

**BYLAWS OF
LBV PROPERTY OWNERS' ASSOCIATION, INC.**

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**BYLAWS OF
LBV PROPERTY OWNERS' ASSOCIATION, INC.**

ARTICLE 1. NAME AND LOCATION

1.1. **Name.** The name of the Association is "LBV Property Owners' Association, Inc.," hereinafter referred to as the "Association."

ARTICLE 2. DEFINITIONS

2.1. **Definitions.** The definitions of all terms herein shall be the same as those in the Declaration of Covenants, Conditions and Restrictions for La Buena Vida, a subdivision in Aransas County, Texas.

ARTICLE 3. MEETING OF MEMBERS

3.1. **Annual Meetings.** The annual meeting of the Members shall be held each year between September 1 and December 31 at a time and place designated by the Board.

3.2. **Special Meetings.** Special Meetings of the Members may be called at any time by the President or by the Board of Directors, upon written request of a majority in number of its Members, or upon the request of one Member of the Board of Directors. The place of the meeting shall be as stated in the notice.

3.3. **Notice of Meetings.** Written notice of each meeting of the Members shall be given by, or at the discretion of the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 10 days before such meeting to each Member entitled to vote, addressed to the Member's address last appearing on the books of the Association for the purpose of notice. Such notice shall specify the place, day and hour of the Meeting, and, in the case of a Special Meeting, the purpose of the Meeting. Such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as set out above. Upon request, notice of such meeting shall also be mailed to Mortgagees.

3.4. ^{20%}~~61%~~ **Quorum.** The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, ~~61%~~ of the votes shall constitute a quorum for any action except as otherwise provided by the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members present shall have power to recess the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented.

3.5. **Proxies.** At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

3.6. **Voting.** Secret ballots shall be utilized upon the request of any Member.

3.7. **Members.** The Owner of a fee simple interest in a Lot in La Buena Vida Subdivision - Phase 1 shall automatically become a Member of the Association, with one vote per Lot. No certificates shall be issued to evidence an Owner's membership.

ARTICLE 4. BOARD OF DIRECTORS

4.1. Number. The affairs of this Association shall be managed by a Board of at least 3 Directors, who need not be members of the Association and who are elected annually. The number may be increased upon a majority vote of the Association Membership.

4.2. Term of Office. The Members shall elect all directors for a term of 1 year, beginning from the date of their election to the date of the election of their successor.

4.3. Removal; Resignations. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

4.4. Compensation. No Director shall receive compensation for any service he may render to the Association in his capacity as a Director. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

4.5. Action Taken Without a Meeting. Subject to Section 6.4 below, the Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

4.6. Voting. Secret ballots shall be utilized upon request of any Director.

4.7. Limited Liability and Indemnification. The Directors shall be entitled to the limited liability and indemnification provisions contained in the Declaration.

ARTICLE 5. ELECTION OF DIRECTORS

5.1. Nomination. Nomination for election to the Board of Directors may be made by a Nominating Committee. Nominations may also be made from the floor at the Annual Meeting. If appointed, the Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee may be appointed by the Board of Directors prior to each annual meeting of the members; and if appointed, such appointment shall be announced to the membership at least 30 days prior to the Annual Meeting. The Nominating Committee may make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Members or non-members of the Association may be nominated for the Board of Directors.

5.2. Election. Election to the Board of Directors shall be by secret written ballot if requested by any Member. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE 6. MEETINGS OF DIRECTORS

6.1. Regular Meetings. Regular meetings of the Board of Directors shall be held regularly at such place and hour as may be fixed from time to time by the Board. Any Member desiring to attend monthly Meetings shall contact the President who shall in return notify such member of the time and place of the next meeting.

6.2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any 2 Directors, after not less than 3 days' notice to each Director.

6.3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

6.4. Open Meetings. Every Member of the Association shall have the right to attend both Regular Meetings and Special Meetings of the Board of Directors. The Board of Directors shall have the right to adjourn a meeting, whether Regular or Special, of the Board of Directors and reconvene in closed executive session to consider actions involving personnel, pending litigation, contract negotiations, enforcement actions, matters involving the invasion of privacy of members of the Association, or matters that are to remain confidential by request of the affected parties and agreement of the Board of Directors, provided the general nature of any business to be considered in an executive session shall first be announced at such Meeting.

6.5. Electronic or Telephonic Meeting. A Meeting of the Board of Directors may be held by any method of communication, including electronic and telephonic, provided:

- (a) **Notice:** Notice of the Meeting has been given in accordance with Section 6.5(d) below;
- (b) **Discussion:** Each director may hear and be heard by every other Director;
- (c) **Exceptions:** The meeting does not involve voting on a fine, damage assessment, appeal from denial of Architectural Committee approval, or suspension of a right of a particular Association Member before the Member has an opportunity to attend a Board Meeting to present the Member's position, including any defense, on the issue;
- (d) **Agenda:** Notice of such proposed Meeting, which must include the general nature of the purpose of such Meeting, is given to each member of the Association at least 24 hours in advance thereof; and
- (e) **Minutes:** A record of the Board action taken at such meeting is filed with the minutes of Board Meetings.

ARTICLE 7. POWERS AND DUTIES OF THE BOARD

7.1. Powers. The Board of Directors shall have power to exercise for the Association all powers, duties and authority vested in or delegated to this Association, and not reserved expressly and exclusively to the Membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration.

7.2. Duties. It shall be the duty of the Board:

- (a) **Records:** To cause to be kept a complete record of all its acts and corporate affairs and to present a report thereof to the Members at the Annual Meeting of the Members, or at any Special Meeting when such report is requested in writing by any Member;
- (b) **Supervision:** To supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) **Assessments:** To (1) fix the amount of the Assessments for each Lot pursuant to the procedure in the Declaration; (2) send written notice of Assessments to every Owner; and (3) collect Assessments and enforce Assessments, all pursuant to procedures and limitations as set forth in the Declaration;
- (d) **Certificates:** To issue certificates setting forth whether or not any Assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates and other

written documents provided by the Association. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment:

(e) **Insurance:** To procure and maintain adequate insurance on Common Areas and on property owned by the Association; cause all Officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate or necessary;

(f) **Maintenance:** To cause the Common Areas to be maintained; and

(g) **General:** To carry out all other duties of the Association or Board under the Declaration.

ARTICLE 8. OFFICERS AND THEIR DUTIES

8.1. **Enumeration of Offices.** The Officers of this Association shall be a President and a Vice President each of whom shall at all times be members of the Board of Directors, together with a Secretary and a Treasurer.

8.2. **Election of Officers.** The election of Officers shall take place at the first Meeting of the Board of Directors following each Annual Meeting of the Members.

8.3. **Term.** Each Officer of this Association shall be elected annually by the Board and each shall hold office for approximately 1 year until the election of his successor, unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

8.4. **Special Appointments.** The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

8.5. **Resignation and Removal.** Any Officer may be removed from office with or without cause by the Board. Any Officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, the acceptance of such resignation shall not be necessary to make it effective.

8.6. **Vacancies.** A vacancy in any office may be filled by appointment by the Board. The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer or Board Member he or she replaces.

8.7. **Multiple Offices.** The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 8.4 of this Article.

8.8. **Duties.** The duties of the Officers are as follows:

(a) **President:** The President shall preside at all Meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other legal instruments.

(b) **Vice-President:** The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) **Secretary:** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members, as well as other records of the Association; serve notice of meetings of the Board and of the members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as

required by the Board. These duties, with approval of the Board, may be delegated to the Association management company.

(d) **Treasurer:** The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant or CPA at the completion of each fiscal year; and shall prepare an annual budget for the forthcoming year and a statement of income and expenditures for the previous year, to be presented to the membership at its regular annual meeting. The Treasurer shall also be responsible for supervising billings. These duties, with approval of the Board, may be delegated to a general manager or other employee of the Association.

ARTICLE 9. COMMITTEES

The Association shall appoint any committees required by the Declaration or these Bylaws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out the purposes of the Association.

ARTICLE 10. BOOKS AND RECORDS

The books, records and papers of the Association shall at all times be subject to inspection by any member during reasonable business hours. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE 11. ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association Common Assessments which are secured to the full extent provided by law by a continuing lien upon the property against which the assessment is made. The collection and enforcement procedures shall be as set forth in the Declaration.

ARTICLE 12. CORPORATE SEAL UNNECESSARY

The issuance of a corporate seal shall be unnecessary and is not required under Texas law.

ARTICLE 13. AMENDMENTS

These Bylaws may be amended, at a regular or Special Meeting of the Members, by a vote of 67% of the votes which Members present in person or by proxy, are entitled to cast. Ten (10) days' advance written notice to Members is required for Bylaws changes. Changes in the Declaration shall be pursuant to the procedures set forth therein.

ARTICLE 14. MISCELLANEOUS

The fiscal year of the Association shall be the calendar year.

David K. Becker, President of the Association

May 19, 2004
Date of Adoption