days previous thereto by a written notice delivered personally or mailed to each director at his business address or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because that meeting is not lawfully called or convened. Neither the business to be transacted, nor the purpose of any regular or special meeting of the Board of Directors, need be specified in the notice or waiver of notice of such meeting.

SECTION 6. Quorum. A majority of the number of directors fixed in accordance with Section 2 of this Article II shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but, if less than such majority is present at a meeting, a



majority of the directors present may adjourn the meeting from time to time without further notice.

SECTION 7. Manner of Acting.

(a) Actions at a Meeting. Except as provided in Paragraph (b) of this Section, and except as provided in Section 12 of this Article, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

(b) Actions Without a Meeting. Any action required or permitted to be taken at a meeting of the Board of Directors or the Executive Committee, or any other committee, may be taken without a meeting, if a consent in writing, setting forth the action so taken, is signed by all of the members of the Board of Directors, Executive Committee, or other committee, as the case may be. Such consent shall have the same force and effect as a unanimous vote at a meeting.

SECTION 8. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting or at a special meeting of shareholders called for that purpose. A vacancy shall be deemed to exist by reason of the death, resignation, failure, or refusal to act by the person elected, or upon the failure of shareholders to elect directors to fill the unexpired term of directors removed in accordance with the provisions of Section 9 of this Article.

SECTION 9. Removal. At any meeting of the members called expressly for that purpose at which a quorum is present, any Director or the entire Board of Directors may be removed either for or without cause.

SECTION 10. Compensation. By resolution of the Board of Directors, the Directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as Director; provided, however, that the amount of any compensation paid to a Director shall be reasonable and shall be only as permitted by the Texas Non-Profit Corporation Act and these Bylaws. No such payment shall preclude any Director from serving the Corporation in any other capacity and receiving reasonable compensation thereof; provided, however, that any compensation received by a Director for services to the Corporation that is determined in whole or in part to be

unreasonable by the Internal Revenue Service shall be reimbursed by such Director to the Corporation, and each Director, by virtue of becoming a Director, agrees to execute and deliver to the Corporation any and all documents reasonably requested by the Corporation in order to provide for such reimbursement.

SECTION 11. Presumption of Assent. A director of the corporation who is present at a meeting of the Board of Directors in which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting, or unless he shall file his written dissent to such action with the person acting as secretary of the meeting before the adjournment thereof, or shall forward such dissent by registered mail to the Secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

SECTION 12. Executive and other Committees. The Board of Directors, by resolution adopted by a majority of the Directors in office, may from time to time designate one or more committees, including an Executive Committee, which, to the extent provided in such resolution, shall have and exercise the authority of the Board of Directors in the management of the Corporation. Each such committee shall consist of two (2) or more persons, a majority of whom are Directors; the remainder need not be Directors. Any non-Director who becomes a member of any such committee shall have the same responsibility with respect to such committee as a Director who is a member thereof. A majority of all the members of any such committee may determine its action and fix the time and place of its meetings, unless the Board of Directors shall otherwise provide. The Board of Directors shall have the power at any time to change the number and members of such committee, to fill vacancies and to discharge any such committee.

Other committees not having and exercising the authority of the Board of Directors in the management of the Corporation may be designated and appointed by a resolution adopted by a majority of the Directors at a meeting at which a quorum is present, or by the President thereunto authorized by a like resolution of the Board of Directors. Membership on such committees may, but need not be, limited to Directors.

#### ARTICLE IV

##### Officers

SECTION 1. Number. The officers of the corporation shall be a president, one or more vice presidents, secretary and treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary, may be elected or

appointed by the Board of Directors. Any two or more offices may be held by the same person, except for the president and secretary.

SECTION 2. Election and Term of Office. The officers of the corporation to be elected by the Board of Directors shall be elected annually by the Board of Directors at the meeting of the Board of Directors held after each annual meeting of the shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. Each officer shall hold office until his successor shall have been duly elected and shall have been qualified, or until his death, or until he shall resign or shall have been removed in the manner hereinafter provided.

SECTION 3. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever, in its judgment, the interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

SECTION 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

SECTION 5. Chairman of the Board. The Chairman of the Board, if one is elected, shall preside at all meetings of the Board of Directors and shall have such other powers and duties as may from time to time be prescribed by the Board of Directors, upon written directions given him pursuant to resolutions duly adopted by the Board of Directors.

SECTION 6. President. The President shall be the principal executive officer of the corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the corporation. He shall, when present, preside at all meetings of the shareholders and of the Board of Directors. He may sign, with the Secretary or any other proper officers of the corporation thereunto authorized by the Board of Directors, certificates for shares of the corporation, any deeds, bonds, mortgages, contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time to time. He shall further have the authority to appoint and remove, employ and discharge, and prescribe the duties and fix the compensation of all agents, employees and clerks of the corporation,

other than the duly appointed officers, subject to the approval of the Board of Directors, and control all of the officers, agents and employees of the corporation, subject to the direction of the Board of Directors.

SECTION 7. Vice Presidents. As may be deemed necessary and as may be elected by the Board of Directors, the Vice-President, if such office is held, shall have the following duties and responsibilities.

In the absence of the President or in the event of his death, inability or refusal to act, the Vice President (or should there be more than one vice president, the vice presidents in the order designated at the time of their election, or in the absence of any designation, then in the order of their election) shall perform the duties of President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President may sign, with the Secretary or an assistant secretary, certificates for shares of the corporation, and shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

SECTION 8. Secretary. The Secretary shall (a) keep the minutes of the shareholders' and the Board of Directors' meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these By-Laws, or as required by law; (c) be custodian of the corporate records and of the seal of the corporation, and see that the seal of the corporation is affixed to all documents, the execution of which, on behalf of the corporation under its seal, is duly authorized; (d) keep a register of the post office address of each shareholder, which shall be furnished to the Secretary by such shareholder; (e) sign with the President or a Vice President certificates for shares of the corporation, the issuance of which shall have been authorized by resolution of the Board of Directors; (f) have general charge of the stock transfer books of the corporation; and (g) in general, perform all duties incident to the office of the Secretary, and such other duties as from time to time may be designated to him by the President or by the Board of Directors.

SECTION 9. Treasurer. The Treasurer shall have the following duties and responsibilities. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum, and with such surety or sureties, as the Board of Directors shall determine. He shall (a) have charge and custody of, and be responsible for, all funds and securities of the corporation from any source whatsoever, and deposit all such monies in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors; and (b) in general, perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

SECTION 10. Compensation; Restrictions on Loans and Dividends.

The Corporation may pay compensation in a reasonable amount of its Directors, officers and other agents for services rendered, but only as permitted by the Texas Non-Profit Corporation Act and these Bylaws. The salaries and other compensation of all officers and agents of the Corporation shall be fixed by the Board of Directors. Any compensation paid to any officer of the Corporation in the form of salary, commission, bonus or otherwise that is determined in whole or in part to be unreasonable by the Internal Revenue Service shall be reimbursed by such officer to the Corporation, and each officer, by virtue of becoming an officer, agrees to execute and deliver to the Corporation any and all documents reasonably requested by the Corporation in order to provide for such reimbursement. No dividend shall be paid and no part of the income of the Corporation shall be distributed to its Directors or officers. No loan shall be made by the Corporation to its Directors, officers or employees.

SECTION 11. Bond. If required by the Board of Directors, the Treasurer shall give the Corporation a bond of such type, character and amount as the Board of Directors may require.

ARTICLE V

Committees

SECTION 1. Establishment of Committees. The Board of Directors may adopt a resolution establishing one or more committees delegating specified authority to a committee, and appointing or removing members of a committee. A committee shall include two or more directors and may include persons who are not directors. If the Board of Directors delegates any of its authority to a committee, the majority of the committee shall consist of directors. The Board of Directors may establish qualifications for membership on a committee. The Board of Directors may delegate to the President its power to appoint and remove members of a committee that has not been delegated any authority of the Board of Directors. The establishment of a committee or the delegation of authority to it shall not relieve the Board of Directors, or any individual director, of any responsibility imposed by the By-Laws or otherwise imposed by law. No committee shall have the authority of the Board of Directors to:

- (a) Amend the Articles of Incorporation.
- (b) Adopt a plan of merger or a plan of consolidation with another corporation.

- (c) Authorize the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the corporation.
- (d) Authorize the voluntary dissolution of the corporation.
- (e) Revoke proceedings for the voluntary dissolution of the corporation.
- (f) Adopt a plan for the distribution of the assets of the corporation.
- (g) Amend, alter or repeal the bylaws.
- (h) Elect, appoint, or remove a member of a committee or a director or officer of the corporation.
- (i) Approve any transaction to which the corporation is a party and that involves a potential conflict of interest as defined below.
- (j) Take any action outside the scope of authority delegated to it by the Board of Directors.
- (k) Take final action on a matter that requires the approval of the members.

---

SECTION 2. Authorization of Specific Committees. There may be the following committees: Membership, Nominating, and Program Committees. The Board of Directors shall define the activities and scope of authority of each committee by resolution.

SECTION 3. Term of Office. Each member of a committee shall continue to serve on the committee until the next annual meeting of the members of the corporation and until a successor is appointed. However, the term of a committee member may terminate earlier if the committee is terminated, or if the member dies, ceases to qualify, resigns, or is removed as a member. A vacancy on a committee may be filled by an appointment made in the same manner as an original appointment. A person appointed to fill a vacancy on a committee shall serve for the unexpired portion of the terminated committee member's term.

SECTION 4. Chair and Vice-Chair. One member of each committee shall be designated as the chair of the committee and another

member of each committee shall be designated as the vice-chair. The chair and vice-chair shall be appointed by the President of the corporation. The chair shall call and preside at all meetings of the committee. When the chair is absent, is unable to act, or refuses to act, the vice-chair shall perform the duties of the chair. When a vice-chair acts in place of the chair, the vice-chair shall have all the powers of and be subject to all the restrictions upon the chair.

SECTION 5. Notice of Meetings. Written or printed notice of a committee meeting shall be delivered to each member of a committee not less than five nor more than thirty days before the date of the meeting. The notice shall state the place, day, and time of the meeting, and the purpose or purposes for which the meeting is called.

SECTION 6. Quorum. One-half of the number of members of a committee shall constitute a quorum for the transaction of business at any meeting of the committee. The committee members present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough committee members leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of committee members required to constitute a quorum. If a quorum is not present at any time during the meeting, the chair may adjourn and reconvene the meeting one time without further notice.

SECTION 7. Actions of Committees. Committees shall try to take action by consensus. However, the vote of a majority of committee members present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the committee unless the act of a greater number is required by law or by bylaws. A committee member who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the act of the committee.

SECTION 8. Proxies. A committee member may vote by proxy executed in writing by the committee member. No proxy shall be valid after eleven months from the date of its execution.

SECTION 9. Compensation. Committee members may receive salaries for their services. The Board of Directors may adopt a resolution providing for payment to committee members of a fixed sum and expenses of attendance, if any, for attendance at each meeting of the committee. A committee member may serve the corporation in any other capacity and receive compensation for those services. Any compensation that the corporation pays to a committee member shall be commensurate with the services performed and shall be reasonable in amount.

SECTION 10. Rules. Each committee may adopt rules for its own operation not inconsistent with the bylaws of with rules adopted by the Board of Directors.

## ARTICLE VI

### Transactions of the Corporation

SECTION 1. Contracts. The Board of Directors may authorize any officer or agent of the corporation to enter into a contract or execute and deliver any instrument in the name of and on behalf of the corporation. This authority may be limited to a specific contract or instrument or it may extend to any number and type of possible contracts and instruments.

SECTION 2. Deposits. All funds of the corporation shall be deposited to the credit of the corporation in banks, trust companies, or other depositories that the Board of Directors selects.

SECTION 3. Gifts. The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the corporation. The Board of Directors may make gifts and give charitable contributions that are not prohibited by the bylaws, the articles of incorporation, state law, and any requirements for maintaining the corporation's federal and state tax status.

SECTION 4. Conveyance of Land. The Corporation may convey land by deed, with or without the seal of Corporation, signed by the President or any Vice-President or attorney-in-fact of the Corporation when authorized by appropriate resolution of the Board of Directors or Members.

SECTION 5. Checks. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

SECTION 6. Potential Conflicts of Interest. The corporation shall not make any loan to a director or officer of the corporation. A member, director, officer, or committee member of the corporation may lend money to and otherwise transact business with the corporation except as otherwise provided by the bylaws, articles of incorporation, and all applicable laws. Such a person transacting business with the corporation has the same rights and obligations relating to those matters as other persons transacting business with the corporation. The corporation shall not borrow money from or otherwise transact business



with a member, director, officer, or committee member of the corporation unless the transaction is described fully in a legally binding instrument and is in the best interests of the corporation. The corporation shall not borrow money from or otherwise transact business with a member, director, officer, or committee member of the corporation without full disclosure of all relevant facts and without the approval of the Board of Directors or the members, not including the vote of any person having a personal interest in the transaction.

SECTION 7. Prohibited Acts. As long as the corporation is in existence, and except with the prior approval of the Board of Directors or the members, no member, director, officer, or committee member of the corporation shall:

- (a) Do any act in violation of the bylaws or a binding obligation of the corporation.
- (b) Do any act with the intention of harming the corporation or any of its operations.
- (c) Do any act that would make it impossible or unnecessarily difficult to carry on the intended or ordinary business of the corporation.
- (d) Receive an improper personal benefit from the operation of the corporation.
- (e) Use the assets of this corporation, directly or indirectly, for any purpose other than carrying on the business of this corporation.
- (f) Wrongfully transfer or dispose of corporation property, including intangible property such as good will.
- (g) Use the name of the corporation (or any substantially similar name) or any trademark or trade name adopted by the corporation, except on behalf of the corporation in the ordinary course of the corporation's business.
- (h) Disclose any of the corporation business practices, trade secrets, or any other information not generally known to the business community to any person not authorized to receive it.

## ARTICLE VII

### Books and Records

SECTION 1. Required Books and Records. The corporation shall keep correct and complete books and records of account. The corporation's books and records shall include:

- (a) A file-endorsed copy of all documents filed with the Texas Secretary of State relating to the corporation, including, but not limited to, the articles of incorporation, and any articles of amendment, restated articles, articles of merger, articles of consolidation, and statement of change of registered office or registered agent.
  - (b) A copy of the bylaws, and any amended versions or amendments to the bylaws.
  - (c) Minutes of the proceedings of the members, Board of Directors, and committees having any of the authority of the Board of Directors.
  - (d) A list of the names and addresses of the members, directors, officers, and any committee members of the corporation.
- 
- (e) A financial statement showing the assets, liabilities, and net worth of the corporation at the end of the three most recent fiscal years.
  - (f) A financial statement showing the income and expenses of the corporation for the three most recent fiscal years.
  - (g) All rulings, letters, and other documents relating to the corporation's federal, state, and local tax status.
  - (h) The corporation's federal, state, and local information or income tax returns for each of the corporation's three most recent tax years.

SECTION 2. Inspection and Copying. Any member, director, officer, or committee member of the corporation may inspect and receive copies of all books and records of the corporation required to be kept by the bylaws. Such a person may inspect or receive copies if the person has a proper purpose related to the person's interest in the corporation and if the person submits a request in writing. Any person entitled to inspect and copy the corporation's books and records may do so through his or her attorney or other duly authorized representative.

A person entitled to inspect the corporation's books and records may do so at a reasonable time no later than ten working days after the corporation's receipt of a proper written request. The Board of Directors may establish reasonable fees for copying the corporation's books and records by members. The corporation shall provide requested copies of books or records no later than ten working days after the corporation's receipt of a proper written request.

SECTION 3. Audits. Any member shall have the right to have an audit conducted of the corporation's books. The member requesting the audit shall bear the expense of the audit unless the members vote to authorize payment of audit expenses. The member requesting the audit may select the accounting firm to conduct the audit. A member may not exercise these rights to compel audits so as to subject the corporation to an audit more than once in any fiscal year.

#### ARTICLE VIII

##### Fiscal Year

The Board of Directors shall, by resolution, fix the fiscal year of the corporation.

#### ARTICLE IX

##### Waiver of Notice

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

## ARTICLE X

### Procedure

Meetings of the members and of the Board of Directors shall be conducted in accordance with the procedure as contained in Robert's Rules of Order, to the extent applicable.

## ARTICLE XI

### Indemnification of and Insurance Covering Directors, Officers and Other Persons

SECTION 1. Power to Indemnify and to Purchase Indemnity Insurance. To the maximum extent permitted by Article 1396-2.22A of the Texas Non-Profit Corporation Act (without regard, however, to Section Q, of such Article), the Corporation shall indemnify any person who is or was a director or officer of the Corporation against any and all judgments, penalties, (including excise and similar taxes), fines, settlements, and reasonable expenses actually incurred by such person in connection with a proceeding (as defined in Article 1396-2.22A) because of that person's service or status as a director or officer. Further, the Corporation shall pay or reimburse reasonable expenses incurred by a director or officer who was, is or is threatened to be made a party in a proceeding, in advance of the final disposition of the proceeding, to the maximum extent permitted by Article 1396-2.22A; provided, however, that payment or reimbursement of expenses pursuant to the procedures set out in Section K of Article 1396-2.22A may be conditioned upon a showing, satisfactory to the Board of Directors in its sole discretion, of the financial ability of the officer or director in question to make the repayment referred to in such Section. Further, the Corporation may indemnify, and may reimburse or advance expenses to or purchase and maintain insurance or any other arrangement on behalf of, any person who is or was a director, officer, employee or agent to the Corporation, or who is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, director, employee, agent or similar functionary of another corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, in connection with any liability asserted against such person because of such service or status, to such further extent, consistent with Article 1396-2.22A and other applicable law, as the Board of Directors may from time to time determine. The provisions of this section shall not be deemed exclusive of any other rights to which any such person may be entitled under any bylaw, agreement, insurance policy, or otherwise. No amendment, modification or repeal of this section shall in any manner terminate, reduce or impair the right of any person to be indemnified by the Corporation in accordance with the provisions of the section as in

effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matter occurring prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

#### ARTICLE XII

##### Participation of Directors and Officers in Related Business

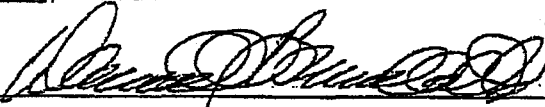
Officers and directors of this corporation may hold positions as officers and directors of other corporations, in related businesses, and their efforts to advance the interest of those corporations will not create a breach of fiduciary capacity to this corporation in the absence of showing of bad faith.

#### ARTICLE XIV

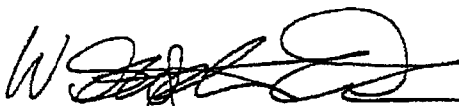
##### Amendments

The initial By-Laws shall be adopted by the Board of Directors of the corporation. The power to alter, amend, or repeal the By-Laws or adopt new By-Laws shall be vested in the Board of Directors.

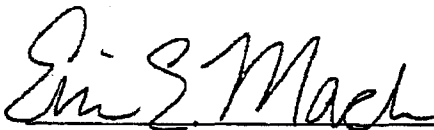
The foregoing By-Laws were adopted by the Board of Directors on the 8 day of JAN, 2002.



DANIEL J. BROUILLETTE  
DIRECTOR



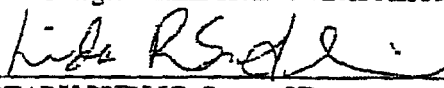
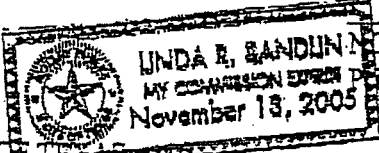
W. STEPHEN WALKER  
DIRECTOR



ERIC M. MACH  
DIRECTOR


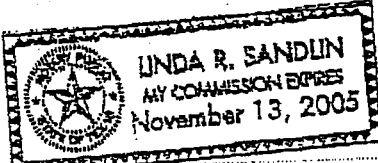
THE STATE OF TEXAS   §  
                                  §  
COUNTY OF TRAVIS   §

This instrument was acknowledged before me on the 12<sup>th</sup> day of August, 2002, by Eric Mach, in his capacity as President of the Board of Regents Hills Homeowners Association, Inc.

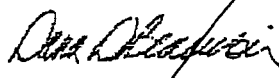
  
 NOTARY PUBLIC, State of Texas  
Print Name: \_\_\_\_\_

THE STATE OF TEXAS   §  
                                  §  
COUNTY OF TRAVIS   §

This instrument was acknowledged before me on the 12<sup>th</sup> day of August, 2002, by Steve Krasoff, in his capacity as Secretary of the Board of Regents Hills Homeowners Association, Inc.

  
 NOTARY PUBLIC, State of Texas  
Print Name: \_\_\_\_\_

**FILED AND RECORDED**  
OFFICIAL PUBLIC RECORDS

  
08-14-2002 03:57 PM 2002151045  
ZAVALAR \$18.00  
DANA DEBEAUVOIR, COUNTY CLERK  
TRAVIS COUNTY, TEXAS

**Recorders Memorandum**-At the time of recordation this instrument was found to be inadequate for the best reproduction, because of illegibility, carbon or photocopy, discolored paper, etc. All blockouts, additions and changes were present at the time the instrument was filed and recorded.

## FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

*Dana DeBeauvoir*

2007 Apr 12 09:30 AM 2007065530

FERGUSONLL \$104.00

DANA DEBEAUVOIR COUNTY CLERK

TRAVIS COUNTY TEXAS